

Monklands Refurbishment / Replacement Project
Formal Option Appraisal: Process, Participants, Timeline & Outline Workshop Programmes

1. Introduction

The development of the Outline Business Case (OBC) includes a requirement to undertake a formal appraisal of the options identified at Initial Agreement stage that can deliver the stated project objectives. The Scottish Capital Investment Manual (SCIM) defines the mechanism for undertaking a formal option appraisal at OBC stage* and identifies the range of participants who should be involved in the event. The process must also ensure compliance with CEL 4(2010) - Informing, Engaging and Consulting People in Developing Health and Community Care Services.

This paper provides detail around these outline principles and sets out the process and timescales which will be adopted.

*(<http://www.pcpd.scot.nhs.uk/capital/scimpilot.htm>)

2. Principles

The standard option appraisal process is relatively straight forward and comprises five key stages.

- Stage 1; fully determine and describe the clinical model.
This is a key element in determining and assessing each of the available options.
- Stage 2; fully describe each option which can deliver this clinical model.
It is a SCIM requirement to also include a 'do nothing/do minimum' option at this stage for comparative and reference purposes only.
- Stage 3; identify the benefits criteria.
These are the measurable outcomes of the project which will allow the level of compliance of each option to be determined objectively and presented as a numerical score. These are set as part of the Initial Agreement process (Appendix 1). It is a SCIM requirement to apply a weighting to each Benefit Criteria in order to reflect relative importance.
- Stage 4; Option Appraisal process and assessment of non-financial benefits.
Process where each option is considered against the agreed Benefits Criteria and a score allocated. The conclusion of this stage is to provide a tabulation of the relative scores which in turn identifies the relevant ranking of the non-financial benefits for each of the options.

- Stage 5; Formal appraisal of the financial benefits.

This is a matter of capturing the projected cost of each option, capital and revenue, to enable the full costs to be assessed in conjunction with the non-financial appraisal results. The final assessment will include review of capital cost per benefit point, a sensitivity analysis and analysis of lifetime costs by way of a Net Present Value process.

This process will inform the identification of a preferred option and will ensure due cognisance of financial and non-financial appraisal outcomes and will form part of the Outline Business Case.

3. Options and Option Appraisal

Four options to deliver the clinical model have been identified at Initial Agreement stage. These are:

Option A - Do nothing/do minimum

Option B - Refurbish existing hospital

Option C - Replace existing hospital – New build on existing site

Option D - Replace existing hospital – New build on alternative site

In order for the process to be comprehensive and transparent each of the options will be further developed and a dataset for each option established. Relevant information will be shared with all participants in advance of the formal option appraisal process.

The issue of timeline is informed by the development of the clinical model and the continuing evolution of the Regional Plan; the clinical model forms part of the delivery programme associated with the implementation of Achieving Excellence and will be available in May 2018. The Regional Plan is being developed within a similar timescale.

The formal option appraisal, and associated scoring process, to determine the non-financial benefits will be undertaken as a two stage process and has been programmed for early June 2018, as follows:

Stage 1 Workshop Formal process to appraise Options A – D, as described above

Stage 2 Workshop Formal process to appraise the sites available for Option D plus the existing Monklands site (should Option D be determined as a high scoring option at Stage 1 Workshop.)

The two stages will be undertaken within a one week period with the same participants attending both events. Information identifying the geographical location of alternative sites will only be issued if Option D emerges as a high scoring option at Stage 1 Workshop.

Indicative programmes for the two workshops are:

Stage 1 Workshop – Monday 4th June 2018

Time	Description	Lead
09.30am - 10.00am	Registration & Tea/Coffee	
10.00am – 10.15am	Welcome & Introduction	Project Director
10.15am – 11.15am	Discussion/agreement on Benefits Criteria & Descriptors	Facilitator
11.15am – 11.45am	Development of Benefits Criteria Weightings and Scoring Mechanism	Facilitator
11.45am – 1.00pm	Description of Available Options: <ul style="list-style-type: none"> • Summary • Outline plans • Work phases & Programmes • Delivery of Clinical Model 	Facilitation Team*
1.00pm – 2.00pm	Lunch & Gallery wall (Key Option Information)	
2.00pm – 4.00pm	Non-financial Option Appraisal & Scoring	Facilitator
4.00pm – 4.15pm	Conclusion & Next Steps	Project Director
4.15pm - 4.30pm	Questions & Answers	All
4.30pm	Finish	

Stage 2 Workshop – Friday 8th June 2018

Time	Description	Lead
12.30pm - 1.00pm	Registration & Tea/Coffee	
1.00pm – 1.15pm	Welcome & Introduction	Project Director
1.15pm – 1.45pm	Discussion/agreement on Benefits Criteria & Descriptors	Facilitator
1.45pm – 2.15pm	Development of Benefits Criteria Weightings and scoring Mechanism	Facilitator
2.15pm – 3.00pm	Description of Available Sites: <ul style="list-style-type: none"> • Transport, Travel & Access • Regional dimension • Future development & Resilience 	Facilitation Team*
3.00pm – 4.00pm	Non-financial Option Appraisal & Scoring	Facilitator
4.00pm – 4.15pm	Conclusion & Next Steps	Project Director
4.15pm - 4.30pm	Questions & Answers	All
4.30pm	Finish	

*Facilitation team will include finance, planning and estates members of the Project Team plus technical experts involved in the development of the individual options.

