

Meeting:	NHS Grampian Board Meeting
Meeting date:	10 April 2025
Item Number:	7
Title:	Project Update on the ANCHOR Centre
Responsible Executive/Non-Executive:	Dr Nick Fluck – Medical Director and Senior Responsible Officer (SRO)
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1.0 Purpose

This is presented to the Board for:

Assurance

The Board is asked to note progress with

- The ANCHOR Centre project, comprising an update on key matters including the outcome of the feasibility study, decisions on the building completion strategy, the revised scope of work, and the design, construction, commissioning and assurance processes that are under way in the lead up to completion and functional occupation of the building.
- the ongoing construction of the Baird Family Hospital, including the recent changes in scope of work.

The Board is also asked to note

- the current project cost, programme and risk management.

This aligns to the following NHS Scotland quality ambition(s):

- Safe
- Effective
- Person Centred

2.0 Report summary

2.1 Situation

The construction programme for The Baird Family Hospital and The ANCHOR Centre commenced in January 2021. The project is at an important stage, with construction works to the ANCHOR Centre paused but nearing completion, and works to the Baird Family Hospital progressing in accordance with the updated construction programme. Previous updates to the NHS Grampian Board have highlighted the following matters affecting delivery of the project:

- Following a design review process focused on Healthcare Acquired Infection (HAI), several design issues, specific to water and ventilation within the Baird Family Hospital and The ANCHOR Centre have been identified as requiring potential amendment.
- Following consideration by the Project Board on potential changes to the buildings, an instruction to pause filling of the water systems was submitted to the Contractor, mitigating risk associated with the filling of water systems, which could result in water stagnation and contamination.
- Following instruction by the Project Team, a feasibility study was commissioned by the Contractor, setting out potential changes to the buildings. This study included a revised construction programme and compensation event quotation for the works.

Progress since the last meeting is summarised below:

2.2 The ANCHOR Centre

2.2.1 Background

The NHS Grampian Board were previously updated that following a presentation on the HAI related design review of the buildings, the Project Board had agreed to a series of actions including

- instructing the Contractor to undertake immediate changes to the construction of the ANCHOR Centre; and
- commissioning a series of feasibility studies to provide an understanding of the impact of potential design changes to the configuration of the building.

In August 2024, the Project Team were provided with the outcome of the feasibility study for changes to the ANCHOR Centre and by October 2024 the Project Team were provided with a formal quotation and a revised construction programme for execution of the full scope of work contained within the feasibility study. Based on the revised scope of work, completion of the ANCHOR Centre construction was reset to autumn 2026 with a projected cost of £17m over the agreed contract sum.

2.2.2 Progress

In November 2024, the Project Board were updated on the outcome of the feasibility study, and advised that if all additional works were to be instructed and continued through to completion of construction, this would delay occupation dates of the building beyond 2026. Consequently, the Project Board were presented with a series of options, setting out differing contract completion and occupancy strategies for the building.

In January 2025, the Project Board were asked to consider two options:

- whether the current design for The ANCHOR Centre was acceptable and should be handed over as soon as practicable, with limited changes to the structure; or
- whether more significant configuration changes should be undertaken in order to futureproof the building from prospective HAI, with a significant risk of delayed entry.

The Project Board were unable to come to a consensus agreement on the two options presented.

In January 2025, the Scottish Government wrote to NHS Grampian advising that all further design changes, unless considered essential in securing a supported Key Stage Assurance Reviews (KSAR) from NHS Scotland Assure (NHSSA), would be considered as discretionary spend and, if instructed into the project, these costs would be recovered from the Board's formula capital budget over a number of years.

The Chief Executive as Accountable Officer reviewed each of the options and confirmed his recommendation to support the proposal which sought to complete works to The ANCHOR Centre with limited changes to the configuration of the building, avoiding extensive delay to completion and significant cost overrun. The Chief Executive's decision was based on the knowledge that all design changes and the resulting construction would require to be supported by NHS Scotland Assure through the ongoing KSAR process before opening to patients.

In March 2025, the Project Team, supported by Technical Advisors, developed a scope of works for completion of The ANCHOR Centre based on a list of essential changes. This scope included conversion of general treatment rooms from pentamidine administration rooms, operational enhancements to ventilation systems in treatment areas, removal of fan coil units in patient areas, additional security measures to the pharmacy, and restricting window opening and door access to the public terraces from the open plan treatment space. Previously agreed changes to address concerns with the recirculating cold water supply had already been instructed in May 2024 and are already complete.

In conjunction with these scope changes, the Project Team oversaw a revision to the clinical output specification (Room Data Sheets and Environmental Matrix) and prepared

information for submission to NHS Scotland Assure as part of a 'pre-submission' review, in order to avoid a situation where re-design works were undertaken and the project would remain unsupported.

Since March 2025, the Project Advisory team have been leading on the development of a revised performance specification, involving multiple clinical and IPC stakeholders, upon which instructions have been issued to the Contractor to design and complete the revised scope of work. Risk Assessments pertaining to the clinical activity and patient occupancy are under way. An updated stage 2 HAI Scribe is due to be completed by the end of April 2025.

