



# NHS 24: Estates Programme

Programme Business Case Framework

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### Version Control

Version	Author	Comments
V1.0	Margo McGurk/David Miller Damien Sneddon	First draft framework, outlining description of content that will sit within each of the five cases.

## Introduction

This document sets out the programme level business case for the NHS 24 Estates Programme, using the Five Case approach set out within HM Treasury and Scottish Capital Investment Manual (SCIM) for the development of business cases.

NHS 24 is preparing this Programme Business Case (PBC) using the well-established Five Case Model. This approach will provide the NHS 24 Board and other decision makers and stakeholders with a proven framework for structured 'thinking' and assurance that the programme:

- Provides a strategic fit and is supported by a compelling case for change. This dimension of the five cases focuses on the need for the investment and key objectives for the Estates Programme and is the '**strategic case**' section within the PBC.
- Will maximise social value to society through the selection of the optimal combination of projects and related activities and will consider whether best value can be demonstrated. This dimension of the five cases focuses on options appraisal and is the '**economic case**' section within the PBC.
- Is commercially viable and attractive to suppliers. This dimension of the five cases focuses on the development and ensuring that appropriate contractual and commercial arrangement are in place and is the '**commercial case**' section within the PBC.
- Is affordable and is fundable over time. This dimension of the five cases focuses on the whole life costs, and affordability, of the preferred option and is the '**financial case**' section within the PBC.
- Can be delivered successfully by NHS 24 and our partners. This dimension of the five cases focuses on the implementation arrangements for the preferred option and is the '**management case**' section within the PBC.

This Business Case is being developed as a Programme Business Case, rather than Project Business Case, because there are a number of inter-related workstreams and activities that will require to be scoped, planned and costs justified from the outset and therefore managed as a Programme.

## 1. EXECUTIVE SUMMARY

This document sets out the programme level, business case framework which considers options to respond to the need to vacate the NHS 24 Clydebank Contact Centre in the context of delivering the current and future requirements of the whole NHS 24 Estate.

The purpose of this business case is to articulate the strategic rationale and key objectives for the programme, outline its scope and breadth, and provide an indication of the likely impact and costs associated with delivery.

This business case also considers whether best value can be demonstrated, whether options are affordable, and that appropriate operational, workforce and management arrangements have been appropriately assessed and considered.

## 2. STRATEGIC CASE

*This section will be set out a clear statement of the need for this investment and demonstrate alignment and fit with delivery of our strategic portfolio.*

*The purpose of this Strategic Case is to make the case for change and to demonstrate how it provides strategic fit with NHS 24 and NHS Scotland stated strategic priorities.*

*To make this robust case for change, we will set out a clear understanding of the rationale, drivers and objectives for this investment. This will include:*

- an understanding of the existing arrangements (Business As Usual (BAU)), business needs (related problems and opportunities); potential scope (the required organisational capabilities); and*
- the potential benefits, risks, constraints and dependencies associated with the proposal.*

*This Strategic Case will look to demonstrate that the proposal is required and that it will further the aims and objectives of the organisation. Essentially the business case requires to prove that there is a clear case for change.*

### **Strategic Context**

As part of NHS Scotland's National Elective Centres' programme, the Golden Jubilee National Hospital (GJNH) are required to expand their surgical capacity within the

site. As a consequence of this, NHS 24 have been asked to vacate the Clyde contact centre, possibly as early as spring 2020.

NHS 24 recognises that the Elective Centres' programme is a national priority and will work in partnership with GJNH and our other partners, to find the most appropriate solution for all concerned. We will however require to do that in the context of maintaining the accountabilities of the NHS 24 Board to deliver safe and effective access to our services for the people of Scotland.

It will be important to ensure that the governance responsibilities of the NHS 24 Board are discharged appropriately through the NHS 24 Board formally approving with the GJNH and with the NHS 24 Scottish Government Sponsor Team, that this change be made. Part of this approval will relate to agreeing a realistic and deliverable timeline, which has minimal impact on our staff and service users and is supported with a funding resource within which to implement the change.

Together with the GJNH, we are commencing the identification of a range of options for the relocation of NHS 24 staff and services, in order to support the national clinical demand on the GJNH.

This is likely to be unsettling for all staff based within our Clydebank Centre, but we will do all we can to work with staff to achieve the best possible outcome –supporting both the continued delivery of our services, as well as all staff who live in the local area and are based at that centre.

