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Dear Colleague

NHS WALES INFRASTRUCTURE INVESTMENT GUIDANCE

I am pleased to enclose the revised Infrastructure Investment Guidance for NHS Wales.

The Guidance has been updated to clarify our requirements in terms of:

• **Planning and prioritisation** – where proposed developments are enablers of service developments in Integrated Medium Terms Plans, are based on rigorous health impact assessments, and are clearly aligned to the Welsh Government’s five investment criteria;
• **Better business cases** – building a “right first time” approach to scheme development, appraisal and approval;
• **Governance** – highlighting Board responsibilities regarding business case approval and delivery of the infrastructure programme, and strengthening the audit and assurance processes around infrastructure schemes;
• **Evaluation** – evidencing the benefits and impact of investment.

In times of sustained austerity and growing demands on health services, it is essential that we focus on targeting investment at key priorities which deliver the greatest impact in terms of patient outcomes and service and financial sustainability. When planning infrastructure investments, organisations should consider how these:

• Provide better access to a greater range of services closer to people’s homes;
• Can be delivered where possible out of an acute hospital environment; and
• Exploit information technology and innovation to transform care.
We will be holding a number of development events to support the launch of the Guidance, and these will be confirmed with you shortly.

Yours sincerely

Dr Andrew Goodall
NHS Wales Infrastructure Investment Guidance
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Purpose

This document outlines the Welsh Government’s requirements in terms of the planning, management and delivery of NHS infrastructure investment, and in particular:

- provides the strategic context and guiding principles for NHS infrastructure investment planning;
- confirms the requirements and process for business case submissions to Welsh Government;
- confirms the assurance, monitoring, reporting and evaluation requirements;
- clarifies expectations around NHS internal capital management and governance arrangements; and
- signposts to related guidance.

This document supersedes the guidance published in June 2013 and will be subject to periodic review. Specifically, this document replaces a number of Welsh Health Circulars Annex 1 which are now revoked.

What do we mean by Infrastructure Investment?

Infrastructure investment is made up of strategically prioritised schemes delivered through the All Wales Infrastructure Programme or alternative finance mechanisms. The investment will include land and buildings, but also other significant physical assets including vehicles, medical equipment, Information Management Technology equipment and infrastructure. Investment should cover all healthcare settings including acute, primary and community care.

The document is structured into two sections:

Section 1 – Planning, Business Case Requirements, Assurance, Governance and Evaluation

Section 2 – Funding, Procurement and Technical Matters

Links are provided throughout the document to relevant proformas, templates and related guidance. Whilst we will endeavor to advise if these documents are revised in year, organisations are responsible for ensuring the use of the most up to date versions.
1. Strategic Context and Planning

1.1 Wales Infrastructure Investment Plan

The Welsh Government has published the *Wales Infrastructure Investment Plan (WIIP) for Growth and Jobs* to ensure that its future capital investment is targeted to deliver the maximum benefits to Wales. The Plan outlines the Welsh Government’s key infrastructure priorities for the next decade while noting that, due to the impact of unprecedented cuts in the Welsh capital budget, it is imperative to drive continuous improvements in:

- **Efficiency and economy** – investing in the right things and squeezing out more for less
- **Effectiveness** – delivering better results from our investments

One of the Plan’s seven strategic priorities is to deliver more efficient and economical public services and, in particular, supporting delivery of our vision for the NHS in Wales.

The WIIP see [http://gov.wales/funding/wiipindex/?lang=en](http://gov.wales/funding/wiipindex/?lang=en)

1.2 2015-16 NHS Wales Planning Framework

The 2015-16 Planning Framework at [http://gov.wales/topics/health/nhswns/organisations/planning/?lang=en](http://gov.wales/topics/health/nhswns/organisations/planning/?lang=en) sets out Welsh Government requirements for NHS bodies in Wales to produce Integrated Medium Term Plans which demonstrate how resources are planned to be used over a three year period to:

- improve the health of the population;
- improve the quality of care;
- provide safe and sustainable services; and
- maximise value from finite resources.

The Planning Framework describes the focus of the next planning period on:

- adopting the principles of prudent health care, to focus on a patient centered system, mutually agreed goals and recognising the value attached to patient outcomes;
- pursuing quality and safety improvements to ensure better outcomes;
- greater effective collaborative working across the NHS and with partners, looking at opportunities for regional and national solutions to putting fragile services on a safe and sustainable footing;
- building strong primary and community care services; and
- delivery of priority performance targets.

1.3 Guiding Principles

The Planning Framework describes three central organising principles as set out below. It is expected that these will be adopted in organisations’ approaches to service planning, including infrastructure development and investment planning.
1.3.1 Quality and Safety

Quality and patient safety must be at the heart of all the NHS does. The Quality Delivery Plan provides further detail and describes the triple aim of better patient experience, better outcomes and high value from services.

1.3.2 Prudent Healthcare

This attaches value to patient outcomes, rather than purely focusing on the volume of activity and procedures delivered, and in doing so aims to rebalance the NHS and create a patient-centred system. Prudent healthcare is built around a set of principles, which state that any service or person providing care should:

- achieve health and wellbeing with the public, patients and professionals as equal partners through co-production;
- care for those with the greatest health need first, making the most effective use of all skills and resources;
- do only what is needed, no more, no less; and do no harm; and
- reduce inappropriate variation using evidence based practices consistently and transparently.

The link at http://wales.gov.uk/topics/health/nhswnsa/prudent-healthcare/?lang=en provides references to relevant documents and guidance on prudent healthcare.

1.3.3 Health Inequalities

Health Boards have responsibility for the health of their whole resident population. Organisations should place health inequalities (and seeking to reduce these) at the heart of their planning and delivery systems. Infrastructure development and investment plans should evidence how schemes will assist in delivering this objective.

Organisations will be required as part of business case submissions to evidence a health needs impact assessment as required under the mandatory business case requirements set out in Section 2.6 and within the checklist at Annex 2.

1.4 Our Plan for a Primary Care Service for Wales up to March 2018

The Planning Framework prioritises in the next period on building strong primary and community care series. The Welsh Government launched Our Plan for a Primary Care Service for Wales on 6 November 2014. Following a further period of engagement and discussion, a refreshed version of the plan was published in February 2015.

The aim of the Primary Care Plan is to plan and provide the right care at the right time by the right person at or as close to home as possible. It calls for access in more flexible ways delivered in more flexible facilities. This means making better use of modern technology and all available community facilities, not just those of the NHS.

Organisations need to demonstrate how investment priorities link to the plan at http://gov.wales/topics/health/nhswnsa/plans/care/?lang=en will deliver a move away from traditional models of hospital based care towards primary and community care settings.
1.5 NHS Infrastructure Planning

The 2015-16 Planning Framework emphasises that infrastructure is a key enabler for service development and delivery. It should not be seen as an end in itself, but as one of the component parts of service provision. In considering the delivery of safe and sustainable services, it is therefore expected that NHS organisations will have an Infrastructure Plan (to include both estate and asset management strategies), which will provide synergy and holistic fit with their other plans in particular the service strategy. The Infrastructure Plan should be forward looking and demonstrate how the asset base across all healthcare settings will be developed to facilitate service transformation and the delivery of high standards of care.

The Infrastructure Investment requirements of the Planning Framework are referenced separately at page 57 of the NHS Planning Framework Guidance 2015-16 referenced at Section 1.1.

1.5.1 NHS Infrastructure Investment Objectives

Within the overall planning context, the Minister for Health & Social Services has agreed revised investment objectives for the NHS Infrastructure Investment Programme including capital and revenue funding delivery models. These are to:

- support the delivery of safe, sustainable and accessible services, and facilitate high standards of patient care;
- support changes to streamlining and transforming healthcare provision, with a focus on prevention and supported self management, the provision of care closer to home, and the integration and coordination of service delivery with partners;
- promote the maximum efficient utilisation of assets and to improve asset condition and performance; and
- promote the use of innovation to improve the quality of care, to reduce costs and to deliver the necessary service change.

