

Preparing for Appraising the Revised Delivery Solutions for Future Fit Options

This paper sets out the proposed approach to appraising the Future Fit options in terms of the revised delivery solutions developed by SaTH.

In April 2015, the Programme Board (and, subsequently, Sponsor Boards with endorsement from JHOSC) approved the process for appraising options. Appendix One summarises the work that was undertaken previously in fulfilment of Sponsor requirements and sets out how the revised solutions may affect the evidence to be refreshed. No material departure is proposed from the previous process.

In October 2015, the Programme Board decided to defer reaching any conclusion about recommending a 'preferred option' to Sponsor Boards until it is assured that there is an approvable case for investment. Following the receipt of an updated SOC from SaTH, containing revised delivery solutions which appear to be affordable in the context of a wider deficit reduction plan, the Programme needs to test whether or not those solutions would perform differently under the same appraisal process. The more balanced two-site offer will change activity flows, will involve different estates solutions (impacting on deliverability) and may also have some impact on quality and workforce considerations. It is also conceivable that some of the evidence used in the appraisal will have become outdated. The scale of the difference cannot be known until the evidence prepared for the September 2015 appraisal is re-presented to reflect the new solutions. Costs will also be different (including as a result of new backlog maintenance information) though this effect is moderated in converting capital to an Equivalent Annual Cost.

In order to maintain progress with the critical path approved by the Programme Board, the Programme SRO authorised work to refresh the appraisal evidence to commence in mid April in order to be ready for assessing the impact of the revised delivery solutions on Friday 1st July. The project plan for this work is set out in Appendix Two.

The Programme Board is asked to endorse the proposed approach. Unless material changes are proposed by the Board, additional Sponsor approvals should not be required.

APPENDIX ONE – Refreshing the Appraisal

Criterion	September 2015 Appraisal	July 2016 Appraisal
NON-FINANCIAL		
<ul style="list-style-type: none"> APPRAISAL PANEL 	<p>Each organisation that is a sponsor or stakeholder member of the Programme Board was asked to identify representatives to serve on this panel.</p>	<ul style="list-style-type: none"> The same balance of membership is proposed for this subsequent appraisal. Sponsor and stakeholder organisations have been asked to review who their representatives are to be, given changes in personnel.
<ul style="list-style-type: none"> ACCESS - <i>Is this option materially inferior to others in terms of promoting equity of access to acute hospital services?</i> 	<p>Descriptions focused on the access impact of the activity that is displaced when compared with the Do Minimum for emergency/urgent care, planned care and obstetrics. It set out how many people would be affected; the areas affected; where people are displaced to; and by how much their travel times would increase. Breakdown provided by 9 areas and (where possible) groups with protected characteristics. Presented in tabular and isochrone map form covering two sets of assumptions: all activity remains in SaTH and activity goes to nearest site.</p>	<ul style="list-style-type: none"> It is proposed that the same analysis is repeated. This will need to reflect the rebasing of activity to 2014-15 and changed assumptions about flows to reflect the more balanced site offer. The analysis will again be undertaken by the Strategy Unit, having first reviewed the latest activity and capacity modelling in order to provide independent assurance to the Programme. Phase 2 activity and capacity assumptions, previously agreed by the programme, will inform the baseline scenarios to be modelled. Where modelling departs from those assumptions (e.g. around potential repatriation of activity into/out of the County), this will be treated as a sensitivity testing various levels of change.
<ul style="list-style-type: none"> QUALITY - <i>Is this option likely to be materially different to others in terms of clinical safety and effectiveness, and of patient experience?</i> 	<p>There were two components to the evidence here:</p> <ul style="list-style-type: none"> Access analysis to EC for time-critical conditions (using Red 1 & 2 ambulance calls as a proxy). This was a simple conveyance time by time-band broken down by 9 areas. A summary of favourable and adverse quality impacts broken down by the 3 quality domains. This was prepared by SaTH clinicians and agreed with revisions by CCGs. 	<ul style="list-style-type: none"> It is proposed to repeat the previous components with some variations: <ul style="list-style-type: none"> Red 1 & 2 data should be updated to 2014-15. The potential for modelling the impact of options of ambulance service activity (within the constraints of the timetable) should be explored. This is likely to be required for Senate review. The quality narratives should be prepared under the auspices of the Clinical Design workstream (liaising with additional SaTH and/or external clinicians as required) to provide a broader clinical consensus. The extent of backlog maintenance works in scope will need to be confirmed (in liaison with the Finance Workstream) in order to assess the quality impact of the condition of the estate in each option.

<ul style="list-style-type: none"> • WORKFORCE - <i>To what extent will this option improve recruitment & retention and enable better use of the workforce?</i> 	<p>A summary of the workforce impact of each options was prepared by SaTH and agreed with revisions by CCGs.</p>	<ul style="list-style-type: none"> • It is proposed that the same process is repeated under the auspices of the Workforce and Clinical Design Workstreams.
<ul style="list-style-type: none"> • DELIVERABILITY - <i>Is there evidence that this option is practically infeasible or materially inferior in terms of deliverability?</i> 	<p>Two perspectives were provided here:</p> <ul style="list-style-type: none"> • A summary of the physical works required with an indicative timetable for delivery • The results of a stratified telephone survey as an indication of public acceptability. This was completed by an expert agency and reported by 9 areas. 	<ul style="list-style-type: none"> • The extent of backlog maintenance works in scope will need to be confirmed by the Finance Workstream. • It is proposed that the same process is repeated for the stratified telephone survey though with the survey questions updated to reflect the new delivery options. This commenced in late April due to the time required for contacting a stratified sample.
<p>FINANCIAL</p>	<p>Capital and revenue costs prepared independently by Provex in terms of</p> <ul style="list-style-type: none"> • Net Present Cost (NPC) - the total future costs of the project over a number of years expressed in terms of today's prices, • Equivalent Annual Cost (EAC) - the average annual impact at today's prices. <p>Addressed 63 year timeframe (with 30 year sensitivity) to meet Treasury guidance.</p>	<ul style="list-style-type: none"> • It is proposed that the same process is repeated but with costings being prepared internally by SaTH, subject to assurance by the Finance Workstream. This should meet HMT <i>Green Book</i> requirements and broadly align with the previous <i>Economic Analysis of Acute Service Options – 11th August 2015</i>. • The critical output for overall economic appraisal is the Equivalent Annual Cost for each option. • Affordability to SaTH is tested through this criterion prior to economic appraisal. Only affordable options should be taken forward for full appraisal/consultation. This same process previously led to the exclusion of greenfield options. • The Finance Workstream should confirm the extent of backlog maintenance works in scope (i.e. just those relating to works required for reconfiguration or also those generally required).

ECONOMIC	<p>The results of the financial and non-financial appraisals were brought together into an overall economic appraisal by the Programme Office supported by external advice from Provex. Two methodologies recommended by HM Treasury were used:</p> <ul style="list-style-type: none"> Combining financial and non-financial scores via a 50:50 weighting (with sensitivity analysis at 75:25 and 25:75); and Calculating a cost per benefit point in terms of £m Equivalent Annual Cost. 	<ul style="list-style-type: none"> This work would again be led by the Programme Office, drawing on data provided by SaTH and assured by the Finance Workstream.
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APPENDIX TWO – Appraisal Plan

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