The NHS 24 immediate priority is to provide assurance to staff and the Board that we will mitigate the disruption this unexpected news will have. The focus will be on identifying a solution that minimises disruption for our staff and our service users.

The Executive Management team have established a cross Directorate project Estates Programme Group (EPG), supported by the PMO to commence the task of Identifying and assessing the options. An experienced project manager has been identified and deployed to help manage and co-ordinate this work.

The Director of Finance and Performance as executive lead for estates and facilities is leading this work on behalf of the Chief Executive. The Director of Finance and Performance and the Director of Workforce co-chair the EPG.

Digital infrastructure is essential to NHS 24 and IT will play an integral role in ensuring that any accommodation meets our requirements and that timescales are feasible. The planned technology refresh may pose a practical limiting issue that will be factored in as options are explored.

## Investment Objectives

The EPG have met on 3 occasions and have developed investment objectives to help frame the programme scope and activities. The high-level investment objectives are detailed in the graphic below.



### 3. ECONOMIC CASE

*The purpose of the economic dimension of the business case is to identify the proposal that delivers best value. To do this, we will identify and evaluate a range of realistic options, in terms of how well they meet the identified spending objectives and critical success factors for the Estates Programme.*

Following a number of meetings with key internal stakeholders and our suppliers, we have now developed four options, which are being worked up in more detail. The key aim of the scoping and options definition stage is to set out a full detailed description of each option and to establish overall feasibility and timeline. As part of the evaluation, we will consider the economic costs and impacts associated with each option, along with Net Present Values to identify the preferred option.

**Sensitivity analysis** will also been undertaken to test the robustness of key assumptions including cost, level of optimism bias and impact estimates.

#### 3.1 Short-listed options

In this section the scope and delivery options are set out in detail. The key aim of the scoping and options definition stage is to set out a full detailed description of each option and to establish overall feasibility and timeline.

The information on potential cost and funding models will be established in a separate phase.

Short List Options for Appraisal
Retain a site in Clydebank and current Cardonald site
2 sites within a reasonable travelling distance to be operationally defined within West of Scotland
1 single consolidated site in the West of Scotland
Look at geographic locations for reconfiguration of entire NHS 24 estate

The Do Nothing option will also be on as a reference point and comparator for all the other options.

The EPG discussed the need to frame the options over a suitable timeframe. Indicatively 10-15 years would allow sufficient time to consider the benefits over the longer term and align with the normal cycle for any new lease agreements.

The group also considered that the 2 additional options identified below should be ruled out and indicate the rationale for so doing.

Option Ruled Out	Reasoning
New Build within 1 year	Timescales for relocation of Clydebank staff do not allow for this option
Outwith Central Belt	Ruled out instead look at maps of virility as published by Scottish Government

### 3.2 Evaluation of Options

#### 3.2.1 Assess each option for advantages and disadvantages

*In order to evaluate the options, we will undertake a SWOT assessment of each option and evaluate it against how well each option meets the stated objectives and critical success factors agreed for the programme. This will be presented, as follows:*

#### 3.2.2 Summary assessment of options (example only)

*The next step will be to assess each proposed solution for its advantages (strengths & opportunities) and disadvantages (weaknesses & threats). The assessment will provide an evaluation of each option, with a conclusion on the preferred way forward. The following summary table is provided as an **example** only at this stage.*

	Option 1	Option 2	Option 3	Option 4
<b>Description of options:</b>				
Objectives				
1. To add				
2. To add				
3. To add				
4. To add				
Critical success factors				
Summary				



### 3.2.3 Prepare indicative costs for option

*Indicative costs and benefits for each of the above options will be provided at this stage to test the affordability of the programme before a more detailed appraisal takes place (in Financial Case). The costs will include some allowance for ‘optimism bias’ and the ‘cost of risk’, and together with the benefits, be discounted to provide indicative net present social values for the short-listed options, as required.*

*Following identification of related costs, indicative costs will be developed for each option and presented as follows:*

<i>DRAFT</i>	Undiscounted (£m)	Net Present Cost Value (£m)
<b>Option 1: Do Minimum, No Change</b>		
Opportunity Costs		
Other costs		
Lifecycle costs		
Optimism Bias & Risk Register		
Capital Costs		
Revenue Costs		
Total Costs		
<b>Less:</b> Cash-releasing benefits		
Costs: Net Cash Savings		
<b>Non-cash Releasing Benefits</b>		
<b>Total</b>		

### 3.3 Non-financial benefits appraisal

This section describes how the EPG will evaluate and assess each option against the investment objectives of the programme. This assessment will describe the impact of each option in qualitative and quantitative terms. An exercise is currently underway to assign weightings to each benefit criteria.

