

Jersey Future Hospital Project

Outline Business Case

Appendix 12 – Benefits Appraisal Methodology and Appraiser briefing notes

Document Control

Version	Date Issued	Summary of Changes	Author
V1	28.9.17	Document compilation	N Aubrey
V2	24.10.2017	Template updated	T Nicholls

Briefing note

The draft appraisal methodology was considered and approved by the Business Case review Group [BCRG] at its third meeting on the 19th July 2017. The final list of Evaluators was updated post approval to reflect confirmed attendee responses.



Author:	N Aubrey	Version:	2
Date:	18 th July 2016	Circulation:	Confidential

States of Jersey

Outline Business Case

Non-Financial Options Appraisal Proposed Methodology and Reporting Arrangement

Context

HMT Business Case guidance recommends that the non-financial benefits delivered by Options should always be assessed and set against each Options cost to arrive at a view of relative Value for Money [VFM].

The completion of a Non-Financial Benefits Appraisal is therefore an explicit requirement within UK Treasury Compliant Business Cases with Option benefits being examined transparently against a common set of Measurement Criteria drawn from the projects Objectives.

The process set out herein fully conforms with current UK Treasury Business Case Guidance and builds upon the equally compliant and assured process followed in appraising site Options within CRF004/ CRO25 reports.

Purpose of the document

Its purpose is to:

1. Re-affirm the **Shortlisted Options** for Non-Financial Benefits Appraisal
2. Confirm the approach and outcome of a review of the **Project Objectives and weightings**;
3. Confirm the **proposed Benefit and Risk Criteria**;
4. Set out the **arrangements for completion of the Non-Financial Options Appraisal**;

1 - The Shortlisted Options

The Options shortlisted for review were arrived at following a longlisting process completed in May 2017 and summarised in the OBC Shortlisted Options Report

These are set out below and have been extracted from a paper confirming Option Definitions approved by the Business Case Review Group [BCRG] on 12th July 2017.

Option No	Name	Level 1 definition
1	Do Nothing	<p>This reflect the hospitals current operation and represents the effect of taking no action other than that already planned in response to:</p> <ul style="list-style-type: none"> • statutory and regulatory deficiencies in terms of building and healthcare standards, • estate dilapidation and hospital spatial, functional technical obsolescence; • Anticipated activity growth driven by population change;
2	Do Minimum	<p>This reflects the minimum possible response to:</p> <ul style="list-style-type: none"> • statutory and regulatory deficiencies in terms of building and healthcare standards, • estate dilapidation and hospital spatial, functional technical obsolescence; • Anticipated activity growth driven by population change; <p>This response should recognise the continuing delivery of a General Hospital as the minimum acceptable standard and will include actions such as</p> <ul style="list-style-type: none"> • service reorganisation where this is viable; • the refurbishment of areas to meet required standards or new construction again where possible; • An increase in the use of off island provision where merited /needed;

3	The Refurbishment Option	The reflects the new build construction of the main hospital on a cleared part of the existing site augmented by the acquisition and demolition of properties on Kensington Place to increase the available construction footprint. This option also includes the refurbishment of Westaway Court to allow several key functions to be located there outside the acute General Hospital.
4	The New Build Option	The reflects the new build construction of the main hospital on a cleared part of the existing site augmented by the acquisition and demolition of properties on Kensington Place to increase the available construction footprint. This option also includes the demolition of Westaway Court and the construction of a long-Term Conditions centre in its place allowing key functions to be more effectively cohorted here outside the acute General Hospital. Pathology services will also be located at Westaway and connected to the General Hospital by a physical vacuum tube and digital reporting links

These Options reflect their agreement as the 'Shortlisted Options' following the Project Boards approval of the above Report and a post Project Board recommendation by the Business Case Review Group [BCRG] on the 11th July 2017 addressing the location of Pathology.

2 - Review of Project Objectives

HMT Guidance recommends that the Project Objectives are reviewed within the Outline Business case to ensure that they remain valid and to present an opportunity for adjustment following the completion of earlier project stages.