1.5.2 NHS Infrastructure Investment Criteria

In order to deliver these objectives, the following investment criteria have been agreed:

- Health gain – improving patient outcomes and meeting forecast changes in demand;
- Affordability – given the long term revenue assumptions, there should be an explicit reference to reducing revenue costs;
- Clinical and skills sustainability – reducing service and workforce vulnerabilities, and demonstrating solutions that are flexible and robust to a range of future scenarios;
- Equity – where people of highest health need are targeted first; and
- Value for money – optimising public value by making the most economic, efficient and effective use of resources

All infrastructure investment proposals from NHS bodies (and other organisations seeking infrastructure funding linked to health projects) will be assessed and prioritised against the above investment criteria.

In developing infrastructure investment proposals to deliver service plans, NHS bodies should ensure that schemes demonstrate alignment with the NHS Infrastructure Investment Programme investment objectives and that the investment criteria are explicitly and robustly evidenced.
2. **Business Case Development**

2.1 **Better Business Cases**

Optimising public value is the primary aim of public sector spending. The Better Business Case approach, using the Five Case Model, is the Welsh Government’s best practice for planning and cost justifying infrastructure investment proposals and enabling effective funding allocation decisions.

In terms of requests for NHS infrastructure investment funding, the Welsh Government requires proposals to:

- be prioritised as part of the Integrated Medium Term Plan process;
- be supported by business cases compliant with the Better Business Case approach;
- work on the principle of ‘right first time’ and ‘once only’ – relevant to both NHS bodies and the Welsh Government - regarding scheme development, assurance and approval to ensure a proportionate and timely process;
- take as a starting point that there should be no preconceived ideas as to the preferred option and this should be selected on the basis of a robustly conducted process to determine best fit with the service objectives and investment criteria;
- be grounded in the best available evidence, by drawing on lessons from other similar schemes undertaken by the organisation itself or other public bodies whether in Wales or beyond; and
- have explicit support and buy in from the appropriate sponsors and delivery partners.

The Better Business Case approach is mandated for all schemes requiring investment from the NHS Infrastructure Investment Programme and based on best practice set out in the HMT Green Book and NHS Estate Code.


2.2 **Prioritisation**

In the context of current finite resources, budgets becoming more constrained going forwards and increasing service delivery challenges, investment will be targeted at that which delivers the most impact against our five investment criteria.

The Welsh Government therefore requires all NHS infrastructure investment proposals to be prioritised at a local level and be included in the Integrated Medium Term Plans. Where proposals operate across organisational boundaries and form part of regional or national services, then these should be clearly identified and supported in all relevant organisations’ plans.

As part of the Integrated Medium Term Plan scrutiny and approval, all proposals will then be considered by Welsh Government for inclusion on the All Wales Infrastructure Investment Programme and in terms of meeting national priorities.

Work is ongoing regarding the overall review and prioritisation of the All Wales Infrastructure Investment Programme. Further guidance will follow in due course. In the interim, organisations are
to continue discussions on national prioritisation with the Health & Social Services Capital, Estates & Facilities Team.

2.3 Scoping

Before embarking on the preparation of any business case organisations are required to reach agreement with Welsh Government to start the development process, demonstrating links with the Integrated Medium Term Plans and associated prioritisation.

The Business Case Scoping Document is set out at https://howis.wales.nhs.uk/sites3/page.cfm?orgid=254&pid=17772. This will be completed by the organisation following the scoping meeting for each new proposal and will signal joint agreement to the purpose of the scheme, emerging investment objectives, outline of patient and service benefits, and alignment and fit with the guiding principles. The document will agree the business case process, including type of business case and expected timeframe for development and approval. This is to ensure that the process is used proportionately and nugatory effort avoided.

Alternatively organisations can choose to complete the Scoping Document in advance of meeting with the Welsh Government. A meeting will be required to jointly agree and sign off the document.

It is important that organisations understand that the holding of a scoping meeting does not equate to entry onto the All Wales Infrastructure Programme.

2.4 Type of Business Case

Programmes should be developed and cost justified using Programme Business Case (PBC) (formerly known as the Strategic Outline Programme) in order to:

- set the direction of travel of a programme of work;
- outline the funding envelope for the programme;
- outline the interdependencies with other capital (and revenue) projects and workstreams;
- identify the projects within the programme, which will require business cases to be developed, and their critical path; and
- set out the programme delivery and governance arrangements.


Major, novel or contentious projects should be developed and cost justified through three key iterations of the Business Case – Strategic Outline Case (SOC), Outline Business Case (OBC) and Full Business Case (FBC)
The SOC needs to confirm the strategic context of the proposal, present a robust case for change and outline the preferred way forward demonstrating strategic fit with Welsh Government objectives.

The OBC revisits earlier SOC assumptions, identifies “preferred option” which demonstrably optimises value for money and puts in place the procurement and delivery plans.

The FBC is the procurement stage which should recommend “the most economically advantageous offer”, document contractual arrangements and confirm the arrangements for successful delivery including post evaluation arrangements.

Minor, straightforward projects may be supported by Business Justification Cases (BJCs). This would need to be agreed with the Welsh Government following a scoping meeting. These will typically be schemes under £4 million works costs for which firm (pre-competed) prices are available, including the purchase of replacement and new equipment. It is not the intention to use a BJC for new builds, where there will be a series of options for delivery.

Minor projects can often be inter-dependent and/or share the same critical delivery path. In such cases, consideration should be given to producing an overarching PBC in order to demonstrate strategic fit, combined risks and benefits, and overall programme management.

2.5 Use of Health Impact Assessments

The Welsh Government supports the use of Health Impact Assessments (HIA) as part of the evidence to justify infrastructure investment proposals.

HIA is a model or set of tools which allows organisations to assess the impact of infrastructure developments on the health of its population, and can be used to predict improved health outcomes and potential health benefits.

The type of HIA – rapid or in depth – will be discussed and confirmed as part of the Scoping Document. The HIA will then need to be submitted as part of the business case process.

The Wales Health Impact Assessment Support Unit offers support and guidance in terms of the development and use of HIAs see http://www.wales.nhs.uk/sites3/home.cfm?orgid=522

2.6 Engagement

NHS bodies should seek to involve people and local communities in service changes including infrastructure developments at the earliest possible opportunity as well as through the on-going process for developing more detailed plans. A communication plan should be developed and set out how the engagement process will work and ensuring that potentially affected people and communities are provided with the information and support they need to play a full part.

It is important that the service and infrastructure development and assessment options, costs, benefits and risks are carried out in an open, transparent and accessible way. Providing evidence that people and communities have been proactively engaged in the process should be included in
all business cases. Further details in respect of meaningful and continuous dialogue with patients, staff and the public are provided at Annex 3.

2.7 Submission Process

Business case documentation is to be submitted in hard copy (x 3) to the Deputy Director of Capital, Estates & Facilities, with an e-mail copy to the relevant Capital Development Manager (see Section 13 – Contacts).

A mandatory Business Case Checklist is attached at Annex 2, which will need to be submitted with the business case documentation confirming the following requirements:

- scoping document;
- a schedule confirming business case review and approval by the organisation’s Board or relevant Sub Committee;
- where proposals stretch between Health Boards or are joint schemes with other partners, there will need to be collaborative sign off;
- wet ink signatures from the Chief Executive and Director of Finance;
- Health Impact Assessment;
- Integrated Assurance Approval Plan (IAAP);
- Risk Potential Assessment form (RPA);
- letters of support from third parties, where appropriate;
- OGC Gateway Review Report (if undertaken); and
- for Full Business Cases (FBC) a signed statement from the Supply Chain Partner confirming the scope and quantum of agreed works costs.

2.8 Appraisal and Approval

NHS bodies should have their own internal processes, including review by the organisation’s Board and/or relevant Sub Committee, to appraise and approve business cases prior to submission to the Welsh Government. The business case should record the process and reviewers involved. Further details and requirements are set out in Section 4.

The indicative timescales for the initial review and feedback by the Welsh Government of business cases is 30 working days.

The aim is to develop a streamline process for scrutiny and approval for all business cases by getting it “right first time”. It is recognised that where schemes are complex and raise multiple issues for consideration, then an iterative process will be followed which will increase the time taken for scrutiny.