Benefits Criteria	Benefit Types/Possible ways to Evaluate
<b>Socio Economic &amp; Equality</b>	<ul style="list-style-type: none"> <li>• Employment opportunities in area (SIMD)</li> <li>• Employment opportunities in area</li> <li>• Employment opportunities for diverse communities</li> <li>• Businesses supported within Local Community</li> </ul>
<b>Provide Safe and Effective Care for Patients</b>	<ul style="list-style-type: none"> <li>• Improved joint working,</li> <li>• Shared resources</li> <li>• Co-location with other parts of the health service, including 3rd party partners.</li> <li>• Knowledge transfer improve learning.</li> <li>• Safe Staffing levels - Centres located within known recruitment pools for clinical staff. e.g. Challenge in recruiting staff to hospital based buildings, university's may be a better way of pulling clinicians from there</li> <li>• Staff Retention: The ability to maintain KPI's and maintain services</li> </ul>
<b>Provide Person Centred Care for Patients</b>	<ul style="list-style-type: none"> <li>• Access to Digitally enhanced services</li> <li>• Face to face opportunities with patients</li> <li>• The ability to support agreed service level KPIs</li> </ul>
<b>Safe, Effective Person Centred Workforce</b>	<ul style="list-style-type: none"> <li>• Skilled Experienced and Engaged workforce</li> <li>• Recruitment</li> <li>• Staff experience is improved</li> <li>• Attendance Management</li> <li>• Travel time implications</li> <li>• Environment</li> <li>• Access to people available to take up employment</li> <li>• Locations can be accessed by large catchment</li> <li>• Proximity to education</li> <li>• Travel time</li> <li>• Safety at travel time and Public Transport</li> <li>• Employer choice, agile working, technical infrastructure, flexible and adaptable</li> <li>• Transport links, food, coffee shop, Gym,</li> <li>• Supporting sustainability: such as Cycle to Work, Run to work, and facilities for showers to freshen up.</li> <li>• Free parking</li> <li>• Acoustics</li> <li>• DSE</li> <li>• Natural light</li> <li>• Occupancy levels – maintain standards following construction design.</li> <li>• 24/7 facilities</li> <li>• Carbon Neutral</li> <li>• Sustainable</li> <li>• Shared environments</li> <li>• Location – safe working environment external street lighting, not an isolated location.</li> <li>• Modern</li> <li>• Accessibility for all</li> </ul>

	<ul style="list-style-type: none"> <li>• Break out rooms – quiet space</li> <li>• Meeting space – flexible environment</li> <li>• Optimise infrastructure</li> <li>• VC facilities</li> </ul>
<b>24/7 operational capability</b>	<ul style="list-style-type: none"> <li>• Balanced capacity across sites including supervision &amp; travel time</li> <li>• No loss of service</li> <li>• Time taken to get back online again</li> <li>• Disaster Recovery</li> <li>• Infrastructure – Technical and Access to a site 24/7 including adverse weather</li> <li>• Safe transition to new site where there is no compromise to timescales and ability to deliver the service.</li> </ul>

*There are a number of approaches to the appraisal of costs and benefits. The **weighted scoring** method is the one generally recommended by SGHSCD and is the approach being used within this PBC. This involves:*

- *identification of all the non-monetary factors ('attributes' or 'criteria') that are relevant to the Programme;*
- *the allocation of weights to each of them to reflect relative importance; and*
- *the allocation of scores to each option to reflect how it performs in relation to each criterion.*

*The result is a single weighted score for each option, which will be used to indicate and compare the overall evaluation of the options in non-monetary terms. The results of the non-financial benefits appraisal exercise can be presented in a similar table to the example below:*

Benefit Criteria	Weighting (%)	Weighted Score			
		Option 1	Option 2	Option 3	Option 4
Total Weighted Score:					
Rank:					

