

# Appendix Q

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**Acute Mental Health and North Ayrshire Community Hospital**

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**Stakeholder Management Plan**

**January 2014**

## Document Control

<b>Programme ID</b>	Acute Mental Health and North Ayrshire Community Hospital
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Document Control				
Version	Date	Reason for issue	Issued To	Issued By
V1	10/12/12	First Draft	John Ord	Elaine McClure
V2	15/05/13	Second Draft	Luan Johnston	Elaine McClure
V3	01/08/13	Updated with more milestones		Elaine McClure
V4	20/01/14	Updated Preferred Bidder stakeholders	Julie Graham	Elaine McClure
V5	23/01/14	Updated engagement meetings	Julie Graham Vikki Fullarton Karen Turner	Elaine McClure
V6	05/02/14	Programme Board discussion	Programme Board	Elaine McClure
V7	12/02/14	Updated following programme Board	Steering Group	Elaine McClure
V8	20/02/14	Updated following Preferred Bidder appointment	Steering Group/ Programme Board	Elaine McClure

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## Stakeholder Map

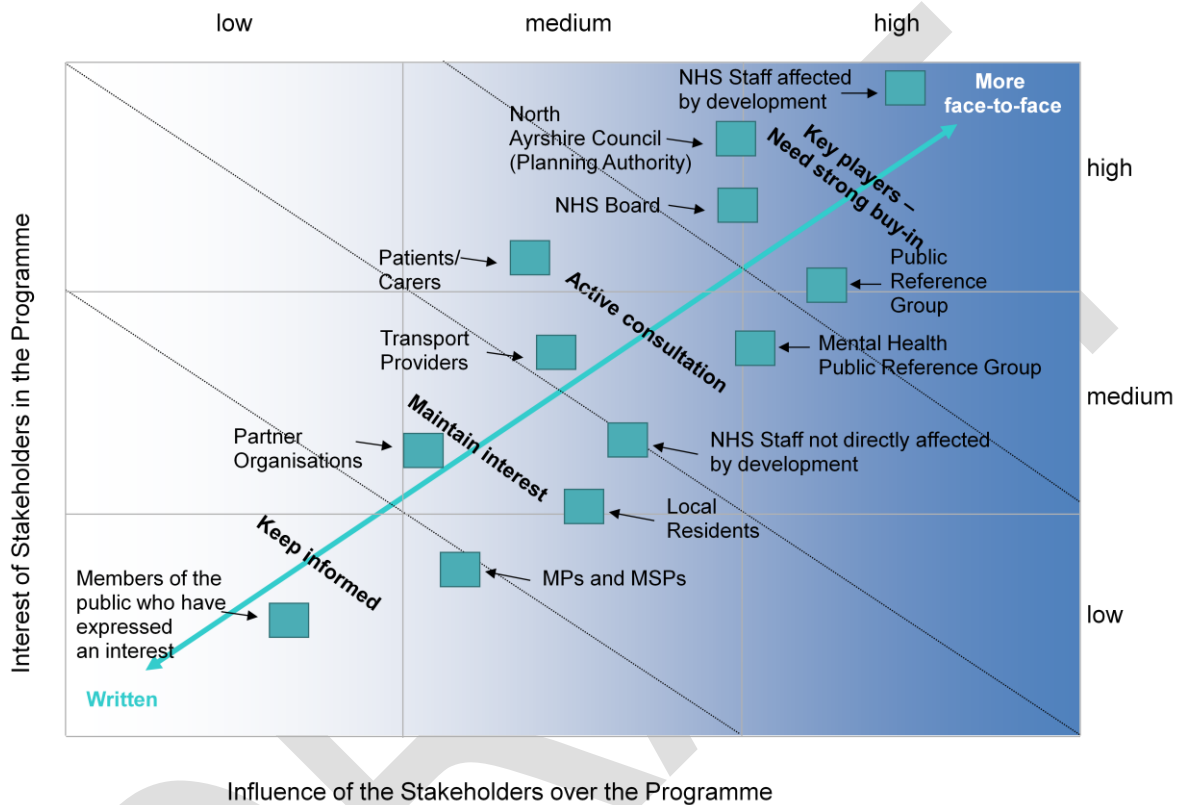
The Stakeholder Map below highlights how stakeholders have an involvement in the project groups.

	NHS Board	Capital Programme Management Group	NACH Programme Board	Steering Group	Evaluation Team (PQQ)	Commercial workstream	Technical Workstream	Construction Requirement Workstream	FM Workstream	Clinical Workstream	Clinical Support Workstream	Adult Mental Health & Clinical Support Dialogue Team Workstream	Adult Mental Health Workstream	Older Persons Workstream	Public Reference Group	Mental Health Public Reference Group	ADHOC /Communications/ Groups
Scottish Government			★														★
Scottish Futures Trust			★														
NHS Clinical Staff affected by development		★	★	★	★		★	★	★	★	★	★	★	★			★
Local Authority (North Ayrshire Council)			★														★
NHS Board	★	★	★														★
Patients and Carers			★												★	★	★
Transport providers							★										★
Partner Organisations																	★
Members of the public who have expressed an interest				★											★	★	★
Public Reference Group Members				★											★	★	★
Mental Health Public Reference Group Members				★											★	★	★
NHS Staff not directly affected by development																	★
Local Residents				★											★	★	★
MPs and MSPs																	★

## Influence/Interest Matrix

Stakeholders' influence and interests must all be taken into account. The influence/interest matrix analyses the significance and potential influence of each stakeholder against their areas of interest.

Influence/interest matrix for North Ayrshire Community Hospital



# Communications Plan

## 1. Introduction

As part of the ongoing development for a new health facility on the Ayrshire Central site, NHS Ayrshire & Arran wants to ensure that milestones of the project are communicated in the run-up to the start of the build in 2014.

The purpose of the communication plan is to:

- ensure that all stakeholders have the opportunity to feel informed and engaged
- keep-up-to-date with the ongoing developments before the planned start of the build in 2014
- encourage involvement of local communities in engagement

The communications plan focuses on the:

- target groups (key stakeholders)
- methods of communication
- messages
- timing
- estimated costs

## 2. Overview

The plan refers to the methods detailed in NHS Ayrshire & Arran's Communications Strategy, which is reviewed every two years. The strategy covers the period 2011-2014 it was approved by the Board in 2011 and will be presented to them again in 2014. The plan supports the key principles of the strategy: that effective communication is planned, consistent, fit for purpose, targeted, two-way and accessible.

**The success of the plan depends on it being adopted, supported and championed not only by the North Ayrshire Community Hospital Programme Board, but also by a range of stakeholders within the organisation and in the wider community. The levels of commitment required are set out in section 4.**

All communications methods are evaluated continually to ensure they meet the needs of the target audiences. If we identify improvements as part of this process we incorporate them into all our communications plans.

### 3. Key messages

As part of the consultation we will provide information on the following:

- Appointment of advisers (financial, technical and legal) as per Scottish Government guidelines
- Government approval of the Outline Business Case
- Key milestones
- Bidders day
- Naming of the facility
- Development of the arts strategy and local involvement of stakeholders (eg schools – naming of wards, corridor art work tbc)
- Preferred bidder appointment

Messages will be targeted in the following ways:

- Decision making groups
- Key stakeholders
- Members of the public
- Service users
- Media
- Other stakeholders (local authority partners, elected members, schools)

### 4. Target groups and methods

Level of commitment	Objectives
<b>Awareness</b> I know it is happening	<ul style="list-style-type: none"> <li>• Create a shared understanding of the activities taking place as we prepare for the start of building in 2013</li> </ul>
<b>Understanding</b> I know what is happening	<ul style="list-style-type: none"> <li>• Ongoing dialogue between NHS Ayrshire &amp; Arran, public, media and community representatives</li> <li>• Encourage face-to-face meetings between these groups</li> <li>• Key messages and methods tailored for each stakeholder group</li> </ul>
<b>Support</b> I support what is happening	<ul style="list-style-type: none"> <li>• Stakeholders have ownership of the key messages and commit to sharing them with their respective communities of interest</li> </ul>
<b>Involvement</b> I am doing X to make it happen	<ul style="list-style-type: none"> <li>• Buy-in of senior managers leaders to participate in media and other communications activity</li> <li>• Buy-in of opinion leaders to process for engaging with communities on proposed plans for new development</li> </ul>
<b>Commitment</b> I will do what it takes to make it happen	<ul style="list-style-type: none"> <li>• Stakeholders demonstrate commitment to process for engagement and participate in appropriate communications activities in support of the objectives of the engagement</li> </ul>



## Decision-making groups

NHS Board	✓
Performance Governance Committee	✓
Corporate Management Team	✓
Capital Programme Management Group	✓
North Ayrshire Community Hospital Programme Board	✓
North Ayrshire Community Hospital Steering Group	✓
Healthcare Governance Committee	✓
Staff side - Area Partnership Forum	✓
Area Clinical Forum (professional committees)	✓
Estates and Accommodation Management Group	✓

## Staff

Health care directorates	✓
Corporate departments	✓
Communications Forum	✓
Directorate Partnership Fora	✓
Clinical Directors Forum	✓
Community Health Partnerships – CHP Committees; Forums; Officer Locality Groups	✓
Biggart Hospital (Older Peoples)	✓
Ayrshire Central Hospital staff (All staff)	✓
Ailsa staff (Mental Health, AHPs, Medical, Community Mental Health Teams, Pharmacy)	✓
Crosshouse staff (Mental Health)	✓
Shadow Integration Boards (East, North, South) (April 2014)	✓

## People/groups

Public Reference Groups	✓
Patients Council	✓
Public Partnership Fora	✓
Community Councils	✓
Local authority people's panels	✓
Voluntary organisations	✓
Special interest groups (carers, older people, condition specific)	✓
Youth groups	✓
Schools	✓

## Places/premises

GP surgeries	✓
Clinics	✓
Hospitals	✓
Community pharmacies	✓
Dental practitioners	✓
Opticians	✓
Libraries	✓
Other local authority facilities	✓
NHS facilities/receptions	✓

## Service users

All NHS and independent contractor premises	✓
Patients Council (hospitals)	✓
Public Partnership Fora (communities)	✓
Self-help groups	✓
BEM groups	✓
Other seldom-heard groups: prison, homeless	✓
Hospital radio	✓
Community radio	✓

## Media

Local /national media	✓
Westsound/West FM radio	✓
TV	✓
Health bloggers	✓
Specialist publications (construction, mental health, nursing)	
Social Media (facebook, twitter)	

## Other partners

Independent contractors: GPs; Dentists; Optometrists; Pharmacists	✓
MPs / MSPs	✓
Local authorities (elected members and council officers)	✓
Community Planning Partners	✓
Ambulance Service	✓
Clinical taxis	✓
Advocacy (South, East and North)	✓
Police Scotland	✓
Fire & Rescue Scotland	✓
Peer support workers	✓

Volunteer drivers



Ward volunteers



Churches and Places of Worship



**NB All our publications are available in other formats**



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## Communications Action Plan 2014

Message	Audience	Decision making groups	Staff	Public	Service users	Media	Others	Cost	Timing	
	Possible methods									
• <b>Demolition of Pavilions 6 and 8</b>	All Staff email	✓	✓				✓	n/a	Jan/Feb 2014	
• <b>Service Diversions</b>	All staff email		✓					n/a	Jan/Feb 2014	
• <b>Announce Preferred Bidder</b>	NHS Board		✓				✓	n/a	20 Feb	
	All staff email		✓				✓	n/a	20 Feb	
	Media releases / targeted features			✓	✓	✓	✓		21 Feb	
	Stop press extra	✓	✓	✓	✓	✓	✓	£100 for 1,000 A3 double sided copies	3/4 March	
	enews	✓	✓						21 Feb	
	Targeted presentations to established groups	✓	✓	✓	✓			n/a	3 March–28 March 2014	
	Public website, featuring 'Browsealoud' option			✓	✓	✓	✓	✓	n/a	21 Feb
	Social media (Facebook, Twitter)			✓	✓	✓	✓	✓	n/a	21 Feb

Message	Audience	Decision making groups	Staff	Public	Service users	Media	Others	Cost	Timing
	Possible methods								
	Public e-news bulletin – Talkwell	✓	✓	✓	✓			n/a	28 March
	Payslip April 2014		✓						By 30 April
	Banner on computer desktop		✓						24 March
	Press Interview Session					✓			Early March 2014
	Public Reference Group and MH Public Reference Group			✓	✓				Before 21 March
	Virtual walkthrough DVD (Architect to voice over)	✓	✓	✓	✓	✓	✓	£?	10 March
	Model display (dining room - ACH)	✓	✓	✓	✓	✓	✓	n/a	March
• <b>Site info boards</b>	Site info boards with short narrative and timeline							Supply only £628 (National sign company) 1 x large outside board 25 x A3 small	April 2014
• <b>Full planning permission and FBC approval</b>	Media releases / targeted features			✓	✓	✓	✓		May 2014
	Stop press	✓	✓	✓	✓		✓		
	Targeted presentations to established groups	✓	✓		✓			n/a	
	Public website, featuring 'Browsealoud' option		✓	✓	✓	✓	✓	n/a	

Message	Audience	Decision making groups	Staff	Public	Service users	Media	Others	Cost	Timing
	Possible methods								
	Social media (Facebook, Twitter)			✓	✓	✓	✓	n/a	
	Public e-news bulletin – Talkwell	✓	✓	✓	✓			n/a	
	Healthwise Public newspaper	✓		✓	✓		✓	n/a	
<ul style="list-style-type: none"> <li>• Naming of facility – shortlist on website</li> </ul>	Media releases / targeted features	✓	✓	✓	✓	✓	✓	n/a	May 2014
	Public website, featuring 'Browsealoud' option		✓	✓	✓	✓	✓	n/a	
	Public e-news bulletin – Talkwell	✓	✓	✓	✓			n/a	
	Posters/ Noticeboards	✓	✓	✓	✓			See table on pages 9/11	
	Stop Press (incorporate all relevant info such as naming, master plan)	✓	✓	✓	✓		✓	n/a	
<ul style="list-style-type: none"> <li>• Hoarding Design</li> </ul>	Local competition			✓		✓			May/June 2014
<ul style="list-style-type: none"> <li>• Announce name of facility</li> <li>• Construction starts</li> </ul>	Media releases / targeted features			✓	✓	✓	✓		July 2014
	Stop press	✓	✓	✓	✓		✓		
	Targeted presentations to established groups	✓	✓		✓			n/a	
	Public website, featuring 'Browsealoud' option		✓	✓	✓	✓	✓	n/a	

Message	Audience 	Decision making groups	Staff	Public	Service users	Media	Others	Cost	Timing
	Possible methods 								
	Social media (Facebook, Twitter)			✓	✓	✓	✓	n/a	
	Public e-news bulletin – Talkwell	✓	✓	✓	✓			n/a	
	Healthwise Public newspaper	✓		✓	✓		✓	n/a	

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## Communications action plan – North Ayrshire Community Hospital

Publication	Ad type	Cost
Ayrshire Weekly Press	Wrap Centre spread	update
Carrick Gazette	Wrap Centre Spread	
Arran Banner	Wrap Centre Spread	
S&UN group	Wrap Centre	

### Advertising costs

Method	Estimated cost	Comments
Quarter page ads in relevant newspapers	Arran Banner £ AWP (seven titles) £ Carrick Gazette £ S&UN (three titles) £	Information to reach communications three weeks before publication.
Local radio	Four-day campaign (20x20 sec. Ads) £ up to four consecutive week campaign (192 x 20 sec. ads) £ set-up costs range from £80-150	<ul style="list-style-type: none"> <li>▪ Peak listening times 7am-9am; 7pm-9pm. Breakdown of time bands by age group to follow.</li> <li>▪ Of total adult audience of 204,000, West Sound reaches 55% of men and 53% of women (50% housewives)</li> </ul>



## Other possible advertising opportunities

Local radio campaign incorporating advertising, sponsorship, podcasts and web presence

<b>Campaign</b>	<b>Detail</b>	<b>Total Excl Vat</b>
Advertising	4 burst of 28 x 30 seconds at £840 per burst	3360.00
Creative	Production of 4 ads	600.00
Sponsorship	Sponsorship of Sports Desks £833 per month	2499.00
Web	Web Page over 3 months £150 per month	450.00
Web	6 x 3 min podcasts £181 each	1086.00
Interview	Interview recording	0.00
<b>Total</b>		<b>7995.00</b>

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## Supermarket till receipts

<b>Retailer</b>	<b>Store name</b>	<b>Postcode</b>	<b>Weekly transactions</b>	<b>One month</b>	
Morrisons	Largs	KA30 8JT	19,518	<b>£1,170.00</b>	
Morrisons	Stevenston	KA20 3DE	23,320	<b>£1,383.00</b>	
Morrisons	Troon	KA10 6HR	20,938	<b>£1,276.00</b>	
Morrisons	Ayr	KA7 2HT	31,049	<b>£1,863.00</b>	
				<b>Minimum campaign</b>	<b>Cost</b>
Homebase	Ayr	KA8 9BS	3,000 -4,500	10 weeks	<b>£450.00</b>
Homebase	Irvine	KA12 8HZ	4,500 -6,000	7 weeks	<b>£450.00</b>
Homebase	Kilmarnock	KA1 3XB	1,500 -3,000	14 weeks	<b>£450.00</b>

## Support materials/services costs

Pull-up banner	830mm x 2000mm	<b>£169</b>
Photography	Per hour	<b>£55</b>
Posters – for public	External design/print 1000	<b>£900</b>
Leaflets	Per 1500, A5	<b>£350</b>
Flyers	Per 10,000, A5	<b>£300</b>
Patientline	Broadcast on info channel	<b>£750</b>

**All costs exclude VAT**

## Appendix A - Engagement Meetings following announcement with Preferred Bidder

Meeting	Date	Venue	Time	Attending
Press Interview Session	March 2014	ACH	09:00 – 10:00	Preferred Bidder Derek Lindsay John Scott Linda Boyd
Roadshow Poster Display (unmanned) Ayrshire Central Hospital	Mon 3 March – Friday 28 March	Dining Room	All day	N/A
Roadshow Poster Display (unmanned) Ailsa Hospital	Mon 3 March – Friday 28 March	Dining Room	All day	N/A
Roadshow Poster Display (unmanned) Biggart Hospital	Mon 3 March – Friday 28 March	Front entrance	All day	N/A
Roadshow Poster Display (unmanned) Crosshouse Hospital	Mon 3 March – Friday 28 March	Front entrance	All day	N/A
Drop in Roadshow Ailsa Hospital (manned)	24 March	TBC	14:00 – 16:30 18:00 – 20:00	Preferred Bidder John Scott Linda Boyd Karen Turner John Ord William Lauder
Drop in Roadshow Biggart Hospital (manned)	25 March	Board Room TBC	14:00 – 16:30 18:00 – 20:00	Preferred Bidder John Scott Linda Boyd Karen Turner John Ord Anne Sinclair
Drop in Roadshow Crosshouse Hospital (manned)	26 March	Education Centre TBC	14:00 – 16:30 18:00 – 20:00	Preferred Bidder John Scott Linda Boyd Karen Turner John Ord William Lauder