Business cases are scrutinised by a multidisciplinary team of Welsh Government officials and external advisors, including clinical, workforce, policy, planning, finance, economists and estates professionals in order to consider the strategic, economic, commercial, financial and management cases for the spending proposal against the investment objectives and criteria.
Written feedback will be provided to organisations, which will focus on the key issues to be addressed. Where it is helpful, organisations may ask to meet the Scrutiny Panel to clarify queries and provide further supporting evidence. Organisations will also be required to submit any additional information in writing.

Once business case are considered to be sufficiently robust and evidenced by the Scrutiny Panel, they are formally considered by the Health & Social Services Department’s Infrastructure Investment Board (IIB). The IIB’s Terms of Reference are attached at Annex 4, and its remit includes ensuring that all investments fit with the strategic direction of the NHS and infrastructure investment objectives and meet the investment criteria.

Subject to the IIB’s support, formal advice and recommendations are presented to the Minister for Health and Social Services. The appraisal and approval process is set out in the flow chart at Annex 5.

**Welsh Government officials have no delegated authority, and all business case approvals and funding decisions are taken by the Minister for Health and Social Services.**

### 2.9 Discretionary Capital

Discretionary capital is that allocated directly to NHS organisations for the following priority areas:

- meeting statutory obligations, such as health and safety and firecode;
- maintaining the fabric of the estate; and
- the timely replacement of equipment.

At the beginning of each financial year, NHS organisations are required to present a schedule of their discretionary capital programme by scheme to demonstrate that the expenditure is in line with the intended use of this funding. In addition, an analysis of how the previous year’s funding expenditure was actually expended is also required. This should be submitted to the Deputy Director of Capital, Estates & Facilities, and Welsh Government by the end of April for the financial year just ended.

There is no deminimis amount for schemes progressed via discretionary allocations. However, organisations will need to ensure that there are appropriate mechanisms in place to ensure works are aligned with strategic priorities and guiding principles, with a particular focus on quality and safety, and that there are robust internal processes for scrutiny and sign off (see also Section 4 - NHS Governance and Assurance).

NHS bodies are reminded of the requirements for contract approvals for any contracts over £1m (Section 9 - Contracts).

### 2.10 Joint Proposals with Others

Organisations may wish to work in partnership with others (including Local Authorities and the third sector for example) to develop service and infrastructure proposals. In doing so, a business case will be required to be jointly developed and submitted to Welsh Government. The type of business case will be subject a scoping meeting to agree the nature, type and content of the business case with the Welsh Government.
There is a requirement that any proposal should be supported by the relevant NHS organisation sponsor and that the financial and service delivery model is also supported. The proposal would also need to be linked to priorities in terms of service change and transformation linked to Integrated Medium Term Plans.

In terms of capital funding, guidance in respect of grants to third sector bodies states the following:

- funding of up to 50% of total costs; and
- subject to a threshold of £1.5 million.

Any departure from this guidance would be subject to separate Ministerial consent, in addition to Ministerial approval for the business case.
3. Report Monitoring and Assurance

3.1 Integrated Assurance and Approval Plan (IAAP)

The IAAP template at Annex 6 sets out the assurance points for each stage of the business case approval and delivery process. Initially, this should be completed with the Scoping Document and then used as a tracker to monitor assurance against key milestones and updated as part of each business case submission. It is recognised that certain elements can take place consecutively.

3.2 Scheme Reporting and Monitoring

To inform the Welsh Government of progress on NHS infrastructure investment projects, all schemes receiving funding are required to report on a monthly basis using the revised project progress status report templates issued in association with this guidance.

Project reports are required to be submitted electronically by 5.00pm on the 12th working day of each month to the Deputy Director of Capital, Estates & Facilities, Welsh Government and the Head of Strategic Planning & Construction, NHS Wales Shared Services Partnership – Specialist Estates Services (NWSSP-SES). It is important for organisations to ensure that these reconcile to the schedules included within the monthly Financial Monitoring Returns.

It is essential that these reports include up to date financial information and expenditure detail (including overspends and underspends) and sufficient explanatory narrative relating to risks surrounding the successful outcomes from the scheme. The narrative should be consistent with the information included within the monthly monitoring return narrative provided to the NHS Financial Management Team.

Scheme information will be used by the Welsh Government to monitor, review and manage its investment, and provide the basis of reports to the Health & Social Care Directorate General Executive Team and Minister. Reports should therefore be agreed and signed off by each organisation’s Director of Finance and Project Director/Senior Responsible Officer (SRO).

In addition to the reports referenced above, organisations are required for all Designed for Life schemes to provide monthly project management reports from the Project Manager to the Head of Designed for Life Building for Wales and the Head of Estate Development at NWSSP-SES.

3.3 Scheme Risk Registers

Risk registers for each individual project/programme must be completed, shared and monitored, with reference not only to time, cost and quality but also operational/service impacts, functionality and benefits realisation. It is therefore important that NHS bodies not only consider construction risks, but wider operational/implementation risks which have to be managed and mitigated over the lifespan of a scheme. Where necessary, scheme risk registers should also be submitted to Welsh Government in addition to the reports referenced at Section 3.2 above.

3.4 NHS Delivery Framework

Progress on delivery of schemes will be discussed, recorded and reviewed at the scheduled Capital Review Meetings with the Welsh Government and NWSSP-SES – and the reports referenced at Section 3.2 will form the basis of these discussions.
These monitoring arrangements sit within the Revised NHS Wales Quality Delivery and Escalation Framework 2015-16, to be issued shortly. Issues and concerns will therefore be reported to the Welsh Government Integrated Delivery Board, which meets on a monthly basis, and taken forward if necessary through Quality & Delivery Meetings and Joint Executive Meetings where appropriate. We confirm that the escalation process as set out within the Quality Delivery Framework will apply to the management and delivery of infrastructure investment schemes.

3.5 Delivery Assurance

3.5.1 Programme and Project Management

Organisations should ensure that it has established robust programme and project management (PPM) techniques and ensure that best practice guidelines achieve value for money and deliver real benefits.

To ensure that organisations do the right things in the right way we expect everyone working in these areas to:

- build a strong, evidence-based ‘case for change’ by applying best practice approaches;
- engage with stakeholders from the outset to generate ideas and options;
- communicate openly and honestly, articulating clear reasons for the need for change; and
- use recognised PPM techniques throughout the project lifecycle to effectively deliver the benefits and provide valuable assurance.

Annex 7 details the ten guiding principles to be considered.

3.5.2 Assurance Reviews

OGC Gateway review assessments are mandatory for all Welsh Government funded NHS Infrastructure Investment programmes and projects. There are occasions where other assurance products may be recommended as more appropriate, such as health checks, peer reviews or desk top reviews. The determination of appropriate external assurance will be made by the Government Integrated Assurance Hub in agreement with the Deputy Director of Capital, Estates and Facilities.

Gateway Reviews are peer reviews of programmes and projects that provide independent assurance and delivery confidence to the Senior Responsible Owner (SRO) at specific points in their development lifecycles. An assurance review is not an audit, but a critical friend for the programme or project. It is designed to provide the SRO with real time information so that action can be taken to address live issues and direct the programme or project towards successful delivery.

To initiate the OGC Gateway Process programmes and projects must submit and completed Risk Potential forms (RPA 1 & 2) to the Welsh Government Integrated Assurance Hub at the same time as business cases in order to determine if and what type of external assurance is appropriate.

All Welsh Government funded Infrastructure Investment programmes and projects are required upon completion of the review, to share the final reports along with details of any action plans arising.