*Definitions of the benefit criteria and how they were developed will be explained;*

*along with key considerations that influence the weighted scores.*

*Following the initial scoring, we will use **sensitivity** analysis to determine how reactive the results are to changes in the weights and scores used.*

*These scores should act as indices for comparing the options' overall performance on non-monetary factors, indicating not only how the options rank but also how great the differences between them are. Thus they should serve a similar purpose in respect to non-monetary factors as NPVs do in respect to monetary factors.*

### **3.4 Risk assessment**

*SCIM guidance requires a risk assessment of the short-listed options to be undertaken. The risks related to each option will be estimated and quantified in monetary terms and then fed into the evaluation of options.*

As part of this risk assessment, we will also make an allowance for **Optimism Bias**. We will consider a number of elements and confirm adjustment percentages for the key factors of uncertainty.

### **3.5 Confirm preferred option and why chosen**

#### **3.5.1 Identifying the preferred option**

*The business case will present the information succinctly and clearly for each option to support clear decision-making. We are in the course of developing a summary format of the costs and benefits by key category.*

*While not all of the costs and benefits will apply to every option, it should be considered as a starting point for the presentation of cost benefit information.*

#### **3.5.2 Sensitivity Analysis**

*As a minimum, we will undertake sensitivity analysis on the preferred option, thereby testing its robustness in relation to switching values and different scenarios for costs and the delivery of benefits. Where alternative options are significantly different in some key respects and realistically need to be considered, then they too will undergo sensitivity analysis.*

#### **3.5.3 Final selection of preferred option**

*The preferred option will be a balanced judgement based on the net present value (NPV), the cost benefit ratio (BCR) and the level of risk involved.*

*We will also consider other factors that may also affect the selection of the preferred option; in particular, any unvalued costs, risks and non-monetised benefits. In these*

circumstances we will involve key stakeholders in the decision making process about whether any additional cost is value for money.

The results for each short-listed option will be presented as follows:

<b>Evaluation results</b>	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>	<b>Option 4 etc...</b>
<b>Net present value</b>				
<b>Qualitative benefits appraisal</b>				
<b>Qualitative risk appraisal</b>				
<b>Overall ranking</b>				

## 4. COMMERCIAL CASE

### 4.1 Formal Procurement Position

- *Outline the main contractual arrangements of the recommended option, covering:*
  - *Confirmation of the standard form of contract being used.*
  - *Key contractual issues, covering similar items included within the OBC.*
  - *Any contractually based personnel implications.*
  - *Details of how any payment structure will function.*
  - *An update of the project risk allocation table.*

## 5. FINANCIAL CASE

***Work on this section will begin once we have costed the options within the Economic Case.***

*The purpose of the financial case is to determine the affordability and funding requirements of the preferred option and to demonstrate that the recommended programme and its supporting projects are affordable.*

*The focuses of the financial and economic appraisals are completely different. The economic appraisals focus on the Value for Money (VfM) of the overall programme. The financial appraisals focus on the affordability and fundability of the programme and its constituent projects and activities.*

*The costs and benefits appraised in the financial case will reflect an accountancy based perspective. Consequently, both resource and non-resource costs and benefits are factored into the analysis. For example, whereas VAT and depreciation are excluded from the economic appraisals, these costs are included in the financial appraisals, because they have a direct bearing on the affordability of the programme.*

### **Financial modelling**

Due to the complexity of this programme, a financial model of the proposed expenditure will be developed. The model will provide an informed best guess of the likely impact and outcomes of the proposed programme in its early stage of development. However, the reliability and robustness of the model will increase as it is kept under continuous review and updated to reflect the latest information.

## 6. MANAGEMENT CASE

*The purpose of the management case is to put in place the arrangements for the successful delivery of the programme and its constituent activities, both now and in the future. This will include:*

- *Confirmation (with details) that the following management arrangements are in place to ensure the project's successful implementation:*
  - *Project management arrangements.*
  - *Organisational, service, and facilities change management arrangements, including details of the management of impact on existing service delivery during implementation.*
  - *A comprehensive benefits realisation plan.*
  - *A comprehensive and up to date project risk register.*
  - *A Commissioning Master Plan.*
  - *A Full Project Monitoring and Service Benefits Evaluation plan.*
  - *A Project Monitoring Report.*