<b>Meeting</b>	<b>Date</b>	<b>Venue</b>	<b>Time</b>	<b>Attending</b>
Drop in Roadshow Ayrshire Central Hospital (manned)	27 March	Training Room TBC	14:00 – 16:30 18:00 – 20:00	Preferred Bidder John Scott Linda Boyd Karen Turner John Ord
Drop in Roadshow Ailsa Hospital (manned)	April TBC	TBC	14:00 – 16:30 18:00 – 20:00	Preferred Bidder John Scott Linda Boyd Karen Turner John Ord William Lauder
Public Reference Group and Mental Health Public Reference Group	TBC	Dining Room and TBC –ACH Training Centre Room 1	14:00 – 17:00	John Scott Linda Boyd
MSP/MP Meeting	TBC			Derek Lindsay John Scott Linda Boyd
Local Authority Elected Members	TBC			Derek Lindsay John Scott Linda Boyd

# Appendix R

NHS Ref N°	Risk Title	Risk Description (there is a risk that)	Impact Description (which if it occurs will)	Primary Category (Business/Staff/Clinical/Reputational)	Secondary Category (Business/Staff/Clinical/Reputational)	Impact	Likelihood	Combined Score	Mitigation Strategy	Owner	Date Raised	Raised by	Last updated	Date of next review	Status	Progress / Update
Comm 1.0	Securing senior debt finance	Although there is strong evidence to suggest that there will be a good range of funders willing to commit to the project, the risk remains that in seeking value for money funding options, e.g. A funding competition, it could incur a delay to the project.	May result in a delay in the project.	B	R	5	2	10	An agreed strategy and programme needs to be agreed with the PB to plan and mitigate any prospect of delay.	commercial	14/02/2014	JO	14/02/2014	May-14	Open	Following Pre PB Commercial Meet, and based on KSR recommendation, it was agreed that the senior debt funding risk should be redefined. .
SG 26.0	Surplus land and property disposal	disposal of the surplus land and property identified as part of the estates rationalisation, is not achieved	not realise the capital receipt anticipated for the land and property disposal, leading to a shortfall of assumed capital funding (for the non NPD elements of the programme).	B	R	3	3	9	Masterplanning and market analysis carried out on surplus land and property to promote interest.	SG	12/08/2013	Steering Group	19/11/2013	Mar-14	Open	Risk reduced on 12th August following reappraisal of disposal programme (likelihood reduced from 4 to 3)
SC 10.0	Investment into the overall site infrastructure	The site wide requirements for traffic management, wayfinding and creating a safe environment are not delivered through lack of investment in the overall site	Increase the risk of accidents and incidents due to the increased traffic created by the NPD project during construction and operation	B	S	3	3	9	Business case identifying the risks, scope of works required, costs etc to be prepared and submitted to CPMG. Short term measures to be implemented.	Service Continuity	04/06/2013	Service Continuity Group	19/11/2013	Mar-14	Open	
SC 4.0	Delivery of Service Continuity Plan	the Service Continuity Plan is not delivered to time and cost. This includes the programme of decants, demolitions, service diversions, temp car parking, site access etc.	have the potential to delay the commencement of the project on site, with cost implications to the Board.	B	R	3	3	9	The Service Continuity workstream is established to plan, manage and monitor all aspects of the Plan and report progress to the Steering Group, and Programme Board. The NPD Contract is ultimately not signed until all parties are content with the position reached including enabling works.	Service Continuity	08/04/2013	Risk workshop	19/11/2013	Mar-14	Open	Commentary added to the mitigation noting that FC will not be achieved if site preparation works are not properly completed.
SG 25.0	Bidders challenge to process	unsuccessful bidders could challenge the processes adopted e.g. Evaluation leading to preferred bidder appointment	have the potential to delay the project	B	R	3	3	9	Prepare constructive feedback to unsuccessful Bidders. Provide evidenced examples of weak areas. Maintain all records and documentation.	SG	08/04/2013	Risk workshop	27/01/2014	End March 2014	Open	Risk reviewed following evaluation. Mitigation strategy adjusted
Tech 14.0	Unforeseen or unidentified services	unforeseen or unidentified services are discovered on site when construction work starts	require the services to be identified and diverted as necessary leading to a delay to the works programme	B	R	3	3	9	All necessary diversions shall be agreed and made prior to construction phase. Known site info shall be provided to bidders. Any impact on existing services to be considered	Service continuity	08/04/2013	Risk workshop	19/11/2013	Mar-14	Open	
SG 29.0	Failure to meet programme Preferred Bidder to Financial Close period	the present target date of 13th June 2014 for Financial Close may be delayed.	delay the programme overall with consequential financial and reputational impact to the Board.	B	R	3	3	9	Programme period could increase to 17 weeks if PB appointment is made earlier. This will enable comprehensive engagement in any design improvements and sign off during PB period. Tight control of project plan required and early planning permission application as critical path.	SG	04/07/2013	JO	27/01/2014	Mar-14	Open	Risk reviewed in light of possibility of earlier PB appointment, but values remain due to anticipated intensity of input required to meet programme dates.
SG 31.0	impact of organisational change, e.g. Integration of health and social care	as a consequence of organisational change, stakeholders may have differing aspirations with regards to current project objectives, brief, and deliverables	necessitate redesign of affected areas, with cost and programme implications.	B	R	3	3	9	active engagement required with key individuals emerging from the change agenda	SG	20/02/2014	Steering Group	20/02/2014	Apr-14	Open	Risk discussed and introduced following Steering Group meet on 20/02/14
SG 32.0	Implementation of the Workforce Plan	the implementation of the Workforce Plan does not synchronise with the project timelines and that delivery of the Plan and any investment in staff is delayed	Appointments may not be made in time to realise the benefits of the service delivery plan and improved models of care	C	B	3	3	9	Key deliverables from the Workforce Plan need to be reassessed and submitted to seek the corporate support of the organisation through the project governance arrangements.	SG	20/02/2014	Steering Group	20/02/2014	Apr-14	Open	Risk discussed and introduced following Steering Group meet on 20/02/14
SG 1.0	Failure to meet Programme - Funding Arrangements	there may be a failure to meet Programme because of a delay in finalising funding arrangements	impact on the potential funding options e.g. Running a funding competition could extend period to Financial Close.	B	R	4	2	8	Monitoring market conditions. Being aware of issues arising from comparable NPD projects.	SG	12/08/2013	Steering Group	19/11/2013	Mar-14	Open	Risk reduced on 12th August following agreement on funding methodology (likelihood reduced)
Clin 8.0	Clinical engagement during dialogue	Clinical staff at all levels have not any knowledge or ownership of the developing proposals	have staff at all levels alienated and potentially not supportive of the redevelopment proposals	S	R	4	2	8	A key role of the clinical services co-ordinator is to ensure staff at all levels are engaged and appraised of progress	Clinical	08/04/2013	Risk workshop	19/11/2013	Mar-14	Open	Clinical Services co-ordinator has close liaison with staff at all levels
Tech 1.0	Authorities Construction Requirements (ACR's) are not robust	the ACR's may not effectively describe the requirements of the Authority	lead to compliant bids that may not provide the clinical functionality required of the design or components within it	C	R	4	2	8	ACR's have been prepared with extensive NHS A&A stakeholder involvement and are further cross referenced with comparable ITPD Docs.	Technical	08/04/2013	Risk workshop	19/11/2013	Mar-14	Open	ACR's have been reviewed as part of ISFT documentation though risk remains that they are absolutely correctly interpreted by Bidders.
Comm 11.0	Red Burn Culvert, planning condition	This Planning Condition although removed from the NPD project conditions remains an obligation on NHS A&A.	Have potential patient safety risk issues and be a potential burden on the land marked for disposal.	C	B	3	2	6	The full implications are to be discussed in a wider forum with SEPA .	commercial / technical	27/09/2013	John Ord	19/12/2013	Mar-14	Open	Risk reviewed and revalued following agreement with NAC.
Clin 4.0	Specific Clinical Requirements do not reflect current clinical requirements	The clinical specification - Specific Clinical Requirements - does not properly describe current clinical	provide a facility that does not meet the operational needs of the service in the short and longer term	C	B	3	2	6	Specific Clinical Requirements have been developed with key stakeholder groups, who will also have input to the design development process	Clinical	08/04/2013	Risk workshop	19/11/2013	Mar-14	Open	
Clin 9.0	Support services staff revenue assumptions are incorrect	the staffing figures in the OBC may not be sufficient to conduct services to a proper standard	provide an inadequate service with risk of infection and/or increased costs to maintain standards	C	B	3	2	6	Workforce plans to be reviewed as part of workforce group. Budget resource for all CSS areas to consider and make movement where possible.	Clinical	08/04/2013	Risk workshop	19/11/2013	Mar-14	Open	Been reviewed by head of service as part of Workforce Group
Comm 3.0	Partnership Working	The various parties to the contract e.g. Project Co and Project Team/advisors, do not effectively engage and interact with one	create disharmony and have the potential to delay reaching agreement on key issues and the PA itself leading up to FC and beyond	R	B	3	2	6	Professionalism of individuals should mitigate the risk, plus scope to replace individuals if team ethos cannot be maintained	commercial	08/04/2013	Risk workshop	19/11/2013	Mar-14	Open	
SC 6.0	Timing of Demolitions	the essential Pavilion demolition and removal of central service duct works need to take place prior to FBC approval.	require the Board to commit funding for demolition work prior to full project approval.	B	R	3	2	6	Costs for pav's 4,5,6, and 8 demolition are included in the project plan under timeframe of 1st Nov. 2013 to 31st Mar. 2014 to undertake the work well in advance of anticipated financial close, this includes work to remove all services from central duct.	Service Continuity	08/04/2013	Risk workshop	19/11/2013	Feb-14	Open	mitigation text reviewed and updated.
SC 9.0	Road accidents	Road accidents could occur resulting in injury, due to lack of organisation of traffic management on site.	Have the potential of prosecution from HSE.	R	B	3	2	6	Traffic Management Plan to develop and ultimately implement for entire site.	Service Continuity	03/05/2013	SL	19/11/2013	Feb-14	Open	
SG 12.0	Failure to meet programme - Financial Close	the Financial Close date of 13th June 2014 may be delayed due to all documentation e.g. FBC not being finalised and approved.	delay the programme overall with consequential financial impact to the Board.	B	R	3	2	6	Specific programme plan needs to be prepared to highlight all necessary work outputs running in parallel with the PA development with Project Co, complete with key approval dates and processes. Period increased by two weeks to reduce risk	SG	08/04/2013	Steering Group	19/11/2013	Feb-14	Open	

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SG 13.0	Failure to meet programme - Commissioning Date	the organisation are unable to move into the new facility on planned date, either through a delay to the building contract and handover, or a lack of preparedness to move by the Board	incur increased costs to the Board by having double running costs, and paying the UC with no service benefit to the organisation.	R	B	3	2	6	Detailed commissioning plan will be prepared engaging and encouraging all affected parties, staff training/induction plans etc.. Plan will include support resources e.g. removal contractors, security requirements to ensure smooth transfer to the new facilities.	SG	08/04/2013	Risk workshop	19/11/2013	End March 2014	Open	
SG 17.0	Provision for adequate contingencies	the Board may fail to include adequate contingencies to cover eventualities e.g. Enabling works, changes to specs, failure to meet key dates/approvals etc.)	generate unexpected and unforeseen costs	B	R	3	2	6	Robust project planning, and change control processes are in place with clear and agreed governance arrangements	SG	08/04/2013	Risk workshop	19/11/2013	End Nov 2013	Open	
SG 23.0	Effective Communication Plan	there is a lack of effective communication with stakeholders including the public	alienate stakeholders and create lack of ownership of the project.	R	B	3	2	6	Comms Dept attend Steering Group and advise Project Team on communication needs/expectations/opportunities.	SG	08/04/2013	Risk workshop	19/11/2013	End Nov 2013	Open	
SG 4.0	Political agenda/commitment may change	a change in political policies, e.g. A move away from the NPD model, may impact revenue-funding of the project	require a re-assessment of the options available, affordability etc. leading at the very least to a project delay	R	B	3	2	6	Risk remains until Financial close. Letter of support for OBC and OBC approval mitigates.	SG	08/04/2013	Risk workshop	19/11/2013	Feb-14	Open	
SG 6.0	Change in project scope after Financial Close	there is a change in the Authorities requirements in the project after Financial Close and therefore not allowed for in the contract	carry financial and possible programme delay implications.	B	C	3	2	6	Documented sign off procedure is in place to ensure ownership from stakeholders	SG	18/07/2013	Steering Group	20/11/2013	End March 2014	Open	
Tech 15.0	Implementation of the Arts Strategy	the Arts Strategy is not implemented through lack of funding or proper co-ordination	result in the Arts Strategy not being delivered as part of the Project and if not carefully managed could exceed financial limits both for the arts budget and the installation provisional sum.	R	B	3	2	6	Close engagement with the appointed Arts Co-ordinator and Preferred Bidder through a programme of regular meets and a clear understanding of the deliverables and budget.	Technical	08/04/2013	Risk workshop	20/11/2013	Feb-14	Open	Updated to reflect the need to carefully manage the arts strategy delivery including budget management between PB and the arts co-ordinator
Tech 4.0	Wrongly grouping equipment categories	equipment requirements and the responsibility to supply, install and maintain are incorrectly scheduled.	require the schedules to be re-established and adjusted with possible cost implications to the Board	B	R	3	2	6	Full RDS will be prepared at preferred bidder stage to agree classification and greater cost certainty.	Technical	08/04/2013	Risk workshop	20/11/2013	Mar-14	Open	Forms part of ACR's review
Tech 5.0	Failure to comply with Legislations/Standards	the design of the project may fail to comply with changes to Legislation/Standards - DDA/Equality Act 2010.	be a Board risk up to FC at which time the risk will transfer to Project CoThis risk relates to a change in building Legislation/standards (in part 6)	B	S	3	2	6	ITPD Documents place clear obligation on Project Co's.designers to take cognisance of all current legislation.	Technical	08/04/2013	Risk workshop	20/11/2013	Mar-14	Open	
Tech 6.0	Safety of FM routes	FM routes are not well designed to separate traffic flows leading to unsafe movement of FM goods and interface with staff/patients/public.	incur a risk of injury to staff/patients/public	S	C	3	2	6	FM services are, and will continue to be, fully engaged in the preparation of Specs and design development process.	Technical	08/04/2013	Risk workshop	20/11/2013	Feb-14	Open	
Tech 7.0	Lack of engagement with supporting stakeholders e.g. Infection Control, H&S etc.	good practices with regards to infection control, H&S, etc. are not incorporated in the design and specs	Proper standards are not established with possible cost implications to subsequently rectify.	C	S	3	2	6	Stakeholders attend User Group meetings and have signed off the ACR's and other project documentation. Further liaison required during bid evaluation and PB.	Technical	08/04/2013	Risk workshop	20/11/2013	Feb-14	Open	Updated to reflect progress passed dialogue
Comm 9.0	Equipment budget is inadequate	The capital allowance made for equipment may be inadequate	Require an increased level of transferred equipment or an increase to the budget provision taking cognisance of services that will remain at Ailsa and still require equipment	C	B	2	3	6	Complete RDS process to quantify exact need. Establish extent of transferable furniture to better inform the degree of risk	commercial	08/04/2013	Risk workshop	20/11/2013	End Dec 2013	Open	initial costing exercise indicates that furniture and equipment is affordable within current budgets however ITC requirements to fully determine.
SC 2.0	Continuity of existing services	existing services and utilities are disrupted during construction work	impact on current clinical and support service provision	B	R	2	3	6	Site investigations and surveys will be progressed and completed prior to construction phase. Known site info shall be provided to bidders. Service feeds for all main services are known.	Service Continuity	08/04/2013	Risk workshop	20/11/2013	Mar-14	Open	
Tech 16.0	Introduction of Derogations	derogations to the Authorities requirements are introduced during Preferred Bidder and beyond	introduce components or specifications that may not be fit for purpose and are contrary to the stated requirements	B	C	2	3	6	The process for accepting derogations to the contract terms is clear and this process will be followed.	Technical	08/04/2013	Risk workshop	20/11/2013	Mar-14	Open	updated to reflect progress passed dialogue
SC 11.0	Healthcare Associated Infection (HAI)	HAI rates will increase due to the generation of dust and other high risk particles during demolition and construction works associated with this project.	impact on patient care and clinical therapies often resulting in financial constraints at clinical levels. In extreme cases HAI could lead to significant morbidity and/or mortality.	C	R	3	2	6	HAI Scribe risk assessments will be carried out for all demolition, construction and refurbishment works associated with the project and appropriate precautions implemented as defined by the risk assessment requirements. The measures in place will be continuously monitored and reviewed as required.	Service Continuity	09/07/13	GR	20/11/2013	Mar-14	Open	Shall be reviewed in conjunction with PB
Tech 13.0	Protected species	protected species will be discovered on site	has the potential to delay the works with subsequent cost and programme implications	B	R	3	2	6	Risk sits with Project Co and environmental surveys have shown no evidence of protected species, however Bidders during dialogue noted the need to fell trees during nesting periods and Pav 1,2 and 3 demolition may require	Technical	08/04/2013	Risk workshop	20/11/2013	Feb-14	Open	Risk flagged up during dialogue and Authority may need to consider agreeing to early tree felling and further surveys to mitigate risk.
Comm 7.0	Financial impact of Planning conditions	The Planning Conditions will place obligations on the Preferred Bidder that were not originally envisaged.	Place cost pressures on the Preferred Bidder, and risk of dispute with Authority or NAC.	B	R	2	3	6	Authority has provided Bidders with documented NAC feedback re expectations to address planning conditions. Bidders were asked to identify any risk attached to this. Ultimate risk rests with Preferred Bidder.	commercial / technical	08/04/2013	Risk workshop	27/01/2014	Mar-14	Open	Risk reviewed in light of documentation received from NAC. Generally consistent with principles already established, though some areas, e.g. provision of cycleways remains open to ambiguity.
SG 18.0	Force Majeure	a Force majeure may occur outwith the control of NHS A&A	jeopardise the project and/or cause significant cost and service delivery implications	R	B	5	1	5	Unable to mitigate against catastrophic events.	SG	08/04/2013	Risk workshop	20/11/2013	End Mar 2014	Open	
SC 3.0	Discovery of Asbestos	Asbestos is discovered on site including the Pavilions to be demolished and the central service duct	have the potential to delay the works	B	R	2	2	4	Project Co has assumed asbestos risk within the contract.	Service Continuity	08/04/2013	Risk workshop	19/11/2013	Feb-14	Open	risk impact reduced as project co have risk liability
Clin 3.0	Increased costs in providing clinical services	The cost of providing clinical services may be greater than expected. These costs include: recruitment, training	require the workforce plans to be re-assessed and costs re-established	B	C	2	2	4	Workforce development plans shall ensure the cost of delivering services remains affordable.	Clinical	08/04/2013	Risk workshop	20/11/2013	Mar-14	Open	
SC 5.0	Impact of Site Masterplanning exercise	The main project programme/works is disrupted by interdependent projects taking place on site. E.g. Land disposal programme	have the potential to impact on the project on site with possible cost implications	B	R	2	2	4	The project plans for the main project and interdependent projects are combined to ensure deviation from the interdependent projects can determine the impact on the main project	Service Continuity	03/05/2013	KSR	20/11/2013	Nov-13	Open	