3.6 Achieving Excellence Design Evaluation Toolkit (AEDET)

The Welsh Assembly Government has introduced a number of key initiatives to ensure that design quality is a priority whenever there is public capital expenditure and that NHS property holding bodies have procedures in place to ensure that design quality and sustainable buildings are delivered. One of these initiatives is the Achieving Excellence Design Evaluation Toolkit (AEDET) see http://www.wales.nhs.uk/sites3/page.cfm?orgid=254&pid=7615

AEDET is a tool for evaluating the quality of design in healthcare buildings. It delivers a profile that indicates the strengths and weaknesses of a design or an existing building. The AEDET evaluation must be carried out at the following stages:

- prior to OBC for inclusion within the estates annex of the OBC submission;
- prior to FBC for inclusion within the estates annex of the FBC submission;
- at Post Project Evaluation Stage; and
- if a BJC submission is to be used the AEDET should be carried out prior to submission.

In addition to these mandatory stages the Health Boards should utilise the toolkit throughout the design process especially during the early stages of design.

The AEDET workshop should be facilitated by an experienced professional independent to the project. This service is provided by NWSSP-SES.

3.7 Project Design Peer Review

It is well accepted that the early stages of a project are the most critical in establishing scope, specification, cost and programme. The Designed for Life: Building for Wales Frameworks introduced a Conceptual Proposal milestone which endeavour to identify and document the clients requirement through the production of an agreed sketch plan, an agreed site layout, agreed elevations, a high level specification of building and engineering requirements, a cost plan, a programme and preliminary risk register.

This Project Design Peer Review is an additional requirement to the AEDET and will be carried out on high risk, high value, complex projects which will be determined by Welsh Government.
4. NHS Governance and Assurance

It is essential that NHS Boards are aware of their responsibilities in respect of the receipt of Welsh Government Infrastructure Investment funding and the associated development, management and delivery of schemes.

The following is intended to be read alongside requirements set out in Standing Orders and Standing Financial Instructions.

It is expected that organisations will have robust internal reporting arrangements and have local escalation arrangements in place to deal with any project, contract or financial issues linked to infrastructure schemes. In terms of infrastructure planning, approval and delivery, Local Health Boards and Trusts should:

- ensure that schemes are prioritised as part of the Integrated Medium Term Plan process, and are clearly aligned to organisational delivery goals and generate patient and service benefits;
- determine the appropriate processes and mechanisms, using multi professional and technical support where required, to consider and sign off business cases prior to submission to Welsh Government;
- fully consider the risks and benefits associated with scheme development, and have processes in place to provide assurance regarding appropriate risk management arrangements;
- ensure that Board members are supported and prepared in considering business case proposals, including offering Reviewer Training where appropriate;
- ensure that the Board or relevant Sub Committee regularly monitor progress on individual schemes and the overall local infrastructure programme;
- have mechanisms in place to consider and review post project evaluations, in particular, delivery against project objectives and benefits realisation;
- make use of NHS Audit and Assurance services to assess the risk profile of schemes and provide appropriate levels of review;
- consider use of Gateway Reviews at key milestones, if not already recommended through the RPA assessment; and
- be assured that there are appropriate programme and project support arrangements to effectively manage the development and delivery of infrastructure schemes. These will need to be proportionate to the complexity and value of service and construction. In doing so, Boards may wish to consider Executive Sponsors for major projects and will need to identify a Senior Responsible Officer for each project with the capacity and expertise to lead and challenge.

As noted above, NHS Boards and Trusts are also reminded that NHS Shared Services Audit and Assurance Services are a key source of independent internal assurance to Boards and Chief Executives (as Accountable Officers) of individual NHS bodies. A strong, independent internal audit function is also important in assuring the Chief Executive of NHS Wales of his ability to place reliance on the information provided by individual NHS bodies.
5. Evaluation and Feedback

5.1 Benefits Realisation

All infrastructure schemes receiving Welsh Government funding must be evaluated to demonstrate the benefits delivered and sustained improvements achieved in comparison to the pre-scheme situation (baseline costs and outcomes). The timing and resources to undertake the benefits exercise should be described in individual business cases, as well as the IAAP. These reviews should focus on the evidence to confirm the delivery of the scheme’s investment objectives and benefit metrics over time to track benefits and improvements.

The benefits realisation exercise is a key output in terms of assurance around investment delivery and performance, and should be shared with the organisation’s Board and Welsh Government to facilitate shared learning.

Where the project is considered to be mission critical and or high risk then the use of a Gateway 5 review may be appropriate. The Welsh Government Integrated Assurance Hub will provide support in developing and undertaking these service evaluations.

5.2 Construction Evaluation

All programmes and projects will be subject to post-project construction review evaluation in accordance with recognised best practice. Design and Construction Post Project Evaluation (including AEDET in final – Building in Use) – facilitated by NWSSP-SES to learn immediate lessons from the procurement and commissioning of the project. This should be carried out within three months of completion and handover of the project;

5.3 Evaluation Costs and Reporting

The cost of funding scheme evaluations should be included in the relevant business case.

Evaluation reports should be sent to the Deputy Director of Capital, Estates & Facilities within the timescales agreed in the relevant final business case – FBC or BJC. These will be reviewed by the Welsh Government to ensure that, where appropriate, the relevant learning is captured and shared.

To aid the capture of lessons learned from schemes, guidance has been developed and is considered suitable for tailoring to the specific needs of the scheme. Please see [http://howis.wales.nhs.uk/sites3/page.cfm?orgid=254&pid=17772](http://howis.wales.nhs.uk/sites3/page.cfm?orgid=254&pid=17772)

In addition, NWSSP colleagues have developed the Designed for Life Construction Post Project Evaluation Exercise.
Section 2 – Funding, Procurement and Technical Matters

6. Capital Funding

Capital funding to NHS bodies is managed through the Capital Resource Limit (CRL), which in turn comprises of three groups:

<table>
<thead>
<tr>
<th>Capital Resource Limit</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>GROUP 1 DISCRETIONARY FUNDING</td>
<td></td>
</tr>
<tr>
<td>GROUP 2 APPROVED FUNDING</td>
<td></td>
</tr>
<tr>
<td>GROUP 3 FUNDING TO BE APPROVED</td>
<td></td>
</tr>
</tbody>
</table>

Schemes should be identified as a priority in the Integrated Medium Term Plan; and each scheme’s financial profile will reflect in year development, approval and delivery timescales.

Organisations will be notified of the initial Group 1 and 2 funding in March preceding the financial year. Group 3 schemes will be determined as part of the Integrated Medium Term Plan process. For 2015-16, discussions will commence with NHS bodies in March 2015.

All CRL figures will be subject to prior approval by NWSSP-SES.

Funding for Group 2 schemes will only be allocated upon receipt of a signed approval letter. Wet ink signatures are required.

6.1 Business Case Fees

The Welsh Government does not provide funding in advance for the preparation of PBCs, SOCs or stand alone BJCs. However, these fees can be recovered post business case approval.

Funding in advance will only be considered to assist with the development of OBCs, FBCs and BJCs linked to an approved PBC or SOC.

Funding will be released following confirmation by NWSSP-SES, and expenditure against this will need to be monitored via project reports:

- **At commencement of OBC**

  After selection of the appropriate Designed for Life: Building for Wales advisors, designers and contractor (if applicable), the LHB or Trust should submit a schedule of their funding requirement to submission of OBC. It should include the priced activity schedules submitted by each successful organisation when they bid supplemented with any funding requirements for surveys, site investigations, planning submissions, etc.
• At commencement of FBC
The funding requirement for this stage to take the project to submission of FBC should be identified by the LHB or Trust in the OBC submission. Supporting priced activity schedules should be available for inspection during the scrutiny process if requested.

• At commencement of design completion and construction to project closure
The funding requirements for these stages should be individually identified by the LHB or Trust in the FBC submission. Supporting priced activity schedules should be available for inspection during the scrutiny process if requested.

In terms of financial support to organisations in the development of business cases, the following should be noted:

• approval at SOC stage by the Minister for Health and Social Services will be for fees in respect of the development of the OBC; and
• approval at OBC stage will be for fees associated with the development of the FBC.

6.2 Setting Each Scheme’s Budget
Whilst no budget is set at PBC or SOC stage, budget figures should be provided to the best degree of certainty at the time of writing, by a suitably qualified professional.

A Project Allowance is set at OBC stages, under Designed for Life Building for Wales 2 and 3. The Conceptual Proposal established during the Outline Business Case Stage will enable a Project Allowance to be set and agreed with Welsh Government. This will be the maximum amount of funding Welsh Government is prepared to allocate to the project or programme and becomes the approved funding ceiling.