SCIM requires that the Option Appraisal process is undertaken by a group comprising appropriate representation of all of the interested parties, including those who are directly affected by the project, and those who are responsible for its delivery; this will include patients, public, carers, staff, staff representatives and key members of the project team. Participants will comprise:

Category	Description	No of Representatives (Indicative)
Patients/Patient Representatives	Patients, public and carers nominated by North Health & Social Care Partnership	11
	Patients, public and carers nominated by South Health & Social Care Partnership	7
Staff side Representatives	Acute Division	3
	Health & Social Care Partnerships	2
Stakeholders	Monklands Hospital Clinicians – Medical	3
	Nursing	3
	AHP	2
	Hairmyres Hospital Clinicians – Medical	1
	Nursing	1
	AHP	1
	Wishaw Hospital Clinicians – Medical	1
	Nursing	1
	AHP	1
	Health & Social Care Partnerships	
North - Clinicians	2	
South - Clinicians	2	
Project Team Members	6	
	Scottish Ambulance Service	2
Corporate Functions	Director/Service leads	5
	Director of Regional Planning	1
Total		55

**The Option Appraisal process will be attended and overviewed by Scottish Health Council representatives to ensure CEL 4(2010) compliance.*

The number of patient, public and carer representatives meets Scottish Health Council guidance at approximately one third of total participants. The nomination and selection of individuals who will represent patients, public and carers lies with the Health and Social Care partnerships – each partnership has agreed a process to nominate and select their representatives and will complete this at least six weeks in advance of the formal Option Appraisal process.

The workshops will be preceded by a number pre-briefing information events, to be held during latter part of May, where the outline detail of the options under consideration and the mechanics of

the formal Option Appraisal and scoring process will be explained. This has proven to be a useful mechanism in previous projects e.g. Orthopaedic review.

Participants in the formal option appraisal workshops will be provided with all the relevant information and material they require in advance. Each participant will score each option individually against the agreed Benefits Criteria and the total scores will be the summary of the individual scores allocated by participants on the day. These scores will then be adjusted in accordance with the agreed relative weighting of each criterion will be determined by participants on the day. This process of scoring will result in a weighted score for each option – the outcome of this will be shared with participants on the day and will be carried forward to the formal financial appraisal.

4. Financial Appraisal

The formal financial appraisal follows a process set out within SCIM and will be completed by NHSL finance representatives. The process involves assessing the full cost of each option, capital and revenue, and determining the equivalent cost of each over a 25 year period. This allows the Net Present Value - a measure of the true cost of the option over the defined 25 year period - to be determined.

The final part of the assessment is a cost per benefit point and this requires the cost of each option to be assessed relative to the points allocated through the non-financial benefit scoring process. This process ensures that options are considered taking cognisance of both their costs and their benefit scores. The outcome of this process will inform the selection of the preferred option at OBC stage.

There will be a formal process to share the outcome of the financial appraisal with participants prior to the finalisation of a recommendation for preferred Option.

5. Timeline

The timeline of events required to enable the successful completion of the option appraisal process is summarised below:

Task	Timescale
Finalise option appraisal proposals and timeline	October – November 2017
Prepare data on all available options	October 2017 – March 2018
NHS Lanarkshire Board seminar – discussion and feedback	29 th November 2017
MRRP Project Board - sign off final version	18 th December 2017
Pre-process communication with IJB and public groups	February - April 2018
Briefing sessions	April /May 2018
Option Appraisal – Stage 1	4 th June 2018
Option Appraisal – Stage 2 (if required)	8 th June 2018
Financial evaluation	June 2018
Feedback to participants	July 2018
Development of recommendation on Preferred Option	July 2018
Formal engagement on option appraisal process	July-September 2018
Review engagement feedback and prepare final recommendation	October 2018

Consideration by NHS Board	October 2018
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Ref. No	Benefit	Assessment
1	<i>Person centeredness</i>	<p><i>Improved access to health and social care.</i></p> <p><i>Higher engagement of patients in clinical decisions.</i></p> <p><i>Reduction in delays in transitions between episodes of assessment and care.</i></p>
2	<i>Improved safety of patient care</i>	<p><i>Improved clinical outcomes.</i></p> <p><i>Higher patient/carer satisfaction with assessment/ treatment.</i></p> <p><i>Reduction in disruption to clinical activity caused by accommodation and /or environmental factors.</i></p>
3	<i>Improved clinical effectiveness</i>	<p><i>Reduced number and length of stays in hospital.</i></p> <p><i>Improved clinical outcomes. More treatments delivered on a day case basis.</i></p>
4	<i>Quality physical environment</i>	<p><i>Improved functional suitability.</i></p> <p><i>Improved space utilisation.</i></p>
5	<i>Flexible / adaptable facilities across the health system</i>	<p><i>Adherence to current accommodation standards.</i></p> <p><i>Ability to shift the use of space from inpatient to outpatient/day care usage.</i></p> <p><i>Reduction in running costs.</i></p>