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SG 10.0	Contradictory aspirations of stakeholders	stakeholders may have contradictory aspirations with regards to project objectives and deliverables	challenge the premise on which the clinical and contract requirements have been prepared .	B	C	2	2	4	Clinical Outputs specification preparation and governance arrangements will ensure consultation with key stakeholder groups	SG	08/04/2013	Risk workshop	20/11/2013	Feb-14	Open	
SG 11.0	Project Team Resources - loss of key individuals	key personnel may leave, and jeopardise the process of project delivery	create risk to the project in terms of knowledge transfer, possible delay, and consequential cost impact	B	C	2	2	4	Ensure full engagement of teams, not just individuals in the delivery of the programme so there is no significant impact on business continuity from staff turnover.	SG	08/04/2013	Risk workshop	20/11/2013	Mar-14	Open	
SG 8.0	Failure to meet Programme - Preferred Bidder appointment	the Preferred Bidder appointment target date of 28th February 2014 may be delayed	delay the programme overall with consequential financial and reputational impact to the Board.	B	R	3	1	3	Preferred Bidder appointment could be brought forward from 28th Feb to 18th Feb. This will ultimately benefit the PB to FC period.	SG	08/04/2013	Steering Group	27/01/2014	Feb-14	Open	Risk reviewed following evaluation. Likelihood risk reduced on anticipation of PB appointment being earlier than programmed.
Clin 2.0	Design does not support the Specific Clinical Requirements	the design of the facility does not provide the required clinical functionality.	not fully realise the service benefits anticipated for the new facility.	C	S	3	1	3	further bidder engagement beyond final bid submission attended by clinical reps should ensure continued compliance with the spec requirements	Clinical	08/04/2013	Risk workshop	19/11/2013	Mar-14	Open	risk likelihood reduced to reflect progress beyond dialogue
Comm 10.0	Increased costs - capital or revenue	financial parameters as determined in the OBC approval (Capital, Revenue, WLC), are exceeded	incur increased costs to the Board through the conditions attached to the Construction cap and the timeline for its calculation. (index applied at mid point of construction)	B	R	3	1	3	Overall affordability / budget has been established and is constantly monitored to ensure continued affordability. Progress with the programme needs to be monitored and maintained	commercial	24/04/2013	Steering Group	19/11/2013	Feb-14	Open	Likelihood reduced from 2 to 1 as reflected in the Draft final tender submissions.
SG 15.0	Change in project scope - enforced design changes	external influences specific to NHS e.g. SFT or A+DS may require changes to the design assumptions	impact on the programme with consequential cost implications	B	C	3	1	3	External parties have been, and will continue to be engaged in the process and are aware of the impact of any change.	SG	08/04/2013	Risk workshop	19/11/2013	Feb-14	Open	likelihood is reduced given the progress with the project
SG 16.0	Design Review recommendations	the recommendations of Architectural Design Scotland as per review on 02 June 2010 are not followed	require a further review of the project design and clinical specification, causing delay to the process and cost implications	B	C	3	1	3	the review recommendations were incorporated into the clinical spec as considered appropriate	SG	08/04/2013	Risk workshop	19/11/2013	Feb-14	Open	likelihood is reduced given the progress with the project
SG 28.0	Political influences affect project	The project may be impacted upon due to the Scottish Election e.g. A purdah period is introduced	Have the potential to delay the project with possible cost consequences, impacting on Financial Close	B	C	3	1	3	Risk remains until extent of any purdah period is known and therefore possible impact on current programme	SG	20/05/2013	Stuart Sanderson	19/11/2013	End Mar 2013	Open	Noted that Purdah Period on Scot Gov website indicates Purdah starts in Aug 2014. likelihood has therefore reduced due to progress being achieved on the project.
Tech 3.0	Unexpected ground site conditions	ground conditions on site are not as expected	possibly require foundation designs to be altered, at Project Co's risk unless it occurs under the footprint of an existing building and then it is the Board risk, with cost implications	B	R	3	1	3	Further ground investigations reports have been carried out and are available to bidders. All existing buildings affecting the site of the new build are to be demolished before FC. Risk now sits with Project Co	Technical	08/04/2013	Risk workshop	20/11/2013	Feb-14	Open	Likelihood reduced as risk now sits with project co.
Comm 6.0	Impact of introduction of Part 6 to the Building Standards	The capital cost could increase if the changes to the Building Standards are implemented prior to Financial Close	Increase the capital cost and may require elements of re-design which may have programme implications.	B	R	3	1	3	Continue to assess the potential impact of the changes, and ascertain the date for implementation against the NPD project timeline. Any proven direct implications to take to Scot Gov for adjustment to cap.	commercial	04/07/2013	JO	20/11/2013	Mar-14	Open	Confirmation received that new regs will not be introduced until Oct 2015. Risk score reduced accordingly (was Impact 4)
Clin 5.0	Change in Demographics - demand for services change	there are changes in the volume of demand for the various patient services	require the facilities to be flexible to accommodate such change.	C	B	3	1	3	a design requirement is for built in flexibility within the design and operation of the new Facility	Clinical	08/04/2013	Risk workshop	20/11/2013	Mar-14	Open	Will form part of FBC re-assessment
SG 19.0	Adequacy of Project Team Resources	the project is under resourced in terms of relevant experience and project support	jeopardise the project outcomes and programme, with resultant cost and service delivery implications.	B	R	3	1	3	A WTE external Project Manager has been recruited to further supplement capacity and experience within the project team.	SG	08/04/2013	Risk workshop	20/11/2013	Mar-14	Open	
SG 20.0	Advisor insolvency/ loss of staff	advisors suffer insolvency/loss of staff	have the potential to impact on the project through lack of knowledge transfer, with possible delay	B	R	3	1	3	The project Advisors are now well established and there are limited instances where project knowledge is not well understood by several individuals in each organisation	SG	08/04/2013	Risk workshop	20/11/2013	Mar-14	Open	
SG 9.0	Changes to Legislation/Standards	changes to Legislation/Standards e.g BREEAM impact on the project	require an assessment of impact at the point the change comes into effect. (pre FC = Board risk. Post FC = Project Co risk)	B	R	3	1	3	BREEAM has been registered under 2008 healthcare. Project Co are required to achieve excellent rating under this scheme. Project Co are also required to comply with	SG	08/04/2013	Risk workshop	20/11/2013	Mar-14	Open	
Tech 10.0	Limited capacity of utilities services for new hospital	the capacity of utility services, gas, electric, sewerage, adjacent to the hospital site will be insufficient to take the required capacity of the	require the utilities companies to increase their capacity, which could impose cost and time implications on the project	B	R	3	1	3	Capacity of existing utilities capacity has been assessed and is adequate.	Technical	08/04/2013	Risk workshop	20/11/2013	Mar-14	Open	Existing infrastructure being utilised, mitigates risk
Tech 11.0	Failure to comply with Legislations/Standards	the project may fail to comply with changes to Legislation/Standards - HTMs	possibly require alterations to be made to the building to achieve compliance	B	R	3	1	3	Project Agreement place clear obligation on Project Co's designers to take cognisance of latest Standards/HTMs.	Technical	08/04/2013	Risk workshop	20/11/2013	Mar-14	Open	
Tech 12.0	Failure to comply with Legislations/Standards	the project may fail to comply with changes to Legislation/Standards - CDM	possibly increase costs.	B	S	3	1	3	Project Agreement place clear obligation on Project Co's designers to take cognisance of latest CDM Regs.	Technical	08/04/2013	Risk workshop	20/11/2013	Mar-14	Open	
Tech 9.0	Latent defects	the new build will suffer Latent defects	disruption to clinical services while the latent defect is rectified	B	C	3	1	3	Independent tester appointment will ensure the facilities are constructed to contract, plus additional inspections re good construction practice by A&A reps	Technical	08/04/2013	Risk workshop	20/11/2013	End Mar 2014	Open	
SG 24.0	Early completion	the chosen Bidder offers an earlier completion to the current programme	require the programme team to adjust all of the interdependent projects	B	S	2	1	2	The potential for early completion will be established at an early stage to allow plans to be adjusted as necessary	SG	08/04/2013	Risk workshop	20/11/2013	Feb-14	Open	likelihood reduced as Bidders at DFT indicating alignment with original programme
Clin 10.0	TUPE transfers	the current assumption that there will be no TUPE transfers is incorrect.	have implications for the affected staff, and their management, plus financial implications for Project Co that in turn will be passed on to the Board	B	S	2	1	2	No staff have been identified for TUPE due to vacancy management in existing workforce.	Clinical	08/04/2013	Risk workshop	20/11/2013	Mar-14	Open	Will form part of FBC re-assessment
Clin 6.0	Reduction in the allocation of resources	a reduction in allocation of resources will undermine the operating principles and workforce	require the operating principles of the clinical services to be reviewed and adjusted to meet the revised allocations	C	S	2	1	2	Workforce development plans will review requirements against all known contexts.	Clinical	08/04/2013	Risk workshop	20/11/2013	Mar-14	Open	
Clin 7.0	Changes in medical technology	unexpected changes in medical technology will lead to change in demand for patient services	require the clinical departments to be reviewed and re-allocated as appropriate	C	B	2	1	2	Clinical services shall keep apace with changes in medical technology.	Clinical	08/04/2013	Risk workshop	20/11/2013	Mar-14	Open	
Comm 4.0	Legal rights of third parties on/or adjacent to site	existing legal rights of third parties on or adjacent to the site may require resolution.	result in agreement being required as to legal title with possible delays as a consequence	B	R	2	1	2	Ensure Eglington Medical practice are included in consultation process.	commercial	08/04/2013	Risk workshop	20/11/2013	Mar-14	Open	
Comm 5.0	Further VAT rate increase	there is an increase in VAT rate beyond 20% or other changes may occur	increase the project costs	B	R	2	1	2	Low probability risk that the VAT rate increases further beyond the 20% mark	commercial	08/04/2013	Risk workshop	20/11/2013	Mar-14	Open	



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SG 22.0	Board support for the Programme/project	organisational support for the programme diminishes (e.g. in light of leadership changes in strategic posts/ changes to composition of Board political influence outwith Board).	jeopardise the basis of the project leading to uncertainty and delay with cost implications	R	B	2	1	2	Programme Board keeps NHS A&A Board fully apprised of progress.	SG	08/04/2013	Risk workshop	20/11/2013	Mar-14	Open	
SC 8.0	Service disruption during construction	existing Utility / M&E services are disrupted during construction	impact on the operation of existing Clinical and support services on site.	B	C	1	1	1	Risk sits with Project Co. Who will require to provide a contingency plan to ensure existing M&E / utility services are maintained	Service Continuity	08/04/2013	Risk workshop	20/11/2013	Mar-14	Open	

# Appendix S

**NHS AYRSHIRE & ARRAN**

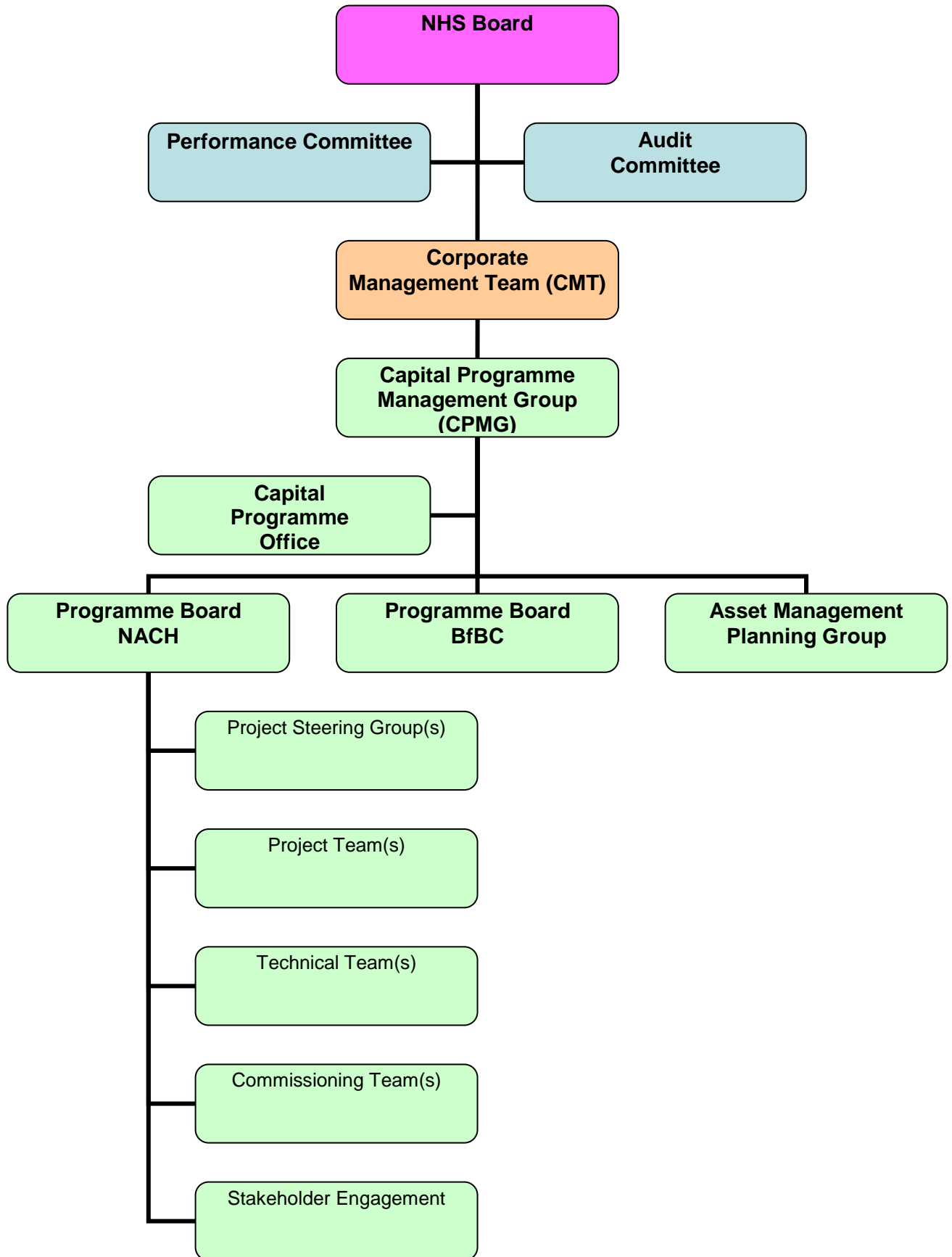
**CAPITAL PROGRAMME MANAGEMENT AND  
GOVERNANCE**

**[Version 5.2]**  
**Revision Date: 3 October 2013**

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# 1. MANAGEMENT AND GOVERNANCE STRUCTURE FOR CAPITAL PROGRAMME



## 2. Description of Roles and Remit for Capital Programme Management and Governance

Corporate Management Team (CMT)	Responsible for ensuring cohesive strategic alignment and prioritisation of capital programme	Membership
	<p>Responsible for:</p> <ul style="list-style-type: none"> <li>• Delivering the service modernisation programme</li> <li>• Developing vision of NHS A&amp;A overall clinical services strategic direction</li> <li>• Agreeing and prioritising the Capital Plan</li> <li>• Maximising the integration of development opportunities across directorates and with external partners</li> <li>• Authorising mandate for Capital Programme and ensuring strategic fit</li> <li>• Endorsing bids for capital allocation, ensuring that they are processed in line with SFIs and where appropriate submitted to Performance Committee for approval for those projects in excess of £1.5m</li> <li>• Ensuring the Capital Plan is aligned to support service development priorities</li> <li>• Receiving quarterly progress reports on the Capital Plan from CPMG</li> <li>• Receiving Reports from CPMG on possible future projects for inclusion in the Capital Plan</li> <li>• Resolving strategic issues which need the agreement of senior stakeholders to ensure progress of programme</li> <li>• Providing commitment and endorsement of the Capital Plan at communication events</li> <li>• Exercising leadership/championing the Capital Plan</li> <li>• Confirming sign off at programme / project closure and ensuring benefits realisation.</li> <li>• Ensuring that the NHS Board and relevant Committees are kept up to date with progress on significant projects.</li> </ul>	<p>Service Directors who are responsible for investment decisions; defining the development of services; ensuring cohesive strategic alignment; prioritisation of Capital Plan.</p> <p><b>Chair: Chief Executive (Programme Sponsor)</b>  Programme Sponsor is responsible for establishing the strategic objectives for NHS Ayrshire &amp; Arran, championing the Capital programme and providing significant leadership.</p>