For BJC’s a tendered cost is required as part of the submission.

The use of the Designed for Life Building for Wales frameworks is mandatory for all projects with a construction value of in excess of £4m, excluding value added tax.

6.3 Works in Advance of FBC Approval (enabling works)
These are unlikely to be supported unless there are clear benefits for doing so, and the works do not limit the use of the site to the preferred option. Further information on the type of works that may be considered for funding are set out in Annex 8.

6.4 Funding Equipment
Equipment will only be supported as part of projects if it provides new services, provides a different model of care or provides additional physical capacity.

6.5 Internal Project Sponsorship Costs
These will be supported up to a value of 1% of the works cost, subject to Welsh Government agreement of a detailed resource schedule.
6.6 Award of Funding and Payments

When Welsh Government funding is awarded to an external body it is important that public funding is protected and used for the purposes for which it was allocated. All NHS infrastructure funding, both capital and revenue, irrespective of value, must have legal documentation in place. The revised funding award letter, which was introduced in the Summer 2013, contains the terms and conditions for the use of funding, including the timescale for drawdown, and imposes legally enforceable obligations on both parties.

6.7 Underspends

The Welsh Government may, if appropriate, approve the use of underspends on specific projects for other operational priorities previously identified as a priority by the organisation. NHS bodies should declare any underspends at the earliest opportunity and Ministerial approval is required to redirect the use elsewhere.

6.8 Gain Share

NHS organisations may retain gain share monies, subject to the final account figure being agreed and subject to Welsh Minister's approval on use for other beneficial projects. Applications for retaining this funding need to be made to the Deputy Director of Capital, Estates & Facilities.

6.9 Overspends

The expectation is that overspends will be funded by the NHS organisation. However, in recognition of unplanned and unforeseen circumstances, these should be declared as the earliest opportunity to allow for a full exploration of the issues and to consider if further funding should be provided, subject to Ministerial approval.

The escalation procedures for capital projects are outlined within the NHS Wales Quality Delivery and Escalation Framework as referenced in Section 3.4. Should organisations consider there is the likelihood of an overspend against the scheme (either in year or in totality) this needs to be raised as soon as practicable with the Deputy Director of Capital, Estates & Facilities and the Head of Estate Development at NWSSP-SES. The reasons for the projected overspend need to be clearly articulated as well as the likely financial quantum assessed. Welsh Government will then consider under the Quality Delivery Framework process.

6.10 Virements

The Welsh Government will consider supporting virements between schemes in recognition of the inherent difficulties in managing large-scale, multi-year complex capital projects. NHS bodies should apply to the Deputy Director of Capital, Estates & Facilities and note that any virement will require Ministerial approval.

6.11 Slippage

The importance of gaining accurate information on spend cannot be emphasised enough especially towards year end. It is essential that organisations ensure that the information from Supply Chain Partners is up to date and contains realistic forecasts in terms of completed works and valuations. Early warning of any issues needs to be identified to the Deputy Director of Capital, Estates & Facilities and NWSSP-SES. Careful attention needs to be given to underspends at all
times through out the project timeline. All slippage will be returned to Welsh Government in year and will be reallocated – NHS bodies should not assume the retention of slippage.

6.12 Reclamation of VAT

Where organisations are in receipt of a VAT reclaim, there is potential for this to be recycled. Organisations need to notify the Deputy Director of NHS Capital, Estates and Facilities so that appropriate consideration can be given to the treatment of any VAT refund and whether the resource can be added to the CRL subject to Ministerial approval.

6.13 Capital Accounting

Organisations should note the requirements set out in Chapter 7 of the e manual in respect of the IFRS NHS Manual for Capital Accounting. See the following link http://www.wales.nhs.uk/governance-emanual/documentmap/
7. **Procurement**

The original NHS Wales Designed for Life (Designed for Life 1): Building for Wales construction procurement framework terminated on 30th June 2012. Projects that are in contract will continue in accordance with that framework process but no further contracts will be let.

New frameworks for major capital projects since that date have been put in place:

- Regional Frameworks (one each for North Wales, South-West Wales and South-East Wales) for construction projects over £4m but below £10m construction value (Designed for Life 2) and;

- A National Framework for projects/programmes over £10m construction value (Designed for Life 3).

The Welsh Ambulance Services NHS Trust and Public Health Wales are organisations that operate on a national basis and will be able to draw down services for projects below £10 million construction value from whichever Regional Framework meets their geographic need. For projects above £10 million they can utilise the National Framework.

NHS Wales Shared Services Partnership – Specialist Estates Services will act as agents of Welsh Government and fulfil the role of framework manager overseeing the operation of the framework.

Further details are available at [http://www.designedforlife.wales.nhs.uk/home](http://www.designedforlife.wales.nhs.uk/home)

Organisations will be aware that this website is a “Framework Members” password controlled document. All LHBs and Trusts have been issued with passwords for access to the extensive advice and documentation referenced.

In terms of procurement outside of the Designed for Life frameworks organisations may have their own local framework for works up to £4 million, or procure via a competitive tender. Organisations as part of any business case will need to evidence the procurement method used, confirm details and validity of tenders and ensure that appropriate assurance and advice has been taken in terms of OJEU requirements dependent upon thresholds in force at the time. It will be for individual organisations to satisfy themselves that they have the requisite approvals in place to ensure that any contract entered is on the appropriate terms.

7.1 **Community Benefits and Procurement**

The Designed for Life Building for Wales Frameworks records core principles with regards to Community Benefits. Value Wales has developed a Community Benefits Measurement Toolkit which is to be utilised for the collation of project data in relation this core principle.

Details of the procedures in terms of submission of data are set out in the Designed for Life website.
8. Design Requirements

The Welsh Assembly Government is committed to the modernisation of the NHS Estate in Wales, and views it as a key enabler to deliver its strategy to improve the provision of healthcare services for the people of Wales.

The modernisation of the NHS Estate will require the procurement of high quality facilities, appropriate to the current and future needs of the service.

In order to re-enforce this commitment the WG has set the following evidence based design principles which have proved to have a positive effect on patient outcomes:

- Principle Number 1 - Accessibility
- Principle Number 2 - Functionality
- Principle Number 3 - Visually well organised
- Principle Number 4 - Natural Light
- Principle Number 5 - Natural ventilation
- Principle Number 6 - Access to external landscaped areas.
- Principle Number 7 - Environmental controls
- Principle Number 8 - Art as a distraction
- Principle Number 9 - Interior Design
- Principle Number 10 - Sustainability

As the population ages and the demands on the NHS change, there is a need to ensure that the NHS estate responds and in particular ensures an older person friendly environment in clinical setting. Specific guidance has been developed in this area and is included at Annex 9 with respect to developing all clinical areas and environment that puts patient safety and dignity at the heart of care. Estates considerations including the importance of maintenance are very important to a positive patient experience a message learnt from The Trusted to Care Report [http://gov.wales/topics/health/publications/health/reports/care/?lang=en](http://gov.wales/topics/health/publications/health/reports/care/?lang=en)

The guidance and principles set out in the annex need to be considered for all new infrastructure developments, although specifically referencing ward refurbishments. There is a good and well developed evidence for this approach and as noted, Kings Fund and Stirling have supported tools to assist with this work.