The Project Objectives were reviewed at two Stakeholder Workshops (See Appendix 1) on 28th June 2017 and the 5th July 2017 by representatives drawn from across the hospital and client team and its Advisors.

It considered a policy review completed by Gleeds and concluded that three further 'high level' Objectives should be introduced.

These are set out below along with the relative Objective weights agreed by stakeholders

	Original High Level Objectives	Weighting %
1	Safe	40%
2	Sustainable	20%
*	Affordable	0%
Objectives proposed for addition within the OBC		
3	Integrated	15%
4	Person-centred	20%
5	Positive Socio economic impact	5%

* Affordability is an economic Objective and is therefore not assessed within the Non-Financial Benefits Appraisal

3 - Proposed Benefit Criteria

Project objectives are necessarily high level and need to be broken down to identify the aspects by which their achievement can be measured.

Referred to as Benefit Criteria, these can then be used to clearly differentiate between the Shortlisted Options - an essential task in undertaking a Cost Benefit Analysis.

Benefit Criteria were reviewed during the second Stakeholder Workshop on the 5th July 2017 reviewed.

Stakeholders concluded that whilst some of the earlier sited-based Benefit Criteria remained relevant in their intent, a large number that were less useful in assessing hospital options.

The following Benefit Criteria and weights were therefore developed to meet the review of Hospital Options.

1.0	Safe	to ensure that services can be delivered in a safe manner for service users and staff	40.00%
1.1	To provide facilities that are fit for purpose meeting all regulatory and legislative standards		8.00%
1.2	To provide facilities that support efficient and effective clinical processes through maximising advantages of clinical adjacencies		7.20%
1.3	To provide facilities that support efficient and effective clinical processes through maximising the advantages of standardised operating, treatment and support services spaces		5.60%
1.4	To provide facilities designed to meet the specific health and well-being needs of the wide range of service users		5.60%
1.5	To provide physical environments that contribute to health and wellbeing for service users and their families		2.80%
1.6	To provide a workplace environment that supports and enables staff to deliver a high quality service		2.80%
1.7	Facilities that can provide 24/7 immediate and urgent care		8.00%
2.0	Sustainable	to ensure that the hospital supports the delivery of sustainable healthcare in all aspects of delivery	20.00%
2.1	To provide facilities that are sufficiently flexible so that they are capable of meeting existing and future acute service demand		4.00%
2.2	To provide facilities that are capable of responding to changing standards of clinical practice		3.60%
2.3	To provide high quality facilities that attract and retain high calibre staff of all grades		2.80%
2.4	To provide an environment that supports and upgrades staff skills		1.40%
2.5	To create high quality facilities that attracts private patients from within and external to Jersey		2.80%



2.6	To provide facilities that support treatment of long term conditions and high levels of co-morbidity		4.00%
2.7	To provide facilities with internal architecture that supports health and well being		1.40%
3.0	Integrated	to deliver facilities that work toward and support an integrated health care model	15.00%
3.1	The hospital to act as a provider and an enabler in providing care through integrated health and social care pathways		7.50%
3.2	To provide care using the full efficiencies offered by IT Strategy and operation		4.50%
3.3	To provide facilities and services that meet the needs and aspirations of the third and voluntary sectors.		3.00%
4.0	Person centered	to place service users and staff at the centre of service planning	20.00%
4.1	Provide facilities that enable a case management approach to service user care		2.00%
4.2	Provide facilities that enable multi-disciplinary team working		2.00%
4.3	To provide physical environments that support privacy and dignity and a positive service user experience		8.00%
4.4	Provide facilities that support service users and their families and carers		2.00%
4.5	Provide facilities that meet islanders expectations regarding the provision of a wide range of health services; reducing the need to travel off-island		6.00%
5.0	Positive socio economic impact	To secure positive socio-economic and environmental impacts	5.00%
5.1	To contribute to protecting and enhancing the built environment of St Helier		1.00%
5.2	To provide facilities that establish the hospital as a 'special place', acting as a community hub and informal as well as formal meeting place for Islanders and visitors		1.00%
5.3	Provide facilities that are low carbon generating		1.00%
5.4	To provide facilities that in their delivery and operation support the creation of sustainable employment for local people in building and maintaining the hospital through skills development and skills transfer		1.00%
5.5	To provide an acute hospital service infrastructure that acts as an attractor to highly skilled staff needed to support key sectors of the Jersey economy.		1.00%