<b>Capital Programme Management Group (CPMG)</b>	<b>Accountable for the delivery of approved programme and has seniority and authority to provide leadership</b>	<b>Membership</b>
	<ul style="list-style-type: none"> <li>• Accountable and responsible to Corporate Management Team (CMT) for the delivery of individual projects / programmes within agreed timescales and costs</li> <li>• Leads the delivery of the NHS Board's Capital Programme and provides overall direction on approved projects as Senior Responsible Officer (SRO) for the approved Capital Programme</li> <li>• Secures the investment required to deliver programme</li> <li>• Receives regular reports on all approved projects within the Capital Plan including option appraisals, critical dependencies and project risks.</li> <li>• Ensures project delivery within agreed timescales and agreed resources</li> <li>• Owns the Programme portfolio of approved projects</li> <li>• Accountable for the Programme's governance arrangements</li> <li>• Manages interfaces with key stakeholders</li> <li>• Manages key project risks facing the programme</li> <li>• Maintains alignment of the programme with strategic objectives</li> <li>• Provides regular progress reports to the Corporate Management Team (CMT), Performance Committee and NHS Board as appropriate.</li> <li>• Ensures that each of the Capital Programme Boards deliver their specified outputs</li> <li>• Initiates independent Gateway Reviews and receives Review Team reports.</li> <li>• In conjunction with Programme SROs, reports to Audit Committee on the outcome of Gateway reviews.</li> </ul>	<p>Members will provide resource and commitment to support the programme delivery.</p> <p><b>Director of CSS (Chair and Capital Programme SRO)</b> Members:</p> <ul style="list-style-type: none"> <li>• Programme SROs</li> <li>• Project Directors</li> <li>• Asst Director of Estates &amp; Capital Planning</li> <li>• Head of Capital Planning and Programmes</li> <li>• Senior representatives from corporate functions (Finance, Health &amp; Safety etc)</li> <li>• Operational Manager(s) (Reps from other Operational departments who will act as bridge between Programme and Service)</li> <li>• Staff side representative(s)</li> </ul>
	<p><b>Responsible for driving the programme forward and delivering project outcomes</b></p> <ul style="list-style-type: none"> <li>• Monitor and investigate variances</li> <li>• Define acceptable risk profiles and thresholds for the programme</li> <li>• Resolve strategic issues between projects which need the agreement of senior stakeholders to ensure progress of programme</li> </ul>	

	<ul style="list-style-type: none"> <li>• Provide assurance of operational stability and effectiveness throughout the programme delivery lifecycle</li> <li>• Overall management of requests for changes to office accommodation</li> <li>• Early identification of new projects for possible inclusion in the Capital Programme based on a 5 year scanning horizon, including spend to save initiatives, corporate risks, backlog maintenance and service improvements.</li> </ul>	
<b>Capital Programme Manager</b>	<b>Responsible for day to day management of the Capital Programme</b>	<b>Head of Capital Planning and Programmes</b>
	<ul style="list-style-type: none"> <li>• Planning and designing the programme / projects</li> <li>• Ensuring programme is delivered in accordance with agreed timescales and resources</li> <li>• Ensuring effective co-ordination of projects and interdependencies</li> <li>• Managing and resolving project risks and other issues</li> <li>• Managing programme's budget, monitoring expenditure and costs</li> <li>• Appointing of project delivery teams</li> <li>• Ensuring delivery of projects to time, budget and quality</li> <li>• Managing communications with stakeholders</li> <li>• Regularly report programme progress to Capital Programme SRO and Capital Programme Management Group (CPMG), including financial management; project management; option appraisal(s), project risks and key interdependencies.</li> </ul>	
	Feedback information and updates of progress and other key milestone activities such as Post Project Evaluation reports (PPR's) to SG/NHSS	
<b>Programme Board(s)</b>	<b>Responsibility for driving the programme, delivering outputs and benefits realisation</b>	<b>Chair: SRO</b>
	<p>The Programme Board will be responsible for:-</p> <ul style="list-style-type: none"> <li>• Ensuring programme is successfully delivered within agreed parameters (resources, timescales, expected benefits)</li> </ul>	The Project Director is the Principal user / service owner, with responsibility for the delivery of the service benefits.



	<ul style="list-style-type: none"> <li>• Resolving issues needed to ensure satisfactory progress of project</li> <li>• Overall direction and management of the project</li> <li>• Responsibility and delegated authority for the project set by corporate or programme management</li> <li>• Developing detailed project plans</li> <li>• Reporting any major deviations from agreed plans and seeking approval from the Capital Programme Management Group (CPMG)</li> <li>• Signs off completion of stages/ authorises the start of the next stage</li> <li>• Ensuring that resources are committed effectively arbitrating on conflicts/negotiates solutions to problems</li> <li>• Approving the appointment and responsibilities of the project manager</li> <li>• Ensures the project remains on course to deliver qualitative and quantitative outcomes required to meet the business case</li> <li>• Project assurance – monitoring the project performance independently of the Project Manager.</li> </ul>	<p>Members will provide resource and commitment to support the project delivery and will be representative of services who will utilise the capital build(s) delivered by the project(s)</p> <p>Programme Boards for major projects will be established as follows:</p> <p><b>(North Ayrshire Community Hospital and Mental Health Services); Ayr and Crosshouse Front Doors;</b></p> <p>Additional short-life project boards may be established early in the capital planning process e.g. to undertake option appraisals, but these will be subsumed into the main Programme Boards once approval to proceed has been granted by the Corporate Management Team.</p>
<p><b>Asset Management Planning Group</b></p>	<p><b>Responsible for prioritisation of programme of capital spends from Formula Allocation</b></p>	<p><b>Chair: Asst Director of Estates and Capital Planning</b></p>
	<ul style="list-style-type: none"> <li>• Agreeing and establishing priorities for formula projects</li> <li>• Identify development priority areas both in terms of existing estate, eHealth, EME and General Furniture &amp; Equipment for investment</li> <li>• Address any urgent investment issues impacting on patient care</li> <li>• Maximising the integration of infrastructure development opportunities across directorates and with external partners</li> <li>• Endorsing bids up to an individual value of £500,000 for allocation of formula funds and ensuring that they are processed in line with SFIs</li> <li>• Ensuring programme is aligned to support service development priorities</li> <li>• Approving progress of programme against strategic objectives.</li> </ul>	<p>Members :</p> <ul style="list-style-type: none"> <li>• Service Users – Medical, Nursing and General Managers (at least one from each category)</li> <li>• Asst Director of Finance</li> <li>• Head of Health &amp; Safety</li> <li>• Head of Medical Physics</li> <li>• Clinical Support Services, Head of Estates and Head of Capital Planning and Programmes and Head of eHealth Services</li> </ul>

	<ul style="list-style-type: none"> <li>• Resolving issues which need the agreement of senior stakeholders to ensure progress of programme</li> <li>• Exercising leadership/championing the programme</li> <li>• Providing regular progress reporting to Capital Programme Management Group via SRO (Director of Corporate Support Services)</li> <li>• Confirming successful delivery and sign-off at financial year end.</li> </ul>	
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### 3. Description of Implementation and Supporting Roles

<p><i>Capital Programme Office</i></p>	<p><i>The core function of the Programme Office is to act as an information hub for all aspects of the approved Capital Programme</i></p> <ul style="list-style-type: none"> <li>• <i>Tracking performance, measuring and reporting progress against plans</i></li> <li>• <i>Benefits tracking</i></li> <li>• <i>Programme information management, holding master copies of all programme documentation and maintaining templates</i></li> <li>• <i>Maintaining financial status reports for the programme</i></li> <li>• <i>Risk and issue tracking, maintaining logs</i></li> <li>• <i>Programme communication and stakeholder liaison</i></li> <li>• <i>Quality control, programme governance, best practice and standards</i></li> <li>• <i>Change control, registering changes, monitoring actions</i></li> </ul>	
<p><i>Project Steering Group</i></p>	<ul style="list-style-type: none"> <li>• <i>Provide support and advice to the Project Director / Project Manager on a range of issues including the development of the detailed service brief, design, construction and commissioning of the new facility</i></li> <li>• <i>Assist, where appropriate, in the evaluation of competitive bids from suppliers</i></li> <li>• <i>Ensure the engagement of all internal and external stakeholders</i></li> <li>• <i>Assist the Project Director / Project Manager to develop formal proposals for the Programme Board</i></li> <li>• <i>Agree room data, equipment schedules, budgets, specifications, service and building commissioning programmes</i></li> </ul>	

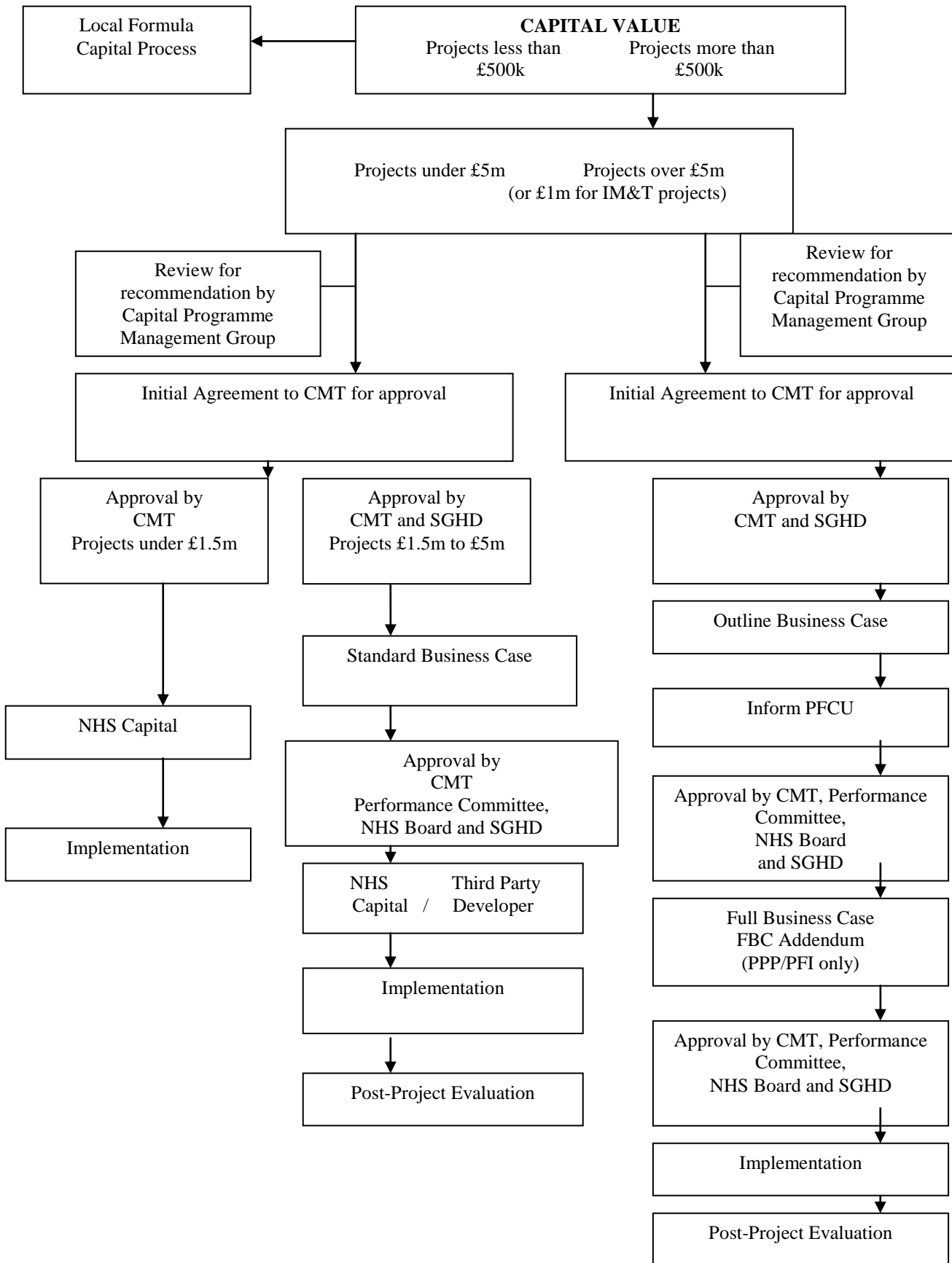
	<ul style="list-style-type: none"> <li>• Support and assist the Project Director / Project Manager in relation to the development of the Business Case(s) for the project</li> <li>• Oversee delivery of the benefits realisation plan defined in the Business Case(s)</li> <li>• Oversee the commissioning of services and equipment</li> <li>• Be satisfied that appropriate steps are being taken if problems are identified with the progress of the project</li> <li>• Demonstrate a visible commitment to the project, ensuring that the project is actively promoted throughout the organisation(s)</li> <li>• Oversee the development and implementation of detailed operational policies which embrace the principles set out in the Business Case(s).</li> </ul>	
<i>Project Manager</i>	<p>Responsible for</p> <ul style="list-style-type: none"> <li>• Planning and designing the project</li> <li>• Ensuring project is delivered in accordance with agreed timescales and resources</li> <li>• Effective co-ordination of project and interdependencies</li> <li>• Managing and resolving risks and other issues</li> <li>• Manage project's budget, monitoring expenditure and costs</li> <li>• Ensuring delivery of products/services meet project requirements and are delivered to time, budget and quality</li> <li>• Managing communications with stakeholders</li> <li>• Regularly reports project progress to Programme Board.</li> </ul>	
<i>Project Team</i>	<p>Project Team will meet on a regular basis to plan activities, monitor risks and issues, allocate resources, monitor progress against plan.</p>	
<i>Technical Team</i>	<p>The Technical Team will meet on a regular basis as required during the design development, construction and commissioning phases to ensure that all aspects of the development are fully compliant. The team will include specialist internal advisors from the following functions:-</p> <ul style="list-style-type: none"> <li>• Estates</li> <li>• Health &amp; Safety</li> <li>• Fire safety</li> </ul>	

	<ul style="list-style-type: none"> <li>• <i>Disability Awareness</i></li> <li>• <i>Control of Infection</i></li> <li>• <i>Manual Handling</i></li> <li>• <i>eHealth</i></li> <li>• <i>Telephony</i></li> <li>• <i>Hotel Services</i></li> <li>• <i>Transport</i></li> </ul>	
<i>Commissioning Team</i>	<p><i>A commissioning/user group will be established at the appropriate time to plan and develop operational policies and procedures, and to prepare and implement the commissioning plan/programme.</i></p> <p><i>In terms of membership, there will be representation from all future occupiers of the building.</i></p>	
<i>Stakeholder Engagement</i>	<p><i>Communication plan for Capital Planning Programme should include stakeholder analysis, schedule of events for stakeholder engagement and method/frequency of communication as well as identifying ownership.</i></p>	

## 4. CAPITAL APPROVALS PROCESS

The following groups and remits are to be applied as part of the Capital Approvals Process:	
<u>Group</u>	<u>Remit</u>
Asset Management Planning Group	<ul style="list-style-type: none"> <li>• Prioritise the use of formula capital between new electro-medical equipment, estates backlog maintenance, eHealth expenditure, etc</li> <li>• Limited to individual expenditure of up to £500,000</li> <li>• Ensure the implementation and delivery of the approved capital programme.</li> </ul>
Corporate Management Team (CMT)	<ul style="list-style-type: none"> <li>• Recommendations on prioritisation and funding for major capital schemes within available resources</li> <li>• Review Initial Agreements for strategic fit to allow progression of Outline Business Case or Standard Business case, as required. Consider opportunities for packaging together approved schemes and alternative funding sources for approved projects</li> <li>• Recommendation on level of formula capital allocation to be made available to the Asset Management Planning Group</li> <li>• Reporting to the Performance Committee and the NHS Board with recommendations on all Business Cases.</li> </ul>
Capital Programme Management Group (CPMG)	<ul style="list-style-type: none"> <li>• Delivery of the NHS Board's approved capital Programmes and Projects</li> <li>• Ensure Project Delivery within agreed timescales and resources</li> <li>• Ensure effective programme governance</li> <li>• Risk management and mitigation</li> </ul>
NHS Board Performance Committee	<ul style="list-style-type: none"> <li>• Considers Standard Business Cases for capital outwith formula capital with recommendation to NHS Board</li> <li>• Review Outline Business Cases and Full Business Cases and recommendation to NHS Board</li> <li>• Advise on affordability of alternative funding sources and financial implications on revenue</li> <li>• Approve level of formula capital allocation.</li> </ul>
NHS Board	<ul style="list-style-type: none"> <li>• Approves Standard Business Cases, Outline Business Cases and Full Business Cases as appropriate for projects costing over £1.5m, prior to submission to Scottish Government Health Department (SGHD)</li> <li>• For IM&amp;T projects approves Business Cases over £1m</li> <li>• Approves long term capital plan and capital spend programme for year.</li> </ul>
SGHD Capital Investment Group (CIG)	<ul style="list-style-type: none"> <li>• Approval of Initial Agreements and Business Cases larger than the delegated authority to Boards.</li> </ul>

5. FLOWCHART OF CAPITAL APPROVALS PROCESS



## 6. REMIT OF ASSET MANAGEMENT PLANNING GROUP

### 1. Terms of Reference

The Asset Management Planning Group (AMPG) is responsible for managing the approved Formula Replacement Programme and small scale capital projects within the approved Capital Programme. Identification of priorities for forthcoming financial year, for use of formula allocations and other funding available for small scale capital projects, for approval by Capital Programme Management Group (CPMG).

The AMPG is:

- Accountable and responsible to Capital Programme Management Group (CPMG) for delivery of individual projects/programmes of work within agreed timescales and costs
- Agreeing and establishing priorities for use of formula funds and other capital priorities with a supporting case up to £100k in value. Any projects over the value of £500k will normally have a project team to assist in taking forward the agreed work. The resourcing of major schemes will normally be managed by the Capital Planning team who will be nominated on a project basis rather than a value
- Lead in the identification, selection, prioritisation and delivery of new development priority areas, both in terms of changes to the existing estate, eHealth and EME for board funding investment
- Oversee the management of requests for any change to healthcare accommodation or assets including the management of small capital projects with a supporting case up to £100k in value
- Address any urgent infrastructure issues impacting on patient services
- Maximising the integration of development opportunities across directorates and with external partners
- Endorsing supporting cases (as per template) for submissions up to an individual value of £500,000 involving use of formula and capital projects funding, ensuring that all schemes are processed in line with the current SFIs and governance arrangements. Schemes over £500,000 will require an Initial Agreement to be approved by CPMG/CMT as per the Current Capital Operating and Accounting Procedures
- Ensuring the asset management programme is aligned to support service development priorities
- Monitoring progress of programme against strategic objectives
- Resolving issues which need the agreement with senior stakeholders to ensure progress of the asset management programme
- Ensure asset management programme is delivered within agreed parameters (cost, timescale, expected benefits, quality), monitor progress and investigate any variances
- Managing the approved capital Formula Replacement monies Programmes and small scale projects within the approved Capital Programme
- Manage interfaces with key internal and external stakeholders
- Notes of meetings to be reported to Capital Programme Management Group
- Confirming successful delivery of programmes at financial year end
- Oversee and monitor the Post Projects Evaluation (PPE) for key projects as per the Scottish Capital Investment Manuel (SCIM) process.

### 2. Membership

Members will provide resource and commitment to support the programme delivery plan. The Group will be accountable and responsible to Capital Programme Management Group for delivery of individual projects /programmes within agreed timescales and costs.