8.1 BREEAM

A BREEAM rating of ‘Excellent’ is required for all new build healthcare projects and ‘very good’ for all refurbishment projects funded by the Welsh Government; this is a requirement irrelevant of the procurement route followed (including primary care).
The following table shows the integration of BREEAM Healthcare into the project delivery process:

<table>
<thead>
<tr>
<th>Stage</th>
<th>Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategic Outline Case (SOC)</strong></td>
<td>To include a commitment by the LHB or Trust to attain a BREEAM Healthcare ‘Excellent’ rating for new-build projects. This should enable the LHB/Trust project team to consider major estate implications arising from this aspiration and make appropriate cost provision in their SOC.</td>
</tr>
<tr>
<td><strong>Outline Business Case (OBC)</strong></td>
<td>To include a completed ‘Pre-assessment estimator’ demonstrating that an ‘Excellent’ rating is attainable for the new-build projects. Attainment of this rating will be a pre-condition for approval of the OBC. The ‘Pre-assessment estimator’ can be self-assessed: however, the utilisation of an independent licenced BREEAM Healthcare assessor is recommended.</td>
</tr>
<tr>
<td><strong>Full Business Care (FBC)</strong></td>
<td>To include a copy of the formal design and procurement assessment prepared by an independent licensed BREEAM Healthcare assessor demonstrating that the designed new-build project will achieve an ‘Excellent’ rating.</td>
</tr>
<tr>
<td><strong>Project Closure</strong></td>
<td>Six months after project handover the Trust should ensure the completion of a post-construction review to demonstrate that the constructed new-build project has attained the ‘Excellent’ rating. This review should be undertaken by an independent licensed BREEAM Healthcare assessor and a copy of the confirmation certificate should be passed to The Head of Estate Development at NHS Shared Services – Specialist Estates Services.</td>
</tr>
</tbody>
</table>

8.2 Branding

Any infrastructure development supported by Welsh Government capital or revenue funding will need to be recognised in communications relating to the project, including site signage.

Signage including Welsh Government branding must be included on site hoardings and associated signage. The signage must be easy to view, in a prominent position, with the Welsh Government branding given equal importance to any co-branding.

Once the development is complete, Welsh Government also requires that organisations acknowledge Welsh Government funding with a permanent plaque in a suitably prominent position.
9. **Contracts**

9.1 **Local Health Boards**

Paragraph 13 (3) of Schedule 2 to the National Health Service (Wales) Act 2006 requires LHBs to obtain Welsh Ministers’ consent to acquire and dispose of property and enter into contracts.

For acquisitions and disposals, consent will be requested via a submission to the Deputy Director of Capital, Estates & Facilities of the property name, acquisition/ disposal value and estimated timescale. In relation to disposals, this should be after the NHS body has formally declared the property as surplus via its Board.

Contract approvals over £1m for individual schemes will be sought as part of the normal business case submission process where funding from the NHS Capital Programme is required. For schemes funded via discretionary allocations, a request for approval will need to be submitted to the Deputy Director of Capital, Estates & Facilities.

Detailed arrangements in respect of approval process linked to the acquisition and disposal of leases, where consent does not form part of the business case process will be included in a Welsh Health Circular which it is anticipated will be issued shortly. Organisations should ensure that the monitoring arrangements and the requisite forms and returns are included as part of their own assurance arrangements.

9.2 **Trusts**

Whilst formal Ministerial Consent is not required for Trusts as detailed above, general consent arrangements are still applicable in terms of relevant transactions. Detailed requirements in terms of appropriate notifications will be set out in the Welsh Health Circular referenced above.
10. Disposals and Property Protocols

10.1 Disposal Approvals

As per Section 9 above, Welsh Ministers will need to approve or note all NHS estate disposals.

10.2 Disposal Receipts

Trusts and Health Boards are able to retain proceeds from disposals of up to £0.5 million. Where a surplus site is sold in more than one lot, (or one or more surplus sites is sold if part of a capital consolidation scheme) the proceeds should be aggregated to calculate the £0.5 million retention sum.

Organisations are able to deduct costs directly associated with disposal from the sale proceeds prior to remitting any excess receipts over £0.5 million to the Welsh Government.

Applications to retain proceeds in excess of £0.5 million to use against named schemes should be made to the Deputy Director of Capital, Estates & Facilities, and these will require Ministerial approval. Organisations will be expected to confirm how the funds would be utilised to progress key priorities identified through the Integrated Medium Term Plans.

10.3 Profit and Losses on Disposal

When seeking approval to retain the receipt over £0.5 million, in line with Consolidated Budgeting Guidance, the organisation will be required to confirm what the current Net Book Value is along with any profit or loss on disposal.

10.4 Affordable Housing Protocol

NHS bodies are required to consider the suitability of land/property for affordable housing prior to marketing more widely.

10.5 E-PIMS and the Land Transfer Protocol

Organisations are required to consider, where possible, the use of available public sector estate when looking for alternative sites through the E-PIMS system administered by the Office of Government Commerce. Where suitable public sector sites are identified, the Land Transfer Protocol is expected to be used. The Protocol has been developed to assist in reducing cost and time associated with the transfer, use and disposal of the public estate between public bodies in Wales, and can be found at www.wales.gov.uk/topics/improvingservices/pslg/nwp/assetprocure/landtransfer
11. Skills, Capacity & Training

The Welsh Government recognises Managing Successful Programmes (MSP) and PRINCE 2 as the best practice methodologies for managing programmes and projects respectively.

NHS organisations should ensure that programme and project managers are appropriately skilled construction professionals and hold current qualifications. Health Boards and Trusts should ensure that professionally qualified staff or consultants are employed to manage construction projects.

Health Boards and Trusts should also ensure that suitable resources are available for the delivery of construction projects. This will depend on scale and project complexity.

Training and support is available for business case writers and reviewers, including Executive leads, and accredited training packages can be arranged through the Welsh Government Capital, Estates & Facilities Team. Training is available to develop Gateway Reviewers and again this can be organised through the Capital Team. Details of the training courses available and information in respect of the Welsh Better Business Case network are detailed in Annex 10 together with the relevant links.

12. Publication of Business Cases

Local Health Boards and NHS Trusts are required, under the Freedom of Information Act 2000, to maintain a publication scheme, which relates to the authority’s publication of information. The Information Commissioner’s model publication scheme, as read with the associated guidance to health bodies in Wales (“the Definition Document for Health Bodies in Wales”), provides that health bodies should look to provide as much information as possible on a routine basis on matters including their strategies, plans, policies and proposals.

It is considered good practice to publish key project documentation at each stage of approval to ensure a full and final record of the decisions taken by LHBs and NHS Trusts. This may include, where appropriate, the BJC, OBC or FBC. However, LHBs and NHS Trusts will be required to determine in each case how to treat potentially commercially sensitive or confidential information, and to take separate legal advice if necessary.
13. Contact Details

**Welsh Government**

**Deputy Director of Capital Estates & Facilities, Welsh Government**
Mrs Val Whiting – 029 2082 5248
valerie.whiting@wales.gsi.gov.uk

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**Capital Assurance Manager**
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**NHS Shared Services Partnership**

**Head of Estate Development, NWSSP-SES**
Mr Nigel Davies – 029 2090 4088
Nigel.davies4@wales.nhs.uk

**Head of Designed for Life Building for Wales NWSSP-SES**
Mr Iain Worby – 07917072315
lain.worby@wales.nhs.uk
NHS Wales Infrastructure Investment Guidance
Annexes
The NHS Wales Infrastructure Investment Guidance replaces a number of Welsh Health Circulars which are now revoked. Please note the list of circulars in this Annex have now been replaced by the guidance set out in the main document.