Despite the construction being largely complete by the beginning of 2024, decisions on the changes to the building have prevented contract completion, however in this period a significant portion of the snagging and technical commissioning activity (ventilation, fire, medical gas and electrical systems) has been carried out by the Contractor and witnessed by the board's Technical Commissioning Managers and Supervisors. A pre-validation check has also been carried out by the board's Authorising Engineer in advance of the final assessment at handover.

2.2.3 Forthcoming Activity

Following receipt of the instructions, the Contractor has provided an updated design and construction programme for the work. Procurement of the work has commenced with most of the supply chain already appointed and Compensation Event quotations submitted for acceptance.

Throughout April and May 2025, the Project Team and Advisory Team will review and approve design submissions by the Contractor ahead of particular elements of construction commencing.

By the end of May 2025 the Project Team will have submitted the final additional information required in support of the ANCHOR Construction KSAR, and be ready for submitting information relation to the Commissioning KSAR for review by NHSSA.

Construction of the works will be phased and will carry on through to September 2025, when they are expected to be complete. Commissioning will continue through to the end of 2025. The Project Team will be administering the Stage 4 HAI Scribe throughout this duration.

Upon completion of the construction works, filling of the water system will be undertaken by the Contractor leading to a process of flushing and sampling the system, ensuring the water provision is safe for consumption and outlets are constructed adequately. In advance of this work, a mains supply water pipe leg into the building will be replaced under instruction. Additionally, a schedule of identified building snags, prepared by the Supervisor and Contractor, will be remedied prior to handover.

At completion of the works, validation of the general ventilation and air handling system will be completed by the Authorising Engineer and commissioning and validation of the ventilation to the Aseptic Pharmacy undertaken by specialist Contractors. These will be the penultimate activities prior to taking occupancy.

The functional commissioning process, which includes equipping and moving into the building, has been extensively planned by the Project Team. Following the receipt of a fully supported Handover KSAR, and subject to all of the construction activity, commissioning and validation fully concluded, it is anticipated that equipment moves/delivery, art installations, and third party fit outs will be undertaken following handover, with service moves in to the building early 2026. During this pre-occupancy period, domestic services staff will be available to ensure water services continue to be flushed and managed up until full occupancy.

2.2.4 Quality

The quality of workmanship throughout the ANCHOR Centre has been consistently high throughout the construction of the building. The building was subject to moisture ingress during the early stages of construction. Although remediation measures have been carried out by the Contractor when identified, after completion of the works additional monitoring will be undertaken by the Contractor during the functional commissioning stages and in the early periods of occupancy in case of sudden changes to the air quality.

Additionally and although not a conventional approach, in order to mitigate any unforeseen delays to completion of the building, pre validation checks on the ventilation system have been undertaken by the board's Authorising Engineer in order to establish if any issues are inherent likely to affect acceptance and to ensure that the Contractor has sufficient time to address these prior to completion. A list of observations to respond to has been provided to the Contractor.

2.3 The Baird Family Hospital

2.3.1 Background

Construction of the Baird Family Hospital continues steadily in line with the most recent accepted construction programme. The building is now fully weather tight with internal partitions, doors and ceilings constructed and all functional spaces established. Most of the mechanical, electrical and plumbing installations are complete with room finishing and fixtures under installation. The new bridge link connecting the Baird Family Hospital with ARI and AMH is complete. External landscaping works are progressing with work to the north entrance ready for planting and works to the southwest corner of the building being prepared for new paths and roads.

2.3.2 Progress

As previously confirmed, a feasibility study for the Baird Family Hospital was procured in May 2024 to establish the viability of a series of physical alterations required within specific areas of the building to mitigate potential Healthcare Acquired Infection (HAI) risks.

In September 2024, the Project Team received the draft feasibility study for alterations to the Baird Family Hospital for consideration, along with a technical impact assessment of the removal of sinks and little used water outlets. The theatres study comprises of potential changes to the layout of the operating theatre lay-up/ prep rooms as well as changes to the ventilation arrangement of the theatre scrub.

The Project Team and technical advisors have now undertaken an initial review of the theatres feasibility study and are currently developing a revised performance specification for submission to the Contractor for development of the design of this area. Additionally, in response to concerns around sink locations and ventilation arrangements in the neonatal unit, a similar performance specification is being developed for simultaneous instruction.

A risk review of the sink removal locations was completed in mid-December and considered by the Project Board in January 2025. The Project Board could not agree on whether to instruct the removal of the sinks and therefore the matter was escalated for an Executive level decision. A decision is expected early April 2025.

Following identification of defects in the existing infrastructure ducts within the ARI site, routes for the primary and secondary (resilient) Copper, Oxygen and Fibre services serving the Baird Family Hospital were agreed. In March 2025, the Project Board agreed to a compensation event from the Contractor allowing these works to be instructed.