**Chair:** Assistant Director of Estates & Capital Planning

Members:

- Service Users – Medical, Nursing and General Managers for the Acute, Community and Mental Health (at least one operational manager from each operational category)
- Head of Primary Care Development
- Assistant Director of Finance
- Head of Health & Safety
- Head of Medical Physics
- Corporate Support Services, Head of Estates and Head of Capital Planning and Programmes and Head of eHealth Services
- Partnership forum representative
- Public group representative

### 3. **Meetings**

The Asset Management Planning Group will meet on a bi-monthly basis.





## ESTATES AND ACCOMMODATION MANAGEMENT GROUP

### 1. TERMS OF REFERENCE

The remit of the Estates and Accommodation Management Group will be:

#### **Estates remit:**

- 1.1 Develop an effective strategy for the management and development of all healthcare property, accommodation and land owned or leased by NHS Ayrshire & Arran to provide healthcare services. This will include all premises used for the provision of acute hospital services and community care, including those premises which are owned or rented by primary care service providers.
- 1.2 Ensure that the estates strategy is aligned and prioritised to support the delivery of clinical healthcare services of the highest quality to the people of Ayrshire & Arran.
- 1.3 Develop and implement a master plan for the on-going development of the estate as set out in the NHS Board's approved Estates Strategy.
- 1.4 Regularly review the estate based on agreed performance criteria with a view to determining those parts of the state which should be prioritised for further investment / disinvestment.
- 1.5 Benchmark the performance of the estate to ensure that it is delivering best value for the organisation.
- 1.6 Oversee the development of a comprehensive computerised Asset Register of all properties making up the estate in order to provide a basis for overseeing the performance management of the estate and its future development.

#### **Health, Environment and Sustainability remit:**

- 1.7 Steer and co-ordinate environmental improvements within the estate which have benefits in terms of the health and wellbeing of patients, staff and the wider community and which contribute to delivering the NHS corporate responsibilities on the sustainability agenda, the quality strategy and biodiversity.
- 1.8 Maximise the contribution of NHS Ayrshire and Arran to sustainable development by overseeing the local implementation of CEL 2 (2012) - the Sustainable Development Policy for NHS Scotland (2012) and CEL 14 (2010) - the Good Corporate Citizenship Assessment Model.
- 1.9 Based on the recommendations of the 'Greening the NHS Estate' Strategic Review - work in partnership with the Forestry Commission (Scotland), Scottish Natural Heritage, local authorities, the third sector and others to develop, implement and monitor a strategic action

plan (consistent with national policy objectives) to maximize the use of green space in the NHS estate as a health promoting resource for patients, visitors, staff and surrounding community.

- 1.10 Co-ordinate health, environment and sustainability activity across the partnership groups illustrated in Appendix 3, acting as first point of contact for health and environment issues from these groups.
- 1.11 Oversee the NHS Board's Energy and Carbon Reduction Programmes and receive reports on the outcomes for agreed projects.

**Accommodation remit:**

- 1.12 Oversee all accommodation matters and receive reports from the Space Utilisation Groups via the NHS Board's Accommodation Sub Groups. Consider and, where appropriate, approve requests and recommendations for inter-site moves and major accommodation changes.
- 1.13 Develop guidance for the planning and future provision of office and non-clinical accommodation taking into account new space occupancy standards for government occupied accommodation and to facilitate the provision of touchdown facilities, hot-desking and home working.
- 1.14 In conjunction with the Acute Services Director and clinicians, identify the clinical service implications associated with any estates rationalisation, including the options and costs of alternative service provision and accommodation.

**Security remit:**

- 1.15 Receive reports and recommendations from the Statutory Compliance and Best Practice Group.

**Co-ordination and communication remit:**

- 1.16 Provide a coherent link between Estates, Capital Planning and Clinical Services in order to provide:
  - Basis for consultation with service users
  - Basis for future decision making on assets
  - Clarity of direction for the organisation, partners and stakeholders
  - Determine the standard of accommodation provided to service users.
- 1.17 Increase the awareness amongst senior managers and clinicians of the importance of investing in the estate, the better use of its green space and provision of accommodation in supporting the healing and wellbeing for staff and patients.
- 1.18 Coordinate communication and engagement with patients, staff and the community for any issues under the remit of the group.

**Income generation and savings remit:**

- 1.19 Identify potential income generation from e.g. shared services and property disposals, as well as savings in capital charges and other running costs.

**2. FREQUENCY OF MEETINGS**

The Group will meet every 6 weeks.

**3. QUORUM**

The quorum for meetings of the Group should be 6 members.

**4. MEMBERSHIP**

Membership for the Estates and Accommodation Management Group will be as follows:

<b>Name</b>	<b>Title</b>
John Wright (Chair)	Director of Corporate Support Services
Prof Fiona McQueen (or representative)	Mental Health Services
Dr Alison Graham (or representative)	Primary Care Services
Daniel Doherty	Assistant Director, Estates and Capital Planning Services
Ann Egan (representing P Leiser)	Executive Performance and Remuneration Lead
Iain Gairns	Head of Property Services, Strategy and Partnerships
Kirsti Dickson (representing Allan Gunning)	Assistant Director (Policy, Planning and Performance)
Iain McNally	Head of Estates Services
Liz Moore (or representative)	Director of Acute Services
Stuart Sanderson	Assistant Director of Finance – Planning and Efficiencies
John Scott	Head of Capital Planning and Programmes
May Smith (or representative)	Head of Communications
Sandy Agnew	Assistant Director of Clinical Support Services
Ewing Hope	Staff side representative (tbc)
Owen Jones	Staff side representative (tbc)
Elaine Caldwell (representing Dr Carol Davidson)	Lead Public Health Practitioner

**5. Governance**

The Group will report to the Corporate Management Team.

# Appendix T



SCOTTISH  
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# **Validation of Revenue Funded Projects:**

## **NPD Programme Pre-Preferred Bidder Appointment Key Stage Review**

NHS Ayrshire and Arran  
Acute Mental Health and North Ayrshire  
Community Hospital

12 February 2014

**NPD Programme  
Pre-CoD Key Stage Review**

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Scottish Government (SG)

Project Sponsor  
E.g. SGHD, SFC, JS

Procuring Authority  
E.g. LA, College, Health Board

Project Team

## **Notes to the Reviewer**

### **1.1. Background**

It is a condition of Scottish Government (SG) funding support that all projects in the revenue funded programme are, in addition to any existing project approvals processes, externally validated by SFT. SFT undertakes validation by carrying out Key Stage Reviews (KSRs) of projects at key stages of a procurement. The KSR process is designed to support the successful delivery of revenue funded projects whether delivered through the non-profit distributing (NPD) model or the hub initiative as Design Build Finance and Maintain (DBFM) projects by providing an assessment of the readiness of a project before it moves on to the next stage in the procurement process.

### **1.2. Timing**

This review is required to be completed following evaluation of Final Tenders and in advance of the appointment of a Preferred Bidder.

The review should be carried out by the member of the Scottish Futures Trust team who normally provides support to the relevant project (the Reviewer). The Reviewer must agree the precise timing of the review and submission of SFT's report with the Project Sponsor and/or SG to integrate with the other project approvals processes.

In the run up to each review point, the Reviewer will inform and keep up-to-date the SFT validation team of the estimated timetable for carrying out the KSR. The validation team will arrange for a member of the SFT's senior management team (SMT) to scrutinise the list completed by the Reviewer before it can be submitted to the Project Sponsor and/or SG. The Reviewer should thereafter liaise directly with the allocated SMT member and must return a countersigned copy of the list to the Validation Team upon SMT sign-off. The Reviewer should discuss arrangements with the allocated SMT member and provide a verbal briefing if requested in advance of review so that if required necessary background information can be made available.

### **1.3. Process**

The Reviewer must familiarise him/herself of the requirements of the checklist and consider which elements s/he can answer on the basis of existing knowledge of the project and identify what additional information is required in relation to the project in order to complete the remaining sections. The Reviewer should, at the earliest opportunity, explain to the Procuring Authority / Project Team what additional information s/he will require, in what form and by when in order to complete the review within the agreed timescales.

The review is not intended to be a "stop-start" process and the Reviewer should refer to the list throughout each delivery stage so that all sections of the checklist can be completed without delay to the project. The process involves the Reviewer completing this pro-forma list on the basis of information obtained in his/her day-to-day dealings with the project, considering whether in his or her view the project is ready to proceed to the next stage of procurement and making recommendations as to what actions may be required to achieve appropriate state of readiness. No formal submission, as such, will be required from the Procuring Authority, but the project team will be required to provide the Reviewer with information to allow him/her to complete the list and compile his/her report.

Once completed by the Reviewer, the list and draft report should be submitted to the allocated SMT member for scrutiny before being issued to the relevant Project Sponsor and/or SG and copied to the Procuring Authority. The relevant Project Sponsor and/or SG will thereafter, as part of its overall sign-off process, determine whether and on what basis the project should proceed to the next stage

taking into consideration any recommendations made in the KSR report. The Reviewer should liaise directly with the Project Sponsor and Procuring Authority as may be required to address any queries arising from the KSR report or recommendations.

**1.4. Further information**

Please contact the Validation Team for further information on the KSR process. Queries relating to the revenue funded programme requirements should be directed to the SFT Finance Team.



Pre-CoD Key Stage Review List

SFT Reviewer (Primary Reviewer)	Kerry Alexander
SFT Secondary Reviewer (SMT Member)	Tony Rose

Section 1: Project Outline

Project title	<b>New Acute Mental Health and North Ayrshire Community Hospital</b>
Brief project description	<p>Provision of a new Acute Mental Health facility and North Ayrshire Community Hospital on the site of the Ayrshire Central Hospital campus in Irvine, North Ayrshire.</p> <p>The new facility will be a modern fit for purpose facility with 206 inpatient beds and supporting clinical service areas which will be funded through NPD. Within a similar timeframe, refurbishments will be taken forward in the Horseshoe and Elderly Mental Health Wards at Ailsa Hospital Ayr under traditional capital funding as part of a wider programme of delivery mental health services in Ayrshire.</p>
Outline of scope of services in project (please identify the services and who (NPD SPV or Procuring Authority) will provide those services )	<p>Services forming part of the NPD Contract include:</p> <ul style="list-style-type: none"> <li>• Contract management;</li> <li>• Performance management and monitoring via a Helpdesk facility;</li> <li>• Programmed Maintenance and Un-programmed Maintenance Work of the mechanical, electrical and building fabric components of the Facilities;</li> <li>• Procurement and management of Utilities;</li> <li>• Lifecycle Replacement of the mechanical, electrical and building fabric components of the Facilities, excluding all floor coverings;</li> <li>• Hard Landscaping maintenance;</li> <li>• External Façade cleaning; and</li> <li>• Periodic cleaning of vents, extractors and luminaries.</li> </ul> <p>The following services are excluded from the NPD contract:</p> <ul style="list-style-type: none"> <li>• Portable Appliance Testing</li> <li>• Redecoration of floors and ceilings</li> <li>• Flooring lifecycle maintenance</li> <li>• Derogated Small Value Changes (below £5k in value)</li> </ul>

	<p>The Board will provide the following Services:</p> <ul style="list-style-type: none"> <li>• Linen Services;</li> <li>• Waste Management/ Disposal;</li> <li>• Procurement/Materials Management;</li> <li>• Catering Services;</li> <li>• Domestic Services;</li> <li>• Portering Services; and</li> <li>• Security Services</li> </ul>
<p><b>Key programme dates:</b></p> <ul style="list-style-type: none"> <li>• Preferred Bidder appointment</li> <li>• Financial Close</li> </ul>	<p>18/19 February 2014</p> <p>13 June 2014</p>

#### Project Contact Details

<p><b>Project Sponsor /SG Responsible Officer</b></p> <p>(name &amp; contact details)</p>	<p>Scottish Government Health and Social Care Directorates ("SGHSCD")</p> <p>Mike Baxter, Deputy Director</p> <p>St Andrew's House, Waterloo Place, Edinburgh</p> <p>T. 0131 244 2082</p> <p>E. <a href="mailto:mike.baxter@scotland.gsi.gov.uk">mike.baxter@scotland.gsi.gov.uk</a></p>
<p><b>Project Authority Responsible Officer</b></p> <p>(name &amp; contact details)</p>	<p>Derek Lindsay</p> <p>Executive Director of Finance</p> <p>NHS Ayrshire &amp; Arran</p> <p>Greenan House</p> <p>Ailsa Hospital</p> <p>Dalmellington Road</p> <p>Ayr KA6 6AB</p> <p>Email:- <a href="mailto:Derek.Lindsay@aapct.scot.nhs.uk">Derek.Lindsay@aapct.scot.nhs.uk</a></p> <p>Tel:- 01292 513326</p>
<p><b>Project Director/Manager</b></p> <p>(name &amp; contact details)</p>	<p>John Scott</p> <p>Head of Capital Planning</p> <p>Information &amp; Clinical Support Services</p> <p>NHS Ayrshire &amp; Arran</p> <p>23 Lister Street</p> <p>University Hospital</p>

	<p>Crosshouse KA2 0BB</p> <p>Tel: 01563 826374 Email: johnscott1@nhs.net</p>
<p><b>Principal legal, technical and financial advisers (firm/company &amp; name of main contact)</b></p>	<p><b>Project Management Support</b> Turner &amp; Townsend, Glasgow <b>John Ord</b></p> <p><b>Technical Advisers</b> Mott MacDonald, Glasgow</p> <p><b>Legal Advisers</b> Dundas &amp; Wilson, Edinburgh</p> <p><b>Financial Advisers</b> Ernst &amp; Young, Glasgow</p> <p><b>Insurance Advisers</b> Willis Limited, London</p>

## Section 2: Project Requirements

The key objective of this section is to confirm that the proposed technical solution has been developed and agreed with the proposed preferred bidder in sufficient detail, minimising the risk of changes in the period up to financial close. Arrangements must be in place for anticipating, identifying and managing any changes to the project scope thereafter.

	Question	Yes/No	Comments
1.	Please outline any changes that been made to the scope of the project since the last KSR and demonstrate that such changes have the required level of approval within the Procuring Authority and from the relevant Project Sponsor and/or SG.		<p>There have been no changes to the scope of the project since the last KSR, (pre close of dialogue issue).</p> <p>Observations were received as guidance to Bidders from North Ayrshire Council on Planning matters. These appeared to indicate a greater level of cycle route provision to be provided outwith the red line boundary, as a planning condition, than Bidders may have assumed. During the evaluation period as a clarification, Bidders were asked to confirm if the observations had an impact on their bid, and if so to state the consequences. Two Bidders confirmed there was no impact. One Bidder increased their capex by £70k and re-profiled their Financial Model accordingly. This was taken into account in the evaluation cost figures.</p>
2.	Is the Procuring Authority satisfied that the proposed preferred bidder's solution will satisfy its operational and functional requirements (including in relation to the matters below) and deliver the project objectives, benefits and outcomes:  - the scope of FM services within the project;		<p>The Authority confirmed it is satisfied that the proposed Preferred Bidders solution will satisfy the operational and functional requirement, and deliver the project objectives, benefits and outcomes.</p>
	- the impact of the project on staff (including potential		<p>There has been no change in FM services scope since close of dialogue and ISFT</p>
			<p>There is no change to the impact of the project on staff. There are also</p>

	impact of TUPE legislation);		no TUPE transfers.
	- the interface between FM services to be included within the project and those for which the Procuring Authority will retain responsibility;		There is no change to FM/Authority service interfaces since close of dialogue and ISFT
	- the interface between design and the delivery of FM services (e.g. cleaning) and risks (e.g. energy consumption, security) retained by the Procuring Authority;		There is no change to the interface between design and the delivery of FM services and risks retained by the Procuring Authority since close of dialogue and ISFT
	- the interface (during both construction and operations) between the works and services within the project and the Procuring Authority's other facilities and services (e.g. impact on use of adjoining facilities during the construction phase);		During dialogue and as contained in the ISFT the red line boundary was extended to provide Bidders with the opportunity to place their energy centre in the extended area. The PB has no requirement for this additional area and the Authority will re-establish the original ITPD red line boundary during the PB contract finalisation period. Apart from this, there is no change to the interface between the works and services within the project and the procuring Authority's other facilities and services.  <b>Recommendation 1 – It is recommended that the Board consider inclusion of this in the PB letter to clarify red line boundary.</b>
	- sustainability;		There has been no change in sustainability since close of dialogue and ISFT
	- community benefits;		There has been no change in Community Benefits scope and requirements since close of dialogue and ISFT
	- the inclusion of equipment within the project;		There has been no change in equipment scope since close of dialogue and ISFT

	<p>- the delivery of the Procuring Authority's IT requirements within the new facilities;</p> <p>- decant from existing facilities and migration to new facilities;</p> <p>- any conditions or recommendations on scope/specification/design identified in the outline business case approval or previous KSRs.</p>		<p>There has been no change in the delivery of the Authority's IT requirements within the new facilities since close of dialogue and ISFT</p> <p>There has been no change in decant assumptions since close of dialogue and ISFT</p> <p>There are no outstanding conditions or recommendations relating to scope/specification/design identified in the OBC or previous KSR's.</p>
<p><b>3.</b></p>	<p>Is the Procuring Authority, and are its advisers, satisfied that any further development of technical information required from the preferred bidder appointment to financial close is achievable within the current project timetable?</p>		<p>Board to confirm if any further technical proposals required between PB appointment and financial close. If so – how will this be done.</p> <p>The Board have identified areas within the design/technical proposals where there is scope for improvement, and where clinical functionality could be improved. The intended approach is:-</p> <ul style="list-style-type: none"> <li>• Identify these areas within the PB appointment letter.</li> <li>• Immediately after PB appointment conduct a joint Board / PB workshop to establish a project plan to accommodate these changes without compromising critical path activities.</li> <li>• Board to resource and manage the project plan once confirmed.</li> </ul> <p>The Board is aware of its obligations in this process. It will manage inputs to avoid change against the ACR's or decisions taken during dialogue.</p> <p>The Board and its advisers are satisfied that when properly managed, any further development of technical information from PB appointment to FC is achievable within the current project timetable.</p> <p>No further clarifications are awaited.</p> <p><b>Recommendation 2 – The Authority is asked to share the draft PB letter to allow SFT the opportunity to comment.</b></p>

4.	<p>Please demonstrate that a control mechanism and an approvals process are in place for identifying and managing changes to scope, costs and timescales during the procurement process.</p>		<p>Board to confirm previous mechanisms still in place/appropriate</p> <p>Controls mechanism and approvals process are incorporated within the governance arrangements which were most recently circulated to the Programme Board in July 2013.</p> <p>A protocol has been developed by the Board to establish a method of costing any changes during PB to FC. This is being finalised by the advisers in readiness for discussion and agreement with the PB.</p>
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### Section Three: Affordability

The key objective of this section is to consider and test the overall affordability position of the project for both the Procuring Authority and the Scottish Government, in terms of both revenue and capital funding requirements.