<table>
<thead>
<tr>
<th>WHC</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>WHC (2001) 101</td>
<td>Major Project – Reporting and forecasting expenditure – Capital Project quarterly reports</td>
</tr>
<tr>
<td>WHC (2002) 103</td>
<td>Annual Strategic Estate Review</td>
</tr>
<tr>
<td>WHC (2002) 130</td>
<td>Disposal of the NHS Estate</td>
</tr>
<tr>
<td>WHC (2003) 51</td>
<td>Estate Management Policy for NHS Wales</td>
</tr>
<tr>
<td>WHC (2003) 56</td>
<td>Construction Procurement and Design Policy for NHS Wales</td>
</tr>
<tr>
<td>WHC (2003) 68</td>
<td>Publication of Business Cases</td>
</tr>
<tr>
<td>WHC (2004) 011</td>
<td>Revised process and timetable for the submission of Strategic Outline Cases (SOCs) for major capital developments in Wales</td>
</tr>
<tr>
<td>WHC (2005) 014</td>
<td>Revised Capital Investment Business Case Procedure</td>
</tr>
<tr>
<td>WHC (2006) 001</td>
<td>Developing and Delivering the Capital Investment Programme</td>
</tr>
<tr>
<td>WHC (2006) 002</td>
<td>Development of Business Cases for Major Diagnostic Equipment</td>
</tr>
<tr>
<td>WHC (2006) 33</td>
<td>Design for Life Building for Wales – Incorporation of procurement procedures into the standing orders of participating trusts in Wales</td>
</tr>
<tr>
<td>WHC (2007) 052</td>
<td>Developing and Delivering the Capital Investment Programme</td>
</tr>
<tr>
<td>WHC (2008) 034</td>
<td>Disposal of Surplus NHS Trust Properties</td>
</tr>
</tbody>
</table>
### MANDATORY BUSINESS CASE CHECKLIST

**Scheme Name:**  
**Date of Submission to Welsh Government:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Enclosed</th>
<th>Last Reviewed (if appropriate)</th>
<th>Approved by</th>
<th>Date</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scoping Document</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business Case Review</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
  * Sub Committee  
  * Board                                                                 |
| Collaborative Sign-off for joint proposals                                  | Y        |                                |             |      |          |
| Wet Ink signatures                                                         | Y        |                                |             |      |          |
  * Chief Exec  
  * Director of Finance                                                      |
| Health Impact Assessment                                                    | Y        |                                |             |      |          |
| Integrated Assurance Approval Plan (IAAP)                                   | Y        |                                |             |      |          |
| Risk Potential Assessment Form (RPA)                                        | Y        |                                |             |      |          |
| OGC Gateway Report (Please note gate review reference in comments)          | Y        |                                |             |      |          |
| Signed statement for Supply Chain Partner confirming scope and quantum of agreed works (Full Business Cases) | Y        |                                |             |      |          |
| Letters of Support (where applicable) – third parties etc.                 | Y        |                                |             |      |          |

Organisations will be required to submit the above checklist with all Business Cases and confirm that the mandatory requirements have been approved internally prior to submission. Please ensure the above table is completed and explanatory comments included where appropriate.

NHS bodies should have their own internal processes, including review by the organisation’s Board and/or relevant sub committee to appraise and approve business cases prior to submission to the Welsh Government. The key individuals should be recorded and identified as part of the business case review documentation noted above.
MEANINGFUL & CONTINUOUS DIALOGUE WITH PATIENTS, STAFF AND THE PUBLIC

1. DUTIES ON NHS BOARDS

1.1 NHS Boards have a statutory duty to involve patients and the public in the planning and development of health services, and in decisions which will significantly affect the operation of those services. Guidance sets out how local health boards should inform, engage with, and consult their local communities. This is particularly important where a service change will have a major impact. Major service changes also require full public consultation and Ministerial approval.

1.2 This Annex has been produced to provide practical guidance as a basis for involving all interested parties, particularly patients, staff and the public as well as other stakeholders, such as local authority or voluntary sector partners in the planning, development and implementation of capital investment schemes that support service reconfiguration plans.

2. OPTION GENERATION

2.1 It is important for local health boards to put in place a structured and disciplined approach to meaningful and continuous dialogue with patients, staff and the public when developing business cases to support capital investment schemes.

2.2 Boards must seek to involve people at the earliest possible stage, and throughout the process. As soon as local health boards are aware of the need to invest in a capital scheme to support service change plans, they should put in place a communication plan setting out how the engagement process will be carried out, and ensuring that potentially affected people and communities are provided with the information and support they need to play a full part in the process. Information should be provided about any clinical, financial or other reasons why the investment is needed, and participants should be made aware of any factors that may limit possible choices. The benefits of proposed changes, and the processes that the health board will follow, should also be explained.

2.3 The development of options should be carried out in an open, transparent and accessible way, and local people should be proactively engaged in the process. At this stage, people should be encouraged to think creatively, so that innovative, as well as more conventional, solutions are included. Local health boards will need to consider a range of innovative ways to capture the views of patients, staff and the public on the long list of options under consideration.

2.4 Options on the long list are usually ‘sifted’ to produce a ‘short list’ of options which will be the subject of a more in-depth appraisal. This should be a transparent process and it will be important for health boards to report back, setting out clearly why some options have been rejected.
3. OPTION APPRAISAL

3.1 General

3.1.1 Once the shortlist of options has been agreed, the next stage involves carrying out more in-depth appraisal. There are different aspects of this process, some of which lend themselves more to the involvement of patients, staff and the public than others.

3.1.2 Elements such as financial appraisal, which involves analysing the costs of the options, and sensitivity analysis, which involves testing assumptions underlying the advantages of different options, are processes which are more technical in nature and may require more specialist expertise. It is very important that patients, staff and the public understand how these aspects fit into the overall process.

3.1.3 Patients, staff and the public can play an important role in the assessment of non-financial costs and benefits. When comparing different options, it is crucial not just to consider costs and benefits that can be measured in money terms, but also to consider other important factors that are not capable of being measured in this way. It is also possible to involve the public, patients and staff in assessing the risks for each of the options.

3.1.4 It is vital that local health boards can demonstrate that the option appraisal is not left to the ‘experts’, but is undertaken by a group of people who represent all of the interested parties, including for example, those who are directly affected by the project, and those who are responsible for its delivery. This provides a basis for involving patients, staff and the public.

3.1.5 Involving all of the interested parties makes it more likely that a fair and balanced view will be taken of the potential benefits and disadvantages of options. Involving people as much as possible in the process has the potential to lead to enhanced credibility and a greater sense of openness and transparency when it comes to communicating the outcomes to the wider community. However, this potential will not be realised if people who participate feel that the process has been conducted poorly and that their participation has not been valued or meaningful.

3.2 The Approach

3.2.1 Planning the approach can be challenging, not least because staff leading major projects are often constrained in terms of resources available and deadlines that have already been fixed for completion of key stages in the project.
3.2.2 Typically the approach should involve a series of events devoted to the various stages of the option appraisal and business case. It is easy to underestimate the time that will be necessary to complete all of the stages and extra events may be required as the process unfolds because participants need more time. It may therefore be worth trying to incorporate some ‘slippage time’ to take account of this risk.

3.3 Identifying Participants

3.3.1 There is no definitive guidance on the optimum number of people, or the proportions of the various stakeholders, that should be involved. It will be for the local health boards to decide in each case what is reasonable and proportionate.

3.3.2 There may be patient groups who already have established links with the health board whilst community councils may also provide routes to potential participants. Another possible way to identify potential participants is to advertise in the local media, ideally at an earlier stage in the project, for local people to express an interest in taking part in the process.

3.3.3 Boards should be alert to sensitivities that may exist where there are a number of stakeholders with an interest in a particular location. Involving one group and excluding others may be perceived as unfair.

3.3.4 Where there are a number of different locations affected, it is desirable to try and ensure that stakeholders representing each area have the chance to be involved.

3.3.5 Where proposals will impact on people in more than one Board area, staff from the relevant Boards should work together to reach agreement on whom to involve. Other key partners, such as local authorities, should also be involved in these discussions.

3.3.6 Decisions to involve all stakeholders together in a large group, or to divide stakeholders into a number of smaller groups, is likely to determine the techniques that may be used and how scores will be recorded or combined.

3.3.7 Where people are members of patient or other groups, they may feel constrained in terms of their freedom to take part, and this requires to be clarified at the outset. In some cases, patient groups have had very strong views about their ‘preferred option’ and have believed that their nominated representative was taking part in the process in order to ‘vote for’ that option on their behalf. However, this is at odds with the expectation in the guidance about objectivity of participants, who are expected to score options based on the information and evidence presented. It is therefore vital that expectations about the basis on which people are being asked to participate in the process are clarified at an early stage.
3.3.8 There are a number of arguments in favour of mixing stakeholders. It enables people to hear directly the perspectives of other groups and individuals. This may arguably enable participants to take a more balanced approach, which may in turn lead to a greater degree of objectivity in scoring. On the other hand, it is possible that some people may feel more reticent about speaking out in a mixed group. This may be more likely where one group, such as NHS staff, are present in much greater numbers than another group, such as patients. It may be worth exploring whether people have any such anxieties at the planning stage, and considering how those anxieties might be sensitively addressed.