4 - Arrangements for completion of the Non-Financial Options Appraisal;

Overview

In contrast to the high-level appraisal previously undertaken in selecting the Preferred Site, the evaluation of hospital Options within the OBC requires the engagement of a wider stakeholder group to adequately consider their relative values.

Evaluators need to be independent of those involved in setting the Benefit Criteria and weights so as to avoid the effects unconscious bias in the evaluation process.

The Evaluation Group

The following 'Evaluation Group' has drawn together from HSSD staff, primary care and out of hospital services groups and, the wider community

Evaluation Group	Role / designation / representative area
Michelle West	Director of Operations
Rachel Williams	Director of System Redesign and Delivery
Pam Le Sueur	Lead Nurse – Medicine & Support Services
Trish Ferguson	Infection Control Nurse
Andrew Woodward	Consultant in Anaesthesia
Jim Hopley	Jersey Voluntary and Disability Partnership
Margaret Bayes	Jersey Carers Association
Paul Simmonds	Age Concern
Dr Sarah Whiteman	Primary Care
Jon Bevan	Middle Grade Medical Doctor
Adrian O'Keeffe	Pathology Manager
Mike Judge	Ambulance
Mr Patrick Armstrong	Consultant for Orthopaedics
Emelita Robbins	Jersey Hospice

The Subject Matter Expert Group [SME]

In arriving at their conclusions Evaluators will be supported by Gleeds acting as the evaluation facilitators and by Subject Matters experts drawn from the Client Team and Advisors. The following SME Group is proposed:



SME Group	Role / designation / representative area
Nigel Aubrey	Evaluation workshop facilitator
Frances Mackenzie	Minutes and record
Kieran Morgan	Hassell – Architectural and design - SME
Danny Flynn	MJM – Health planning - SME
Sven Howkins	GMS – Delivery programme and phasing - SME
Stewart Rowney	Rowney Sharman – Enabling Schemes - SME
Bernard Place	HSS – Operational and clinical functionality - SME
Grahame Underwood	GU Consulting Ltd - Healthcare Masterplanning - SME
Andrew Ross	EY – Corporate Finance - SME
Simon Cuthbertson	MJM – Medical Planner - SME

SME's will not be involved in the scoring process but will be available to support Evaluators by responding to any questions that emerge on the meaning of any Benefit Criteria in relation to each Shortlisted Option.

Evaluation workshop arrangements

The evaluation process will be managed by Gleeds through an Evaluation Workshop scheduled for the 26th July 2017. The Workshop will be operated under the following principles:

- SME's will deliver a full presentation of the Shortlisted Options to the group along with an explanation of the underlying principles, opportunities and challenges encountered.
- SME's will be available to respond to further questioning by the group as needed.
- The scoring of benefits and risks and the recording of group opinions will be managed by a Gleeds Facilitator such they can inform Moderators in scoring reviews.
- Scores will be arrived at through collective discussion and will therefore reflect the combined view of all evaluators.

Evaluators will be required to supplement their scores with notes reflecting their opinion which will be provided to the States of Jersey upon request.

Gleeds will assign an independent member of its team to assess the robustness of the evaluation process and to consider the extent of records established to support its findings.

Sensitivity Analysis

The robustness of the weighted findings will be examined to determine the effect that any change in weightings would have on the calculated outcomes. This work will be completed by EY team members to determine to degree of change required to bring about a change in the ranking of options.

Further analysis of switching points may be required once scoring outcomes are known and will be identified as needed.