Please complete the following project affordability table (with information for the relevant KSR stage)<sup>1</sup>:

	Pre-OJEU	Pre-ITPD	Pre-IFT	Pre-PB	Pre-FC
Construction cost (nominal cumulative)	£46.36m	£46.775m	£50.04m	£46.66m	
Design fees (nominal cumulative)	Included above	Included above	Included above	Included above	
Bid development costs <sup>2</sup> (nominal cumulative)	£1.492m	£1.462m	£3.0m <sup>3</sup>	£2.55m	
SPV costs (in construction) (nominal cumulative)	Included above	Included above	Included above	Included above	
Hard FM costs (real per annum)	£0.481m	£0.468m	£0.468m	0.353m	
Lifecycle costs (real total)	£11.203m	£10.500m	£10.500m	£7.720m	
SPV costs (in operations)	£0.1m	£0.1m	£0.15m <sup>4</sup>	£0.154m	

<sup>1</sup> It is expected that these costs will be based on internally generated estimates pre-OJEU and pre-ITPD and that cost expectations will be updated to reflect preferred bidder model.

<sup>2</sup> Including success fees

<sup>3</sup> Includes SPV costs during construction, bid development costs and success fees. Amount informed by dialogue.



(real per annum)						
Operational Term (years)	25	25	25	25	25	25
Percentage of unitary charge indexation	19	19	19	19	18.5	
Swap rate <sup>5</sup> Margin	3.40%	3.40%	3.40%	3.75% <sup>6</sup>	3.50%	
Unitary charge (nominal year 1 of operations)	£6.517m	£6.240m	£6.303m	£6.303m	£5.100m	
SG funding support (nominal first full year of operations)	£5.608m	£5.463m (£5.554m incl ins)	£5.514m (£5.607m incl ins)	£5.514m (£5.607m incl ins)	£4.594m (£4.638 incl ins)	
SG funding support (NPV including insurance)	£86.972m	£86.965m	£89.099m	£89.099m	£55.406m	
SG Funding Support (NPV excluding insurance)	£77.450m	£74.251m	£75.656m	£75.656m	£54.763m	

<sup>5</sup> Including any buffer

<sup>6</sup> Assumes funding on priced market gilt rate.

	Question	Yes/No	Comments
5.	Please explain any changes that have been made to the cost and funding assumptions (both revenue and capital) since the last KSR and demonstrate that such changes have the required level of approval within the Procuring Authority and from the relevant Project Sponsor and/or SG.		<p>The pre IFT cost assumptions were from the technical advisors at the pre-procurement stage. These have now been updated to reflect the market prices following the competitive dialogue process and Final Tender submissions.</p> <p>The bidder prices show a significant reduction on the benchmarks included in the tender documentation for FM and lifecycle but have been bid through the competitive process and are considered to be consistent with market rates for community health facilities.</p> <p>The financial position is being reported to the Procuring Authority as part of the PB appointment recommendation.</p>
6.	Please demonstrate that the project remains affordable to the Procuring Authority in terms of enabling capital costs, unitary charge contributions and ongoing operational costs (e.g. utilities, soft FM services).		<p>Based on the PB's financial model the Board's contribution to the unitary charge remains within the budget approved to date.</p> <p>Enabling costs continue to run to budget and programme.</p> <p>The affordability assessment has involved a detailed costing of forecast clinical and non clinical costs, compared this to the current clinical and non clinical costs and recognized estate rationalisation savings.</p> <p>When included within the overall affordability assessment the current position from the PB model would result in a revenue saving of £170k pa to the Board.</p>
7.	Please confirm what sensitivities have been applied in assessing the affordability of the project and demonstrate that an appropriate allowance is in place to absorb reasonable cost movements.		<p>Sensitivity analysis has examined the following key costs:</p> <ul style="list-style-type: none"> <li>Facilities management costs – the current revenue saving could accommodate an increase of c50%</li> </ul>

			<ul style="list-style-type: none"> <li>• Lifecycle costs – an increase of c100% in the lifecycle costs would be required to reduce the revenue saving to nil.</li> <li>• Capital costs - These are cf£3.3m under the SG capped amount; this is considered sufficient headroom for affordability.</li> <li>• Reference rate – This risk remains with Scottish Government and does not impact on the Board’s affordability position.</li> </ul> <p><b>Recommendation 3</b> The Authority’s attention is drawn to the fact that the Construction Cost Cap of £50.04m is no longer relevant for affordability purposes and is replaced by the Preferred Bidders construction proposal. Noting the responses below indicating no commercial issues relating to cost, SG anticipates no increase in the revenue funded capital amount.</p>
<p><b>8.</b></p>	<p>What are the key risks / outstanding issues that may have an impact on the affordability of the project and what strategy is in place to manage these?</p>		<p>The senior debt funding for the project will be sought during the PB period. The Board will require the PB to run a funding competition. This will be conducted in accordance with the principles set out in the ISFT and the detailed proposals of the PB. The Board, its advisors and SFT will have transparency of process and a right for approval of the final funding selected.</p> <p><b>Recommendation 4</b> – It is recommended that the Board and its advisors continue to liaise with SFT up to and beyond the PB appointment in order to agree funding strategy and plan that is acceptable to all parties.</p>
<p><b>9.</b></p>	<p>Please provide details (including amount, proportion of total funding requirement and proposed timing) of any capital contributions that the Procuring Authority intends to make any capital contributions to the SPV during the project and confirm that the size and timing of these has</p>		<p>N/A – no capital contributions</p>

	<p>been agreed with the proposed preferred bidder. Please demonstrate that the amount of the capital contribution includes allowance for associated financing fees etc. Please demonstrate that the documentation of this arrangement has been agreed and complies with relevant guidance.</p>		
<p><b>10.</b></p>	<p>Has the proposed preferred bidder assumed composite trader tax treatment and has the full benefit of this been passed on to the Procuring Authority?</p>		<p>The model has assumed the composite trader tax treatment. HMRC clearance would be required for this treatment if the Aviva structure is selected for funding.</p> <p><b>Recommendation 5</b> – Recognising the impact of tax treatment on a number of aspects of the programme and project affordability, the Board will require to consider at an early stage in the PB period with the PB and SFT how to evaluate tax treatment in the procurement of deliverable finance.</p>
<p><b>11.</b></p>	<p>Please provide details of how delays to financial close and indexation of input costs are to be treated.</p>		<p>The price will hold for 4 months after the target FC date, June 2014. After this period BCIS All-in TPI will apply to capital and RPI to lifecycle, SPV and FM costs. The proposed PB has accepted this position.</p>
<p><b>12.</b></p>	<p>Please demonstrate how any recommendations / actions / requirements in relation to the affordability of the project, detailed in the outline business case approval and previous KSRs, have been addressed.</p>		<p>Please see Appendix A attached.</p>

**Section 4: Value for Money**

The objective of this section is to ensure that the key drivers of value for money are addressed in the Procuring Authority's approach to development and delivery of the project. Please refer to relevant Value for Money guidance<sup>7</sup>.

Question	Yes/No	Comments
<p><b>13.</b> Please demonstrate how the Procuring Authority intends to drive value for money through "Effective Delivery". <i>[Response required only to the extent that the position has changed since last KSR]</i></p>		No new measures as position has not changed.
<p><b>14.</b> Please describe how any changes to scope and procurement options since the last KSR have been assessed and the impact that these have on the delivery of value for money.</p>		No change since ISFT KSR
<p><b>15.</b> Please describe the steps that the Procuring Authority and advisers have taken to assess and benchmark the sufficiency / efficiency/competitiveness of bidders' proposals in relation to the following:</p> <ul style="list-style-type: none"> <li>- capital cost inputs</li> <li>- SPV average annual operating costs</li> <li>- SPV project development costs</li> </ul>		No change since ISFT KSR, however please refer to Section 5 Q19 on proposals to secure senior debt finance.

<sup>7</sup> Value for Money Assessment Guidance: Capital Programmes and Projects (updated October 2011) and SFT's Supplementary Guidance for projects in £2.5bn Revenue Funded Investment Programme (October 2011)

-	lifecycle maintenance fund and profile		
-	tax efficiency		
-	financing terms		
-	subordinated debt return		



**Section 5: Commercial**

*The key objective of this section is to test that a robust commercial position has been established with the preferred bidder and that a strategy is in place to deal with any outstanding issues in the period up to financial close.*

Question	Yes/No	Comments
<p><b>16.</b> Please confirm that a list of derogations from the standard NPD contract documentation (including service specification, payment mechanism, NPD articles of association and accompanying guidance) has been agreed with the preferred bidder and approved by SFT.</p>		<p>The Board has confirmed that a final list of derogations has been agreed with the proposed preferred bidder and approved by SFT.</p>
<p><b>17.</b> Are there any outstanding contractual points?</p>		<p>As above.</p>
<p><b>18.</b> Please explain how the proposed preferred bidder has demonstrated that it has the support of sub-contractors for the technical proposals and commercial positions in their final tender. Have heads of terms been agreed between the proposed preferred bidder and its sub-contractors?</p>		<p>The Board has confirmed that the proposed preferred bidder has submitted signed agreed form subcontractor heads of terms with their construction and hard FM contractors.</p>
<p><b>19.</b> Has the preferred bidder secured committed senior debt finance for the project? If not, what strategy is in place for securing senior debt financing proposals and has this been agreed with SFT?</p>		<p>An institutional term sheet approach was taken at SFT. The Board has currently not secured committed senior debt. There is current discussions between the Board and SFT on best route for PB funding. All Bidders have accepted the SFT principles for a funding competition and have submitted detailed timetables for completion, incorporating a funding competition.  Refer to recommendation 4 at Q8.</p>
<p><b>20.</b> Has the proposed preferred bidder, sub-contractors and funders confirmed their willingness to sign up to a</p>		<p>The funder position remains as described above insofar as bidders have performed their own diligence to support funder commitment</p>

	<p>commitment letter that establishes the terms of their appointment?</p>	<p>and have support letters to reflect this but that committed funds will not be secured until post PB.</p> <p>With regards to sub-contractors, please see Q18 above.</p>
<p><b>21.</b></p>	<p>What, if any, key commercial issues remain outstanding with the proposed preferred bidder and how are the implications for the project programme and affordability position to be managed?</p>	<p>The key commercial issue outstanding is in securing senior debt. The Board are supportive of running a funding competition to secure the best terms available and prove best value. The Board believe that running a funding competition to secure the senior debt is achievable within the current programme and as demonstrated by the detailed timetables submitted by Bidders as part of the Final Tender submissions.</p>
<p><b>22.</b></p>	<p>Specifically, has agreement been reached with the preferred bidder in relation to the following matters:</p> <ul style="list-style-type: none"> <li>- vandalism risk</li> <li>- warning notice and termination triggers</li> <li>- payment mechanism (including levels of deductions, unavailability thresholds etc)</li> <li>- TUPE and pensions</li> <li>- level of cash buffer applied before surplus payments</li> <li>- funders direct agreement</li> </ul>	<p>Yes in each case, subject to final Funder Direct Agreement terms being subject to discussion and agreement with the selected funder.</p> <p>The cash buffer follows SFT Guidance and has been set at 2 months worth of the indexing proportion of the annual service payment. In terms of the base annual service payment this amounts to £0.156m and indexed at RPI for the duration of the project.</p>
<p><b>23.</b></p>	<p>Is the Procuring Authority satisfied that the incentives delivered by the service specification and payment</p>	<p>The Board can confirm that it is satisfied with the incentives delivered by the service specification and payment mechanism, these have</p>



<p>mechanism reflect its priorities and desired outputs? Please describe what scenario testing has been applied in calibrating the payment mechanism.</p>	<p>remained under review throughout the dialogue period to ensure that they remain at a suitable level.</p> <p>The Board conducted two workshops with clinical staff to develop understanding of the process and in ensuring that the service priorities and desired outputs were properly reflected in calibrating the payment mechanism. This process involved scenario testing for individual rooms and also whole Departments, to arrive at what was considered to be an appropriate level of incentive against the service priority areas. These scenarios were retained and re-run to check the revised thresholds that were agreed during the dialogue phase and in the review of bidders proposals to mitigate sections of consequential unavailability through their designs.</p>
<p><b>24.</b> Please confirm the status of the Procuring Authority's title investigations, and whether a list of disclosed title conditions, and the impact of these conditions, has been agreed with the proposed preferred bidder.</p>	<p>The Board confirms that the Title Conditions were disclosed to each of the bidders by way of a Report on Title dated 6 November 2013 which was uploaded to 4Projects on 13 November 2013. The Report on Title shows that there is one title condition connected to the red line area. The impact of the title condition has been discussed and agreed with the proposed preferred bidder.</p> <p><b>Recommendation 6</b> – Please confirm title condition and whether there any affordability, programme or other risks associated with the bidders response to the condition have been considered in the evaluation and programme risk register as appropriate.</p>
<p><b>25.</b> Please demonstrate that a programme has been agreed with the proposed preferred bidder for the various due diligence processes required to reach financial close and that these are realistic and synchronised with the overall procurement timetable.</p>	<p>A detailed programme capturing the processes required from PB to FC formed part of the Final Tender submission. The programme is however currently light on detail for due diligence processes. This will need to be further developed with the Preferred Bidder, and in consideration of the strategy to secure senior debt funding, to ensure this activity is synchronised with the overall procurement timetable.</p>

<p><b>Recommendation 7</b> - It is recommended that provision of a detailed programme to capture diligence and agreed funding procurement route is prioritised for agreement at the first meeting with the PB.</p>			
<p>4 months post Financial Close.</p>		<p>Please confirm the period for which the preferred bidder's final tender is open for acceptance.</p>	
<p>Board to confirm</p> <p>No change from previous KSR (pre-IFT). No changes to standard form have been noted. Accordingly the risk allocation follows standard form and transfers construction and availability risk.</p>		<p>It is a condition of SG revenue funding support that the project meets the requirements for classification as a non-government asset for national accounts purposes under relevant Eurostat (ESA95) guidance. Please confirm that the contract terms agreed with the proposed preferred bidder transfer availability and construction risk to the private sector.</p>	
<p>The Board has reviewed the Risk Register as a consequence of the pending PB appointment and has identified three risks where the risk values or mitigation measures have changed. These are:-</p> <ul style="list-style-type: none"> <li>• Bidders challenge to process – An unsuccessful Bidder could challenge the process and outcome. The risk value has remained at Amber, however the Mitigation Strategy for this risk has been redefined to reinforce the need for the Board to prepare, and to give structured and clearly evidenced feedback to the Bidders concerned.</li> <li>• Failure to meet Programme, PB appointment – This risk is reduced, as there is an opportunity to improve on the original programme date for PB of 28<sup>th</sup> Feb. A revised target PB appointment date of 18<sup>th</sup> or 19<sup>th</sup> Feb is now envisaged.</li> <li>• Failure to meet Programme, PB to FC period – This risk value has remained at Amber, however the Mitigation Strategy has</li> </ul>		<p>Please describe any changes that have been made to the risk register and risk management plan since the last KSR, and the impact that any such changes have on the project.</p>	

			<p>been redefined to acknowledge the intensity of input required to maintain programme, albeit further mitigated by the period gained (10 days) by achieving an earlier PB appointment. The target FC date of 13<sup>th</sup> June remains.</p>
<p><b>29.</b></p>	<p>Please describe the risks that the Procuring Authority considers to be most significant to the preferred bidder stage and the strategy for managing these risks.</p>		<p>Board to confirm</p> <p>Current top risks from risk register. There are no red risks – Summary of the top scoring amber risks relevant to the PB stage are as follows:-</p> <ol style="list-style-type: none"> <li>1. Availability of Private finance</li> </ol> <p>Private finance organisations are not willing to fund the project. Mitigation and funding approach was fully described in Section 37 of the pre – CoD KSR. Although there is strong evidence to suggest that there will be a good range of funders willing to commit to the project, the risk remains that in seeking alternative funding options, it could incur a delay to the project. An agreed strategy and programme needs to be agreed with the PB to plan and mitigate any prospect of delay.</p> <p><b>Recommendation 8</b> - It is recommended that the Project Team present the updated risks around availability/deliverability of finance and how the post PB funding procurement fits into programme.</p> <ol style="list-style-type: none"> <li>2. Delivery of Service Continuity Plan</li> </ol> <p>The Service Continuity workstream is established to plan, manage and monitor all aspects of the Plan and report progress to the Steering Group, and Programme Board. The various</p>

		<p>projects are presently reported as being on programme for completion by the required date.</p> <p>3. Bidders challenge to procurement process</p> <p>Board strategy is to prepare constructive and well evidenced feedback to Bidders and ensure proper processes are established and followed.</p> <p>4. Unforeseen or unidentified services on the site</p> <p>Board has acted to ensure all necessary diversions shall be agreed and made prior to construction phase. Additional known site info shall be provided to bidders.</p> <p>5. Failure to meet programme Preferred Bidder to Financial Close period</p> <p>Programme period could further increase to 17 weeks if an earlier PB appointment date is achieved. Robust control of project plan required to allow design improvements and sign off, without compromising critical path items, currently the planning permission application.</p>	
<b>30.</b>	<p>Please describe any changes since the last KSR to the mechanism in place for reviewing and updating the risk register and risk management plan.</p>	<p>There are no changes since the ISFT KSR</p>	

**Section 6: Readiness**

*The key objective of this section is to determine whether the necessary steps have been taken to enable the project to move forward and to ensure that appropriate project management arrangements, processes, protocols and documentation are in place to support progress to financial close.*