Additionally, in September 2024, following receipt of a notice from NHS Scotland relating to a fatal helicopter downwash accident at Plymouth Derriford Hospital, a review of the proximity of the Baird Family Hospital to the current helipad on the south side of the ARI was undertaken.

In response to updated hospital helipad guidance, which requires greater distance between landing pads and structures, an instruction was raised for the Contractor to relocate the new vacuum insulated evaporator (VIE) tank that stores liquid nitrogen to the Aberdeen Centre for Reproductive Medicine to the south side of the building, away from a proposed location on the east side of the building near the helipad.

2.3.3 Forthcoming Activity

Pre-commissioning activity has commenced ahead of completion the Baird Family Hospital. Weekly commissioning meetings take place with the Contractor involving

technical, clinical and IPC stakeholders. A commissioning programme has been developed by the Contractor which has been reviewed and agreed by the Project Team commissioning managers. Witnessing of electrical and ventilation systems are now taking place with the Contractor daily.

A Construction Phase Water Safety Plan has been submitted for the Baird Family Hospital for approval, and, like the ANCHOR Centre plan, will be reviewed by NHS Grampian's Water Safety Group in order to agree an appropriate and compliant flushing regime of cold water supply pipework ahead of an instruction to implement. Dates for filling the water supply pipework will be agreed after the review and sign off of the Water Safety Plan in line with the commissioning programme.

Specific zones within the Baird Family Hospital building have now progressed to completion of final decoration/ floor finishes etc, with sample rooms now being agreed for setting snagging and quality levels. Commissioning workshops involving NHS Scotland Assure will continue for the next three months, which will prepare the project team for the commencement of technical commissioning when the design work is complete and alterations to the building are under way.

2.3.4 Quality

The quality of workmanship throughout the Baird Family Hospital has also been consistently high throughout the construction of the building. As noted above, the building was also been subject to unexpected moisture ingress during the early stages of construction when the fabric was incomplete.

Similar to ANCHOR, additional monitoring will be undertaken by the Contractor during the functional commissioning stages and in the early periods of occupancy in case of sudden changes to air quality within the spaces. Additionally, pre validation checks on the ventilation system have been undertaken by the board's Authorising Engineer.

2.4 Cost

Costs have regularly been reported to the NHS Grampian Board. The capital investment requirement for the Baird and ANCHOR project is funded by a capital allocation agreed by the Scottish Government. The most recent budget forecast of £261.1m previously agreed by the Board remains under pressure until design changes and completion strategies for both buildings are addressed. A full update on project costs will be provided to the NHS Grampian Board in June 2025, when the scope of work for the Baird Family Hospital has been developed and agreed. Similar to the ANCHOR Centre, a revised scope is being developed for this building, following the HAI review.

2.4.1 Programme

Based on the agreed scope and design, assurance and construction programme the provisional date for functional occupation of the ANCHOR Centre is December 2025. This date will be subject to receipt of a supported handover KSAR and service demands.

A separate update on completion and functional occupation of the Baird Family Hospital will be provided to the NHS Grampian Board in June 2025.

3.0 Risk Assessment and management

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

4.0 Equality and Diversity, including health inequalities

The project undertook a Health Inequalities Impact Checklist in February 2018 as part of the Outline Business Case. This piece of work was commended by the Public Health Team.

This work demonstrated that these new facilities will provide opportunities to engage more with vulnerable or disadvantaged groups than is the case in existing facilities e.g. single room accommodation; increased space for families to be together.

5.0 Other impacts

No other relevant impacts to note at this stage.

6.0 Communication, involvement, engagement and consultation

The project continues to have an active communication and engagement strategy that is reviewed yearly to reflect the stage of the project. The team continue to have dedicated resource that leads on this work along with communication being a significant feature for senior and other project team members.

Following on from previous years and due to programme delays, we have taken stock of our communications strategy and have had a more targeted approach while ensuring we communicate and continue to meet key stakeholders on a regular basis. The key features of our current strategy are:

Communication Tools

We continue to use as appropriate our well established communication channels - project website, social media channels and project newsletter to keep stakeholders up to date with the project.

Key Stakeholders

The Project Team continue to meet with key stakeholders on a regular basis. There is a continuing offer to go and meet with any interested community group.

Staff continue to be a focus of our communication strategy with regular project meetings and drop in sessions being arranged with services that will move to The ANCHOR Centre.

Communication with and participation from charity and third sector partners continues to be an important focus for the team. Patient input from the start of the project has influenced and strengthened the design of the facilities and we continue to engage on areas that stakeholders can still influence.

Proactive Media Plan

The project continues to promote the features of both facilities and the difference these buildings will make to patients, families and staff once open.

8.0 Route to the Meeting

Project performance is reported regularly at the monthly Project Board and Asset Management Group meetings. A report from the Project Director and Senior Responsible Officer is provided as appropriate to the Performance Assurance, Finance and Infrastructure Committee (PAFIC).

9.0 Recommendations

The Board is asked to note progress with

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