Risk Review

The above process will be repeated to consider the risks associated with each Option. Risk Criteria from CR025 remain valid for this purpose. In this case all model outputs will be similarly assessed to arrive at weighted risk scores for the option.

Comparison of results & reporting

The weighted findings of the benefits appraisal will be compared with the NPV of each option established within the GEM model to assess the trade-off between benefits and costs. This will allow a measure of the cost effectiveness of each option to be established through comparison of each site options cost of each unit of weighted score.

The findings of the option benefits evaluation and risk scoring workshops will be presented to BCRG for approval and inclusion in the Economic Case of the Outline Business Case.

Option Scoring

Given the broad range of criteria proposed the scoring of options will be competed on the basis of their individual merit or otherwise being adjudged against each relevant criteria.

The use of attributes to better define sub-criteria is also not practical at this stage. As such to avoid any unrealistic grouping of options evaluators will need to be prepared to use both maximum and minimum scores wherever this is merited.

Sub criteria will be scored from a 0 and 5 range as set out in the scoring dimensions table below:

Score	Benefit Scoring dimensions
0	The option does not meet the sub-criteria expectations in any way or is not considered to be able to do so following any further development.
1	To option goes some way to meeting the sub-criteria expectations or demonstrates an ability to do so following further development.
2	The option reflects at least half of the expectations of the sub-criteria but is unlikely to improve on this.
3	The option reflects at least half of the expectations of the sub-criteria and clearly demonstrates that greater achievement is possible following further development.



4	The option meets the expectations of the sub-criteria.
5	The option meets or exceeds the expectations of the sub-criteria and clearly demonstrates that the expectations can be exceeded following further development.

Score	Risk Impact scoring Dimensions
0	Considered to have negligible or no physical, financial, operational or political impact
1	Considered to have minimal physical, financial, operational or political impact.
2	Considered to have some physical, financial, operational or political impact but considered manageable
3	Considered to have moderate and disruptive level of physical, financial operational or political impact
4	Would have a severe or damaging physical, financial operational or political impact
5	Would have a catastrophic or major failure level of physical, financial operational or political impact

Score	Risk Likelihood scoring Dimensions
0	Not possible or fully mitigated
1	Rare (1 - 20% chance of occurrence)
2	Unlikely (21 - 40% chance of occurrence)
3	Possible (41 -60% chance of occurrence)
4	Likely (61 - 80% chance of occurrence)
5	Almost Certain / Certain (81 -100% chance of occurrence)

Recommendations

The developed findings of the scoring process will be reviewed by the Gleeds team with recommendations included within OBC Benefits Appraisal Report and appended to the OBC.



This will include the identification of the Preferred Option and / or any further actions required to support its acceptance by the States of Jersey.



Author:	N Aubrey	Version:	1
Date:	23/07	Circulation:	Bernard Place
Status	Final		BCRG

States of Jersey

Outline Business Case

Non-Financial Options Appraisal Evaluator Briefing

Event Plan and Itinerary

Date:	26 th July 2017
Time:	12:00 – 5:00pm
Refreshments:	A working lunch will be provided at mid-day and taken whilst Facilitators provide an overview of the workshop
Attendance:	To be confirmed and drawn from those set out in the Appraisal Methodology

Dear Evaluator,

Firstly, thank you for accepting the invitation to participate in the Hospital Options Appraisal process. Your input will be invaluable in helping the project team to fully appreciate the relative merits of each potential option.

In advance of this I thought that it would be helpful to share a short note with you setting out how the reasons for holding the Option Appraisal process and how you will be asked to play a part in it on the day.

What is the Options Appraisal for?

Replacing the hospital is a significant commitment and will set the standard for the Islands healthcare in future. The possible Options for building the new hospital on the current General Hospital site have now been shortlisted to four. A decision will shortly need to be taken as to which of the four Options is preferred. This decision will need to ensure that selected Option meets the needs of Jersey and does so at a cost that can be demonstrated as reflecting ‘best value’.