	Question	Yes/No	Comments
31.	Please demonstrate how the recommendations / actions / requirements, detailed in the last KSR report, have been addressed (to the extent that these are not dealt with under separate sections of this KSR questionnaire).		Please refer to the Appendix attached which lists out previous KSR recommendation/actions/requirements that remained open, along with supporting commentary on the status or position on each.
32.	Do any further internal/external processes need to take place before appointment of the preferred bidder?		<p>The Board have established a need for the Preferred Bidder appointment to be approved by the following internal governance Groups:-</p> <ul style="list-style-type: none"> <li>• NACH Programme Board – 5<sup>th</sup> Feb 2014 (Approval secured)</li> <li>• Capital Programme Management Group – 12<sup>th</sup> Feb 2014</li> <li>• Corporate Management Team – 18<sup>th</sup> Feb 2014</li> </ul>
33.	Please explain any changes that have been made to the governance and project management arrangements, resourcing and budgets since the last KSR.		No changes since ISFT:KSR
34.	Please confirm any changes that have been made to the Procuring Authority's procurement strategy (including timetable) since the last KSR and demonstrate that this remains/is realistic and deliverable.		The Board has every intention to bring forward the PB announcement to the 18 <sup>th</sup> or 19 <sup>th</sup> Feb 2014 and in advance of the original 28 <sup>th</sup> Feb programmed date. Apart from this change the remainder of the programme remains unaltered. Careful and robust programme management, aided by the period gained through the earlier PB appointment generates further confidence in the Boards ability to

	meet the procurement strategy targets including timescales.		
35.	<p>Please demonstrate that a robust and comprehensive project plan is in place and that the project team has a clear understanding of all tasks / work streams (including evaluation, clarifications, and approvals) to manage the project through to financial close.</p>	<p>The project team is currently informed and is reliant on the project plan contained within the Final Tender of the intended PB, from appointment to FC. This project plan requires Board and adviser input but does at present detail the tasks and workstreams involved in achieving design review and sign off of all technical matters, including 1:50's and RDD matters. The Plan will also detail joint workshops on risk, engagement with the Arts Co-ordinator, and on commercial matters including funding strategies, finalisation of the PA, and due diligence.</p> <p>It is anticipated that the detail of the Project Plan will be established at the PB Project Initiation Workshop that will be arranged immediately after the PB announcement. From that, all parties will have a greater appreciation of the tasks ahead, and timeframe for each task to manage the project through to FC.</p>	
36.	<p>Please demonstrate how the project team intends to manage the interface between the preferred bidder and stakeholders (e.g. end users) going forward.</p>	<p>A stakeholder Engagement Plan with specific proposals for the PB announcement and subsequent period was considered by the Programme Board at the meet on 5<sup>th</sup> Feb. Following some suggested amendments, and accepting the need for discussion and engagement with the PB, this Plan will be implemented. It is anticipated as involving communicating, using a variety of media, the PB design solution, to a range of stakeholders. This includes:-</p> <ul style="list-style-type: none"> <li>• NHS staff at all levels – roadshows/ newsletters/stop press and displays</li> <li>• Patients – through the Patient Reference Groups and through posters/displays.</li> <li>• Scottish Government and SFT – engagement in press release</li> </ul>	


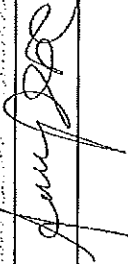
			<p>preparation and targeted issue.</p> <ul style="list-style-type: none"> <li>• General public – poster campaign in public areas.</li> <li>• Local Council and Councillors – general briefing, including community benefits.</li> </ul> <p>The Arts Strategy implementation will provide further engagement opportunities to stakeholders. The PB period will also enable room mock ups to be constructed on site, as a further opportunity to engage with end users, and in meeting and managing their expectations.</p>
37.	<p>Please demonstrate that the project timetable allows sufficient time for all outstanding staffing issues (if any) to be resolved, including (if applicable) achieving LGPS admitted body status / GAD scheme certification.</p>		<p>There are no outstanding staffing issues noted to SFT which could affect the project timetable.</p>
38.	<p>Please provide an update on the land/site strategy (e.g. acquisition, title issues, ground conditions, surveys, enabling works) and planning matters and describe what strategy is in place to manage the impact of any outstanding matters on the project timetable and/or affordability position.</p>		<p>Matters pertaining to the land/ site strategy are as follows:-</p> <p>Title Issues- Please see comments at Q24 above. Reports on title as received from CLO were fully discussed and positions agreed with Bidders prior to ISFT. There are no major matters of concern.</p> <p>Ground conditions – Further surveys were conducted and passed to Bidders. This has influenced the intended foundation design solutions.</p> <p>Surveys – Further ecological surveys will be required. The PB is aware of these as part of the Planning Conditions and they are not a critical path item.</p> <p>Enabling works – The demolitions and service diversions as the key enabling works are well underway, and will be completed by mid April 2014. Temporary car park provision is at the design stage and preparing for contract let and award, leading to completion by mid</p>



<p>May 2014.</p>	<p>Planning matters – Final bids have confirmed Bidders understanding that they are responsible for satisfying the planning conditions, ( apart from preparing the Green Travel Plan). Due allowance to meet these requirements was further confirmed following the issue of the NAC observations notes generated by the most recent meeting with Planners. Confirmation that the anticipated planning requirements were affordable within the final bids was established through the clarifications process. The Board is responsible for the Green Travel Plan and is on course to have this internally approved and ready to pass to the PB in advance of the projected Planning submission date of 10<sup>th</sup> Mar 2014. The issue with regards to the Red Burn culvert has been removed from the Project planning conditions, and will be left as a matter for the Board to directly address and agree a form of resolution with the Council.</p> <p>Due to the management and reporting arrangements that are in place, there are currently no timetable or affordability issues apparent on the land/site strategy.</p> <p><b>Recommendation 9 – consistent with the Pre ITPD recommendation 9 (which could now be closed), it is recommended that proactive engagement with the Council is maintained throughout the PB period.</b></p>	<p>The Board's financial advisors have re-run the financial PQQ evaluation on the proposed PB and confirmed that the consortium passes the threshold.</p>
<p>39.</p>	<p>Please describe what steps the Procuring Authority has taken to verify that the financial and economic standing of the preferred bidder remains unchanged from the pre-qualification stage.</p>	<p></p>



Is the project ready to proceed to the next stage? (*Delete as applicable)	<p><b>Yes.*</b></p> <p><b>Yes , subject to recommendations below*</b></p> <p><b><del>No, due to reasons outlined below.*</del></b></p> <p><b>To be completed by:</b></p>
<b>Reasons / Recommended actions:</b>	
<b>Recommendation 1</b> – It is recommended that the Board consider inclusion of this in the PB letter to clarify red line boundary.	
<b>Recommendation 2</b> – The Authority is asked to share the draft PB letter to allow SFT the opportunity to comment.	
<b>Recommendation 3</b> The Authority's attention is drawn to the fact that the Construction Cost Cap of £50.04m is no longer relevant for affordability purposes and is replaced by the Preferred Bidders construction proposal. Noting the responses below indicating no commercial issues relating to cost, SG anticipates no increase in the revenue funded capital amount.	
<b>Recommendation 4</b> – It is recommended that the Board and its advisors continue to liaise with SFT up to and beyond the PB appointment in order to agree funding strategy and plan that is acceptable to all parties.	
<b>Recommendation 5</b> – Recognising the impact of tax treatment on a number of aspects of the programme and project affordability, the Board will require to consider at an early stage in the PB period with the PB and SFT how to evaluate tax treatment in the procurement of deliverable finance.	
<b>Recommendation 6</b> – Please confirm title condition and whether there any affordability, programme or other risks associated with the bidders response to the condition have been considered in the evaluation and programme risk	

register as appropriate	
<p><b>Recommendation 7</b> - It is recommended that provision of a detailed programme to capture diligence and agreed funding procurement route is prioritised for agreement at the first meeting with the PB.</p>	
<p><b>Recommendation 8</b> - It is recommended that the Project Team present the updated risks around availability/deliverability of finance and how the post PB funding procurement fits into programme.</p>	
<p><b>Recommendation 9</b> – consistent with the Pre ITPD recommendation 9 (which could now be closed), it is recommended that proactive engagement with the Council is maintained throughout the PB period.</p>	
Signature of Primary Reviewer	Signature of Secondary Reviewer
 Date: 14/12/14	 Date: 13/2/2014
Procuring Authority Declaration I confirm that: a) I am not aware of any information that would materially change the assessment and review of the project; and b) the project's details as logged in the Scottish Government's Infrastructure Projects Database (SGIPD) are up-to-date and complete and reflect the current state of the project (including the information on the project's time table and assurance activity).	Date and Signature:
Name and Position: DEREK LINDSAY DIRECTOR OF FINANCE	15/2/14 Derek Lindsay

**Appendix A  
Outstanding actions from previous Key Stage Reviews**

Reasons / Recommended actions:	NHS A&A Commentary on Current Position	Status
<p><u>Pre-ITPD</u></p> <p><b>Recommendation 9</b></p> <p>It is recommended that the Board proactively manage the planning process during dialogue to facilitate the planning application post Preferred Bidder selection to include preparation of a strategy to address planning conditions.</p>	<p>The Board did proactively manage the planning process during dialogue. Two rounds of Planners meetings were held at which a clear position was established and agreed to address the planning conditions, and in also agreeing the process (through a Process Agreement) to achieving Planning Permission within the period determined.</p> <p>The issue with regards to the Red Burn culvert has been removed from the scope of the NPD project, and remains an issue for the Board to address direct with the local Council.</p>	Open
<p><u>Pre-ISFI</u></p> <p>2. It is recommended that the Board consider its risk position in relation to the work to be carried out on service diversions. Specifically, consider whether the contractual arrangements with the services diversions contractor afford the Board the protections required to ensure the Board can fulfill its obligations in relation to readiness of the site</p>	<p>The Board did not consider it necessary to reflect the main contract terms in the service diversion contractors terms to give the Board protection. This would have carried an unacceptable level of cost against the risk presented. The position has not changed, whereby the work is due to start in early Jan and is programmed to extend for 10 weeks leading to completion at the end of March. The exception to this is with regards to Pavillion 8 which is due to be demolished once the Project Team have vacated it. This is programmed for end Feb thus allowing the demolition to take place by the first week of April. Financial close is programmed for 13<sup>th</sup> June and some months after</p>	Open

<p>for the NPD contractor.</p>	<p>the service diversion work and all demolitions are scheduled for completion. The ultimate surety being that the Board is satisfied at Financial Close that the site enabling works are fully complete.</p>
<p><b><u>Pre-ISFT</u></b></p> <p>8. It is recommended that the Board confirm the timetable and actions required to meet the condition in relation to the Green Travel Plan and that this is added to the overall Project Plan.</p>	<p>Open</p> <p>The Boards obligations in completing the Green Travel Plan by the end Feb to hand to the Preferred Bidder as part of the Planning Conditions remain.</p> <p>The Board is on course to fulfil this obligation by the required date.</p>
<p><b><u>Pre-ISFT</u></b></p> <p>9. It is recommended that the Board advise SFT of any specific planned changes to the risk strategy</p>	<p>Open</p> <p>Recommendation noted. The Board will advise SFT of any planned changes to the risk strategy.</p>
<p><b><u>Pre-ISFT</u></b></p> <p>11. Reference is made to stakeholder forums having increased involvement post preferred bidder appointment on wayfinding, interior design and artworks. It is recommended that the Board confirm how this process will be managed to ensure this remains within the scope and pricing that will have been agreed with the Preferred Bidder on the Boards output specification.</p>	<p>Open</p> <p>The Board acknowledge that this process and the stakeholder involvement expected will need to be managed.</p> <p>An Arts Strategy Group is established to oversee the work of the Arts Coordinator and the stakeholder forums to ensure that the aims and objectives of the arts strategy are delivered within the funding levels available. This includes the £50k Provisional Sum for builders work in connection with artworks included in the Preferred Bidders costs. During the PB period agreement will be established with the PB as to the precise details of the allocation of this Provisional Sum.</p>



# Appendix U

# RISK MANAGEMENT STRATEGY

<b>Author:</b>	John Ord
<b>Date:</b>	17 December 2013
<b>Version:</b>	2.0

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## 1. INTRODUCTION

Risk can be defined as the chance of something happening that will have an impact on objectives. Although the word 'risk' usually has negative implications, it is important to recognise that activities involving risk can have positive as well as negative outcomes.

Risk management is the culture, processes and structures used to manage risk. Implementation of a comprehensive, effective risk management approach is an essential part of project management, which must control and contain risks if a project is to stand a chance of being successful.

The processes described in this document, if used correctly, will reduce the potential negative impact of risks for the project and the organisation as a whole; and will identify opportunities for improving project outcomes.

This Risk Management Strategy has been developed in accordance with the NHS Ayrshire & Arran, Risk Management Strategy (version 5.1).

## 2. PURPOSE

The management of large scale projects in the public and private sectors is almost invariably high risk. Therefore it is important that a comprehensive Risk Management Strategy is in place, is understood by all those involved in the project and that the Project Director ensures the management of risk is carried out in a manner consistent with this document.

The purpose of this document is to ensure that risk is identified and managed in a consistent manner at all levels across the North Ayrshire Community Hospital Programme, both for the main NPD Project and the Service Continuity elements and utilising project management best practice. It will also ensure the project's risk management process is embedded within existing risk management processes within NHS Ayrshire and Arran.

This Risk Management Strategy has been created and reviewed by the Project Team Office on behalf of the Senior Responsible Officer and is effective immediately once approved by the Programme Board. The strategy will cover the period between the present time and Financial Close in June 2014. The strategy shall be reviewed and adjusted for the construction and commissioning phases. All staff involved in the Project should ensure they are familiar with the contents of this strategy.

The Project Risk Management Strategy will:

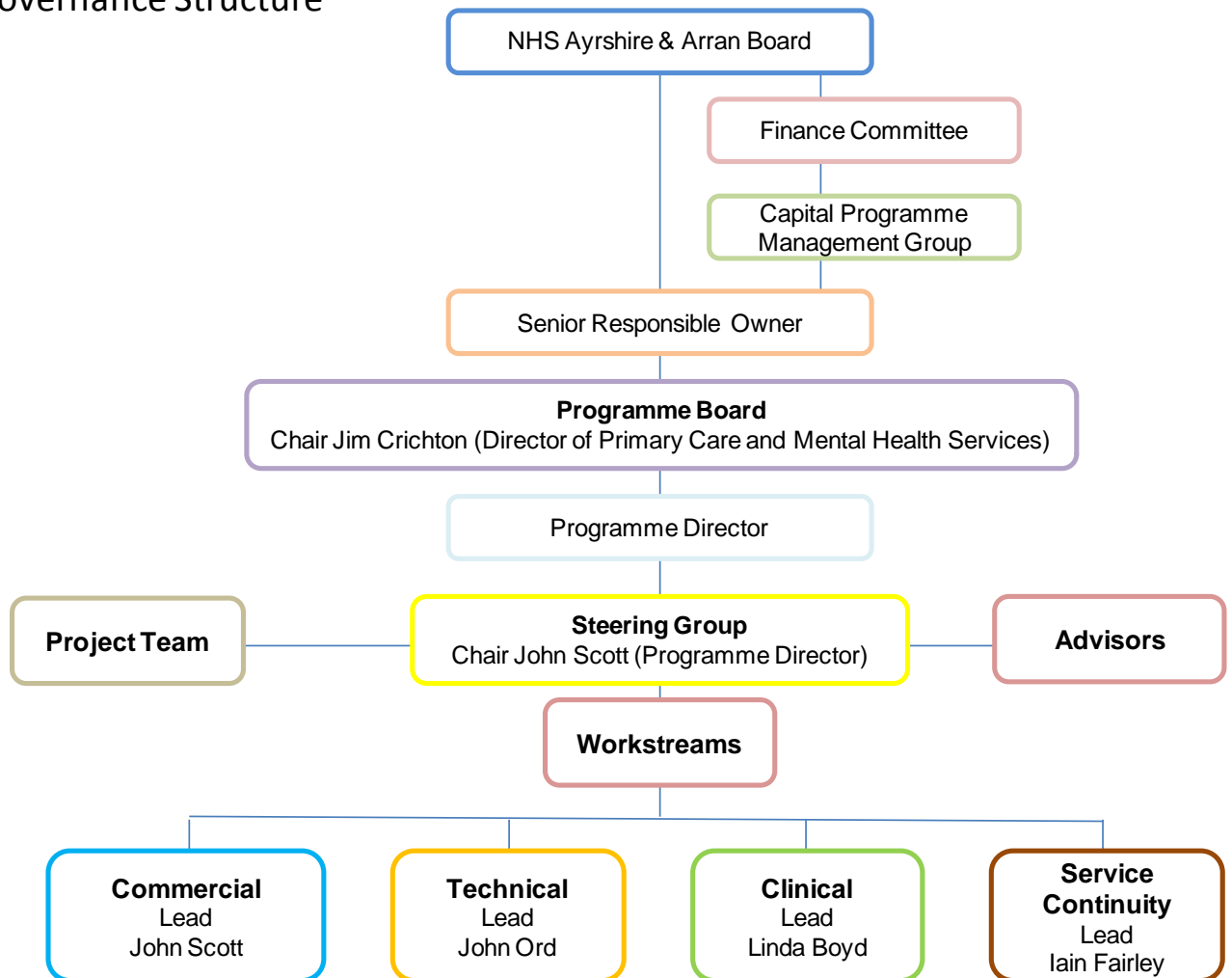
- Provide a risk management approach which can be consistently implemented across the project;
- Ensure that reliable, up to date, information regarding risks affecting the Project is available to those managing the various aspects and components of the Project;
- Demonstrate that project risk management will be integrated into existing planning, operational and day to day activities;
- Ensure that before key decisions are taken by the Programme Board, full consideration is taken of the risks and benefits involved;
- Clarify roles and responsibilities in the risk management process for the Project;
- Ensure there are processes in place to regularly monitor and manage risks across the Project;
- Continuously improve the risk management approach within the Project and ensure the quality of risk information held is to a level that allows the Project to be managed and controlled appropriately;
- Provide a framework which will give assurance to the NHS Ayrshire and Arran Board, the Programme Board, and stakeholders of our ability to deliver the benefits expected of the Project;

This document should be reviewed annually or as required to ensure it is fit for purpose and to allow the incorporation of any lessons learned over the project stages.

### 3. GOVERNANCE OF RISK

There are a number of groups, sub-groups, and workstreams currently in place across multiple levels of the Project. The diagram below outlines the project governance structure and the multiple levels which have been implemented to govern the project from now, through the competitive dialogue and preferred bidder stages, and ultimately through to Financial Close in June 2014.

#### North Ayrshire Community Hospital Risk Governance Structure



The Risk Management Strategy aligns with the governance arrangements. Each risk will be assigned to either the Steering Group or a Workstream. Risks will be identified by an acronym at the start of the risk ID. The following acronyms will be used: The Programme Board shall receive details of all risks which are red and amber from the Risk Register.

- SG: Steering Group
- Com: Commercial Workstream
- Tech: Technical Workstream
- Clin: Clinical Workstream
- SC: Service Continuity Workstream

Each of these Groups/ Workstreams will have a risk register specifically for that group, held on individual risk worksheets. Terms of Reference for these groups will be explicit in detailing accountability with regard to risk ownership and review, however each risk register should be reviewed at least on a monthly basis.

The Programme Board shall receive details of all risks which are red and amber from the Risk Register.

Further details regarding the risk escalation process are contained in section 5 below.

## **4. RISK PROCESS**

All risks, regardless of their duration, will follow the same process which can be outlined as follows:

- Identifying the risk
- Assessing the risk
- Documenting the risk
- Managing and reporting the risk
- Closing the risk

Each of these process steps is detailed further below.