The UK Treasury has developed well proven guidance for taking these big decisions known as the ‘HMT Five Case Model’. This is being followed by the States of Jersey to ensure that its decisions are adequately informed and includes an Options Appraisal such as that planned above.

How does it work?

The Objectives for the project have already been identified from the States healthcare and other policies and have been used to agree a set of important things that should be able to be achieved by or in the new hospital. The Evaluators will then be asked to consider each Option against these ‘Criteria’ and, after collective discussion, to agree a score for how well they feel each of them would perform. Having a broad mix of skill bases and expertise in the Evaluator group is therefore useful, however, the Project Team experts and Advisors will be on hand as well to deal with questions that Evaluators may want to ask about the Options.

What will happen at the workshop?

The workshop itinerary will follow the following format:

Introduction – 12:00 - 12:30

- The day will be jointly facilitated by Nigel Aubrey from Gleeds as the Lead Advisor and Bernard Place as the Project Director Healthcare. Nigel will introduce the teams and provide the group with an overview of the process including scoring and will set out the format for the day.
- Bernard will then set out the four Options to be considered and will share some key information with Evaluators on the islands current and future healthcare requirements.
- A working lunch will be provided for all Evaluators which can be taken during this introduction.

Option Presentation and scoring – 1:00hr per option to conclude at 4:30

- During this period, the project team will present an overview of each option to Evaluators and will outline the distinctive issues and features that relate to each of them.
- At the end of each presentation Nigel and Bernard will lead a discussion each of the agreed Benefit Criteria referred to above and will work with Evaluators to arrive at the groups agreed score for the Option.
- The project Team and Advisors will be able to help with this by responding to any Evaluator questions but importantly will not be allowed to score the options as they will be involved in the wider delivery of the project.
- Benefit criteria scores and comments will be captured electronically so that they can then be used in identifying the best scoring option.

Reflection and close – 4:30 – 5:00

- The facilitators will summarise the days findings and address any outstanding questions before closing the workshop

How does scoring work?

The benefit Criteria have been given different 'weights' to reflect their different levels of importance to the hospital. However, not sharing these with Evaluators means that any unconscious preference can be avoided and, importantly the scoring process can be very straightforward.

After discussion to consider how each Option would perform against each Criteria the Evaluator Group will be asked to score its view on a scale of 0 -5 as below.

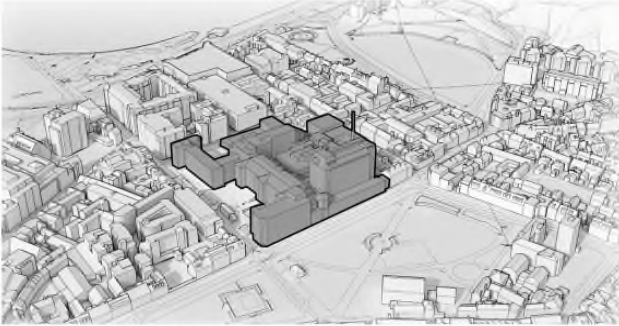
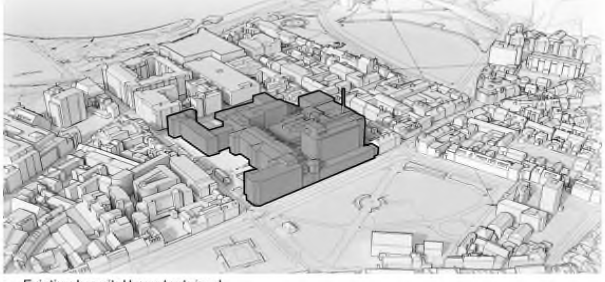
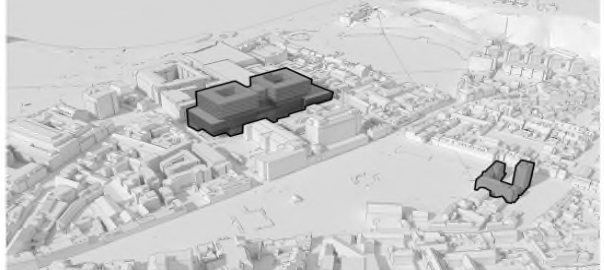
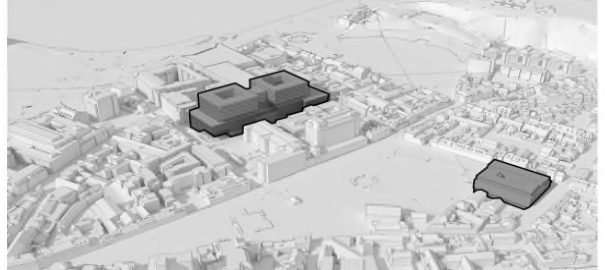
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3	The option reflects at least half of the expectations of the sub-criteria and clearly demonstrates that greater achievement is possible following further development.
4	The option meets the expectations of the sub-criteria.
5	The option meets or exceeds the expectations of the sub-criteria and clearly demonstrates that the expectations can be exceeded following further development.