### **4.1 Identifying the risk**

Risks can be identified from a number of sources including:

- the NHS Ayrshire and Arran planning and performance process;
- the environment and context in which the Project is being delivered including political, regulatory, financial;
- programme and project risk assessments, including the review of project assumptions;
- learning and experience from other sources; and
- testing the controls in place around the day to day activities of the project.

Individual groups must undertake regular reviews to identify risks associated with the scope of their work. It is the responsibility of the chair of the group, to ensure this takes place.

## 4.2 Assessing the risk

Risk can be assessed as the combination of the **likelihood** of an event occurring and the **impact** of the event. Establishing how we assess likelihood and impact is key to determining the risk rating and subsequent actions to be taken.

In order to assess the likelihood and impact of a risk, the risk itself must first be classified into one of the four following categories:

<b>Risk Categories – definitions</b>			
<b>Business</b>	<b>Staff</b>	<b>Clinical</b>	<b>Reputational</b>
<p><b>Risks which impact on financial and operational performance</b></p> <p>e.g. IT, external/ political risk, business continuity, business processes</p>	<p><b>Risks which impact on the implementation of staff governance</b></p> <p>e.g. implementation of staff governance action plan and staff survey: ensuring staff are well informed, appropriately trained, involved in decisions, fairly and consistent treated, have a safe working environment</p>	<p><b>Risks which impact on the quality of services to patients and the public</b></p> <p>e.g. impact on the services, patients, general public and donors</p>	<p><b>Risks which have an impact on the reputation of the organisation</b></p> <p>e.g. when an event causes adverse publicity, negative impact on reputation with stakeholders (NHS Boards, The Scottish Government (SG), the public)</p>

#### 4.2.1 Likelihood

The likelihood of an event occurring once can be assessed either quantitatively (% occurrence) or qualitatively (chance of occurrence). The most appropriate method should be selected in each case.

Having assessed the likelihood of the event happening, the following table should be used to determine the likelihood score (1 – 5) for the event. For example, if the chance of an event happening was 50% the score would be 3.

Likelihood			
Score	Description	% Occurrence	Chance of Occurrence
1	Rare	0 – 15%	Hard to imagine this event happening – will only happen in exceptional circumstances.
2	Unlikely	15 – 35%	Not expected to occur but might – unlikely to happen.
3	Possible	35 – 60%	May occur – reasonable chance of occurring.
4	Likely	60 – 80%	More likely to occur than not.
5	Almost Certain	80 – 100%	Hard to imagine this event not happening.

## 4.2.2 Impact

The impact on the project of an event happening should be assessed using the criteria outlined in the table below. Impact is to be scored in relation to the impact of the risk on the whole NPD Project, not on the specific work stream or function. In addition, any impact on timescales will be assessed against covering the period from when the risk is raised to Financial Close in June 2014. Any financial impact will be assessed against the project capital budget cost. This will allow the impact table to be used consistently throughout the project as the project budget increases or decreases.

Impact					
		Category			
Score	Description	Business	Staff	Clinical	Reputational
1	Negligible	<ul style="list-style-type: none"> <li>Financial impact of &lt;£10k</li> <li>Project delays &lt;2% of remaining timescales</li> <li>Minimal impact - no operational disruption</li> </ul>	<ul style="list-style-type: none"> <li>No obvious harm to staff</li> <li>Minimal disruption to staff</li> <li>Very minor delay in recruiting staff</li> </ul>	<ul style="list-style-type: none"> <li>Interruption to a service which does not impact on the delivery of services to patients or the public or the ability to continue to provide service</li> <li>No obvious harm to patient/public</li> </ul>	<ul style="list-style-type: none"> <li>Rumours – no interest to the press</li> <li>No damage to reputation with stakeholders</li> <li>Overspend of &lt;5% of Budget</li> </ul>
2	Minor	<ul style="list-style-type: none"> <li>Financial impact of £10k-£100k</li> <li>Project delays 2%-5% of remaining timescales</li> <li>Minor impact on service provision</li> </ul>	<ul style="list-style-type: none"> <li>Minor H&amp;S incident due to unsafe working environment or working practice</li> <li>Minor staff complaint</li> <li>Short term vacancy</li> <li>Small number of staff not informed, trained, involved in decisions, treated fairly &amp; consistently</li> </ul>	<ul style="list-style-type: none"> <li>Minor effect on the health impact of our services</li> <li>Short term disruption to service with minor impact on delivery of services to patients/public</li> <li>Minor injury – first aid treatment required</li> </ul>	<ul style="list-style-type: none"> <li>Some public embarrassment</li> <li>Minor damage to reputation with stakeholders</li> <li>Minor effect on staff morale</li> <li>Overspend of 5-15% of Budget</li> </ul>
3	Moderate	<ul style="list-style-type: none"> <li>Financial impact of £100k-£250k</li> <li>Project delays 5%-20% of remaining timescales</li> <li>Some operational objectives partially achievable</li> </ul>	<ul style="list-style-type: none"> <li>H&amp;S incident with some harm</li> <li>Staff unrest</li> <li>Key post vacant for some time</li> <li>Moderate number of staff not informed/ trained/ involved in decisions/ treated fairly &amp; consistently</li> </ul>	<ul style="list-style-type: none"> <li>Moderate effect on the health impact of our services</li> <li>Some disruption in service with unacceptable impact on delivery of services to patients/public</li> <li>Medical treatment and/or counselling required</li> </ul>	<ul style="list-style-type: none"> <li>Regional media – long-term adverse publicity</li> <li>Moderate damage to reputation with local Stakeholders</li> <li>MP concern</li> <li>Moderate effect on staff morale</li> <li>Overspend of 15-40% of Budget</li> </ul>
4	Major	<ul style="list-style-type: none"> <li>Financial impact of £250k-£1,000k</li> <li>Project delays 20%-50% of remaining timescales</li> <li>Significant impact on service provision</li> </ul>	<ul style="list-style-type: none"> <li>Severe H&amp;S incident</li> <li>Industrial action</li> <li>Unable to recruit skilled staff to key roles for extended period</li> <li>Significant number of staff not; informed/ trained/ involved in decisions/ treated fairly &amp; consistently</li> </ul>	<ul style="list-style-type: none"> <li>Major effect on the health impact of our services</li> <li>Sustained loss of service which has serious impact on delivery of services to patients/public (resulting in major contingency plans being invoked)</li> <li>Extensive injury/ major harm</li> </ul>	<ul style="list-style-type: none"> <li>Scottish media – adverse publicity of less than 3 days</li> <li>Major impact on reputation with stakeholders nationally</li> <li>Significant effect on staff morale</li> <li>Overspend of 40-60% of Budget</li> </ul>
5	Catastrophic	<ul style="list-style-type: none"> <li>Financial impact of &gt;£1,000k</li> <li>Project delays &gt;50% of remaining</li> </ul>	<ul style="list-style-type: none"> <li>Death causing termination of operations</li> <li>Prolonged industrial</li> </ul>	<ul style="list-style-type: none"> <li>Severe effect on the health impact of our services</li> <li>Permanent loss of</li> </ul>	<ul style="list-style-type: none"> <li>UK wide /International media – adverse publicity of more than 3 days.</li> </ul>

Impact					
		Category			
Score	Description	Business	Staff	Clinical	Reputational
		timescales • Unable to function/ total failure in service provision	action • Sustained loss of key groups of staff • NSS Staff not; informed/ trained/ involved in decisions/ treated fairly & consistently	service or facility • Incident leading to death or major permanent incapacity	• Ministerial concern. Court enforcement. Public inquiry. • Severe impact on reputation and stakeholder relations national/international • Overspend of >60% of Budget

### 4.2.3 Risk Rating

Once the likelihood and impact of a risk has been rated, each risk will then have a single score which is calculated by multiplying the likelihood and impact ratings. This single score determines whether a risk is Red, Amber or Green (RAG). The table below outlines the scores and how these relate to the RAG rating of a risk.

		Score	Likelihood				
			Rare	Unlikely	Possible	Likely	Almost Certain
		Score	1	2	3	4	5
Impact	Catastrophic	5	5	10	15	20	25
	Major	4	4	8	12	16	20
	Moderate	3	3	6	9	12	15
	Minor	2	2	4	6	8	10
	Negligible	1	1	2	3	4	5

#### KEY

Risk rating	Combined score	Action/Treatment
<b>HIGH</b>	15 – 25	Poses a serious threat. Requires immediate action to reduce/mitigate the risk.
<b>MEDIUM</b>	9 – 12	Poses a threat and should be pro-actively managed to reduce/mitigate the risk.
<b>LOW</b>	1 – 8	Poses a low threat and should continue to be monitored.

### 4.3 Documenting the risk

All risks will be documented in the Project Risk Register. Inserted below is a copy of the template to be used for documenting project risks. As mentioned above, each group/workstream identified within the governance structure will have a risk register containing the risks that are appropriate to that group. The template embedded below should be used to document each risk for the project. A separate tab will be created for each of the groups and workstreams detailed in section 3 above.



Risk Register  
Template

The table below outlines each of the headings in the Risk Register and provides guidance on how these should be populated:

Unique Ref No	Details the unique identifier for the risk including a prefix to show where the risk is currently being managed (i.e. CG001)
Date Raised	Details the date the risk was first raised.
Raised by	Details the person who raised the risk.
Last Updated	Details the date the risk was last updated.
Date of Next Review	Details the date the risk will next be reviewed.
Owner	Details the person responsible for managing the risk.
Risk Title	Details a short description of the risk itself.
Risk Status	Details whether the risk is open or closed.
Risk Description	Details the description of the risk in clear unambiguous language. Suggest that all risk descriptions start with "There is a risk that...."
Impact Description	Details the impact on the project if this risk were to be realised.
Action Plan	Details the activities to be undertaken in order to mitigate the risk. Details should be provided by the Risk Owner.
Progress / Update	Details the activities which have been taken to date in order to mitigate the risk.
Primary Category	Details the primary category the risk relates to (Business / Staff / Clinical / Reputational).
Secondary Category	Details the secondary category the risk relates to (Business / Staff / Clinical / Reputational)
Current Risk - Impact	Details the impact score of the risk, see section 4.2.2 above.
Current Risk - Likelihood	Details the likelihood score of the risk, see section 4.2.1 above.
Current Risk - Combined Score	Details the combined score of the risk and its Red, Amber or Green status. See section 4.2.3 above.
Mitigation Strategy	Details the chosen action type for the risk (Prevention / reduction / acceptance / transference / contingency)
Proximity Date	Details the date when the risk could potentially become an issue.
Residual Risk - Impact Score:	Details the mitigated impact score of the risk once the proposed actions have been implemented.
Residual Risk - Likelihood Score	Details the mitigated likelihood score of the risk once the proposed actions have been implemented.
Residual Risk - Combined Score	Details the RAG score (Residual likelihood score x Residual impact Score) of the risk once the proposed actions have been implemented.
Financial Impact	Details the expected financial impact to the organisation if the risk should occur.



#### 4.4 Managing and reporting the risk

Responsibility for the day to day management of individual risks lies with the chair or lead to the workstream or group to which the risk belongs. The chair/lead will be responsible for providing an update on the progress of the actions for their risks and will provide this to the Project Team Office, in order for the regular risk management reports to be prepared and considered by the Steering Group and Programme Board.

For the purposes of reporting, the initial RAG status will be used for all risk management reports, to the Steering Group. The Programme Board shall receive risk management reports on all red and amber risks.

The review of risks and how this is addressed by each group is shown in the table below.

Forum	Issued in advance of the meeting	Discussed at the meeting	Actions post meeting
Workstream Group (Commercial/ Technical/ Clinical / Service Continuity)	<ul style="list-style-type: none"> <li>Full risk register for that workstream.</li> </ul>	<ul style="list-style-type: none"> <li>All red and amber risks for that workstream.</li> <li>Any green risks (managed by that workstream) which are due to be reviewed according to the risk review date in the risk register.</li> </ul>	<ul style="list-style-type: none"> <li>Risk Register updated following discussions at the meeting.</li> <li>Risks to be escalated to the next level copied over to the appropriate Risk Register.</li> </ul>
Steering Group	<ul style="list-style-type: none"> <li>Full Risk Register, including Steering Group specific risks and any risks which have been escalated from the workstream groups.</li> </ul>	<ul style="list-style-type: none"> <li>All red and amber risks identified on the Register.</li> <li>Any Steering Group green risks which are due to be reviewed according to the risk review date in the risk register.</li> <li>Any risks which have been escalated by any of the project workstreams.</li> </ul>	<ul style="list-style-type: none"> <li>Risk Register updated following discussions at the meeting.</li> <li>Risks to be escalated to the next level copied over to the appropriate Risk Register.</li> </ul>
Programme Board	<ul style="list-style-type: none"> <li>Risk Report including red and amber risks and specific issues to highlight or significant changes since previous report.</li> </ul>	<ul style="list-style-type: none"> <li>All red and amber risks contained within the Register.</li> <li>Risks to escalate to CPMG.</li> </ul>	<ul style="list-style-type: none"> <li>Risk Register updated following discussions at the meeting.</li> </ul>
Capital Planning Management Group (CPMG)	<ul style="list-style-type: none"> <li>All Project Red Risks.</li> </ul>	<ul style="list-style-type: none"> <li>All Project Red Risks.</li> </ul>	<ul style="list-style-type: none"> <li>Risk Register updated following feedback from the meeting.</li> </ul>

##### 4.4.1 Quarterly Risk Reviews

Green risks contained in the risk register must be reviewed on a three monthly basis by the Programme Director to ensure their rating is appropriate. This review will be carried out by the external Project Manager and Programme Office. Recommendations will be made to the Programme Director regarding the outcome of the review. The Programme Director will then review the recommendations and advise the Programme Office accordingly.

#### 4.4.2 Risk Report

In advance of each Programme Board meeting, a Risk Report will be developed that will provide the Programme Board with details on the following:

- The overall number of project risks and how these are dispersed across the various groups and workstreams in the project;
- A heat map showing the breakdown of all project risks relating to their likelihood and impact scores;
- The movement of risks since the previous Programme Board meeting; and
- All Red and Amber risks which are to be brought to the attention of the Programme Board, including how long red risks have been red for.

#### 4.5 Closing the risk

Any risk deemed to no longer be a risk to the project can be closed. Closed risks will remain on the project risk register but clearly marked as 'closed'. The font for these risks will be greyed out and they will be moved to the 'closed risks' tab in the risk register workbook. Closed risks will not be required to be managed unless they are re-opened. Any risk which is closed must have reasons clearly documented which set out why the decision was taken to close a risk.

At the end of each stage of the project, closed risks will be reviewed to ensure they are no longer a threat to the project.

### 5. RISK ESCALATION

All risks with a score of 9 or above (red or amber risks) are to be escalated to the Steering Group for action. Details should be provided by the escalating group regarding the action plan for the risk, confirming why the risk is being escalated and what has changed since the last time the risk was reviewed. Upon receipt of the risk, the Steering Group will review the risk scoring and decide whether to:

- Accept the risk onto their risk register and agree ownership of the risk along with a revised action plan
- Pass the risk back to the originating group with recommendations on how the originating group should manage the risk going forward
- Incorporate the risk into the next Programme Board Risk Report

Escalated risks will be retained on the originating group's risk register and will be annotated as having been escalated. A copy of the escalated risk will be added to the register of the Steering Group. It will however keep its original risk ID. The escalation trigger score of 9 and its application across all categories will be reviewed on an ongoing basis.

In practice, the Steering Group risk register will comprise of only risks that have been specifically generated by that group, and risks escalated from subordinate groups. These groups are expected to make decisions upon corrective action and resource allocation that would enable the likelihood or the impact scoring to be reduced to such an extent that the risk is immediately de-escalated back to the originator. Risk registers at this level should not be static.

## 6. ROLES AND RESPONSIBILITIES

The **Risk Owner** is responsible for:

- Identifying and implementing a mitigation plan, obtaining support where necessary
- Managing all aspects of the risk(s) assigned to them including the action plan
- Reporting on progress against mitigating actions to the Programme Office
- Highlighting significant changes to the Programme Director if appropriate
- Regularly reviewing the risk rating
- Ensuring that risks assigned to them on the Risk Register are kept up to date

The **Workstream Leads** are responsible for:

- Identifying risks from their own particular areas of work and ensuring these are documented in their individual risk registers
- Ensuring their risk registers are kept up to date and risks are managed appropriately
- Escalating all red and amber risks to the Steering Group

The **Project Team Office** is comprised of an external project manager and project support staff who will be responsible for:

- Sending reminders for Risk Report updates for the Steering Group and Programme Board
- Ensure the risk register is updated on a regular basis
- Highlight any failure to comply with this policy to the Programme Director

The **Steering Group** is responsible for:

- Identifying all risks associated with their work
- Reviewing escalated risks ensuring these are being appropriately managed
- Highlighting any risks which require consideration of the Programme Board

The **Programme Director** is responsible for:

- Ensuring that risks are identified recorded and regularly reviewed in line with the Project risk management strategy.
- Ensuring that all relevant red and amber risks are highlighted to the Project Board
- Ensuring risk registers are kept up to date and mitigating actions are adequate for red and amber risks

The **Programme Board** is responsible for:

- Notifying the Programme Director of any external risk exposure to the project
- Making decisions on the Programme Director's recommended reactions to risk
- Striking a balance between the level of risk and the potential benefits that the project may achieve

## Document Control Sheet

<b>Title:</b>	Project Risk Management Strategy
<b>Date Published/Issued:</b>	17/12/2013
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<b>Owner:</b>	John Ord
<b>Approver:</b>	John Scott
<b>Approved by and Date:</b>	
<b>Contact:</b>	
<b>File Location:</b>	<a href="#">Risk Management Strategy v2.doc</a>

### Revision History:

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1.0	04/02/2013	First Draft to Advisors	JO
2.0	17/12/13	Issued to Programme Board	EMcC

# Appendix V

**Meeting Dates 2014**

<b>DATE</b>	<b>TIME</b>
Wednesday 5 <sup>th</sup> February (Final Tender Evaluation Report)	10am
Wednesday 26 <sup>th</sup> February (Full Business Case)	2:30pm
Tuesday 25 <sup>th</sup> March	10am
Thursday 24 <sup>th</sup> April	2:30pm
Tuesday 27 <sup>th</sup> May	2:30pm
Wednesday 25 <sup>th</sup> June	10am
Monday 28 <sup>th</sup> July	10am
Thursday 28 <sup>th</sup> August	10am
Tuesday 30 <sup>th</sup> September	10am
Tuesday 28 <sup>th</sup> October	2:30pm
Wednesday 26 <sup>th</sup> November	2:30pm
Friday 19 <sup>th</sup> December	10am