What are the options?

The final four options have been arrived at by applying a similar evaluation process to a much longer list of options. Within these, Options 1 and 2 are mandatory – they are required by the HMT Guidance to make sure that the need for a new hospital has been thoroughly tested.

Option No	Name	Level 1 definition
1	Do Nothing	<p>This reflects the hospitals current operation and represents the effect of taking no action other than that already planned in response to:</p> <ul style="list-style-type: none"> statutory and regulatory deficiencies in terms of building and healthcare standards, estate dilapidation and hospital spatial, functional technical obsolescence; Anticipated activity growth driven by population change;
2	Do Minimum	<p>This reflects the minimum possible response to:</p> <ul style="list-style-type: none"> statutory and regulatory deficiencies in terms of building and healthcare standards, estate dilapidation and hospital spatial, functional technical obsolescence; Anticipated activity growth driven by population change; <p>This response should recognise the continuing delivery of a General Hospital as the minimum acceptable standard and will include actions such as</p> <ul style="list-style-type: none"> service reorganisation where this is viable; the refurbishment of areas to meet required standards or new construction again where possible; An increase in the use of off island provision where merited /needed;

3	The Refurbishment Option	<p>The reflects the new build construction of the main hospital on a cleared part of the existing site augmented by the acquisition and demolition of properties on Kensington Place to increase the available construction footprint.</p> <p>This option also includes the refurbishment of Westaway Court to allow several key functions to be located there outside the acute General Hospital.</p>
4	The New Build Option	<p>The reflects the new build construction of the main hospital on a cleared part of the existing site augmented by the acquisition and demolition of properties on Kensington Place to increase the available construction footprint.</p> <p>This option also includes the demolition of Westaway Court and the construction of a long-Term Conditions centre in its place allowing key functions to be more effectively cohorted here outside the acute General Hospital.</p> <p>Pathology services will also be located at Westaway and connected to the General Hospital by a physical vacuum tube and digital reporting links</p>

<p>Option 1 Do Nothing gleeds</p>  <ul style="list-style-type: none"> • Existing hospital layout retained • All departmental relationships remain as existing • No expansion of hospital site curtilage 	<p>Option 2 – Do Minimum gleeds</p>  <ul style="list-style-type: none"> • Existing hospital layout retained • All departmental relationships remain as existing (subject to 'interventions') • Includes incremental programme to complete all 'back-log' maintenance works • Incremental implementation of interventions to respond to increase in demand • No expansion of hospital site curtilage
<p>Option 3 JFH + Westaway Court Refurbishment gleeds</p>  <ul style="list-style-type: none"> • New build main hospital • Refurbished Westaway Court with good service co-location (Diabetes/ Rheumatology & Neurology in main hospital at 'end state') • Pathology remains on site during demolition and main hospital construction phase 	<p>Option 4 JFH + Westaway Court New Build gleeds</p>  <ul style="list-style-type: none"> • New build main hospital • New build Westaway Court with optimal service co-location • Pathology remains on site during demolition and main hospital construction phase