3.3.9 Holding separate events for the various stakeholder groups may mean that people do not have the same opportunities to hear other perspectives. On the other hand, some stakeholders may express a preference for separate events to be held for different groups. One potential benefit is that it may be easier to capture whether there is a divergence of views between different groups or stakeholders.

3.4 Preparing Potential Participants

3.4.1 Once participants have been identified, it is important to ensure that they are prepared to take part. It may, therefore, be desirable to hold an informal introductory session or sessions, to offer an overview of the process so far, and to explain the option appraisal process in more detail. People should have the opportunity to ask questions at that session, and could also be provided with contact details for a named person to whom they should be encouraged to direct any comments, feedback or questions as the process unfolds. If people are unable to attend an introductory session, efforts should be made to contact them separately to ensure that they have any information that they require.

3.5 Information

3.5.1 The volume of information which participants may require can be considerable. This includes information about the process and how it fits into the Board’s wider decision making processes; what will be expected of participants; information about the approaches that will be used; information about the options; and about the next steps. It is important that people also understand the context in which the options have been developed and the vision for the proposed service changes.

3.5.2 People generally prefer to have information in advance of events in order that they have the opportunity to prepare beforehand, and this can save time at the events. However, it cannot be assumed that everyone will be able to read the information in advance of the events, and it is desirable to ensure that there is sufficient time built into event programmes to talk through the key points and allow people to seek clarification.
3.5.3 Boards should aim to ensure that people receive relevant information at least one week before events, with details of a contact person that they can get in touch with if they have any queries. Where people are members of groups, they may wish to have additional time to circulate information to group members and discuss it before the events. Any expectations or limitations in this regard should be clarified.

3.5.4 Where there is a large amount of information, consideration should be given as to how best to present this, for example, it may be easier for people to have information for each event in a pack or single document, which is structured so that people can quickly and easily find any information that they need. It may also be worth organising a separate session which is devoted to discussing the information and answering any questions people might have, prior to people attending the subsequent scoring event.

3.6 Objectivity of Participants

3.6.1 One of the challenges of the approach, is that there is an expectation that participants will complete the required tasks as objectively as possible.

3.6.2 This can cause difficulties in practice, as people who take part may already have strong views about which option is the best. This may be what has motivated them to participate in the process. However, the expectation is that participants will score the options on the basis of the information and evidence available, and not on their own personal preferences, or the preferences of any group(s) to which they may belong. Despite this expectation, the process does require people to make value judgements. “It is the number of people involved in the process and their expertise that lends credibility to these value judgements”.

3.6.3 The results of the option appraisal must be tested for robustness through a ‘sensitivity analysis’. Where there have been differing views between participants, it may be helpful to explore the impact of the different views expressed. Event facilitators should explain that the option appraisal will be subject to sensitivity testing and that this is a standard part of the process.
INFRASTRUCTURE INVESTMENT BOARD (IIB) – TERMS OF REFERENCE

Role and Purpose

The role and purpose of the Board is detailed as:

- To provide recommendations to the Minister regarding projects with funding requirements from the All Wales Capital Programme (AWCP).
- To ensure all projects are fully compliant with the requirements set out in the 5 case model.
- In doing so to provide assurance that approved projects are economic, affordable, consistent with policy and strategic direction, meet the required design standards and provide best public value.
- Ensure that there are clear linkages between the service plans and the capital plans for organisations.
- Performance manage the programme overall to ensure that schemes make the necessary progress to deliver the strategic improvements.
- To facilitate effective benchmarking of schemes seeking funding through the All Wales Capital Programme.
- Developing a sound working relationship with the WIIP Board, through shared membership, so it can develop and consider the potential opportunities for cross-sectoral and cross department collaboration.
- To oversee the development and implementation of innovative financing mechanisms with the aim of supporting the strategic investment priorities, with an initial focus on the primary care programme.
- To be made aware of low value, non contentious capital expenditure but not to formally debate these.
- The purpose of the Board and these Terms of Reference will be kept under review as the role of the Board develops over time.

Level of Delegated Authority

The current proposal for the role of the IIB retains all decision making authority with the Minister. This is consistent with the wider framework for decisions reserved for the Minister in relation to funding and contracts.

It may be appropriate to consider with the Minister some degree of delegation in respect of flexibility to vire resources between schemes limited to financial year-end management. This is desirable to mitigate the risk of losing spending power to NHS Wales. Safeguards can be designed into any delegation mechanism to ensure that virement is short term and subject to appropriate transparency and Ministerial scrutiny.

Membership

The IIB will be chaired by the Director of Finance or designated deputy.
Membership will be drawn from representatives across Welsh Government including:

- HSS Director of Finance (Chair);
- HSS Head of Capital, Estates and Facilities;
- Director NHS Shared Services – Facilities;
- Director of IPAG;
- HSS Deputy Director of Strategy;
- Senior Medical Officer;
- Deputy Director Workforce;
- Welsh Government Chief Economist;
- Welsh Government Head of Strategic Investment.
- Director Health and Transport

Designated policy leads will be in attendance.

IIB secretariat will be provided by the HSS Capital, Facilities & Estates.

Departmental representatives will be responsible for communicating the work of the IIB to relevant colleagues and ensuring that they are kept informed of the developing approach for identifying, assessing and prioritising investment proposals.

Role of Individual Members

- Director of Finance – to provide financial challenge to the investments considered by the Board and ensuring that projects and programmes are sufficiently clear on their impacts on both capital and revenue budgets.
- Head of Capital, Estates & Facilities – to provide overall assurance regarding compliance with capital investment process; to ensure appropriate progress reporting and coordination via the secretariat function; to provide advice on available capital resources and corrective action required to deliver to resource limit, to ensure schemes meet financial requirements including revenue affordability for running costs and non cash charges;
- Director NHS Shared Services Facilities – to ensure compliance with all estates code requirements including health building notes; to ensure procurement compliance; to ensure estimates and costs are reasonably based and reliable.
- Director of IPAG – to ensure that projects and programmes are handled in accordance with best practice and that investment aims and objectives are clearly aligned to those identified by the Together for Health Board.
- Deputy Director of Strategy – to ensure that schemes supported are consistent with strategic direction and designed to deliver policy requirements.
Annex 4

- **Senior Medical Officer** – to ensure schemes are designed to deliver required policy and will improve outcomes and quality of care.
- **Deputy Director of Workforce** – to ensure that the impact of schemes on current and future workforce requirements is appropriately considered through the process.
- **Chief Economist** – to ensure effective scrutiny of the economic impact of schemes and appropriate consideration of alternatives.
- **Welsh Government Head of Strategic Investment** – to provide information on the wider public infrastructure investment agenda to ensure that collaborative opportunities are identified and explored.
- **Director Health and Transport** – to ensure that the service change requirements of infrastructure developments are appropriately considered.
In attendance:

- IIB secretariat – ensure efficient operation of meetings; ensure decisions and actions are recorded properly; ensure appropriate notification and liaison with the service.
- Policy leads – provide assurance that schemes are designed to deliver consistent with policy requirements set including national standards.

**Timing**
The IIB will initially meet on a monthly basis.
**INTEGRATED ASSURANCE AND APPROVAL PLAN**

- This documents is to be used as a tracker to monitor assurance and track progress against key milestones.
- The document should be completed showing progress and delivery lines and act as a tool to ensure that assurance at each approval points.
- The information should be updated at each business case stage and match reporting included in the Project Progress Report

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PROGRAMME AND PROJECT MANAGEMENT

Our ten guiding principles

Business Case

We secure a mandate for our work; identify record and evaluate our objectives and options for meeting them; and ensure that we secure and maintain management commitment to our selected approach.

Programme & Project Governance

Our approach to managing programmes and projects is proportionate, effective and consistent with recognised good practice.

Benefits

We record the benefits we seek, draw up a plan to deliver them and evaluate our success.

Stakeholders

We identify those affected by our work and engage and communicate with them throughout the process from planning to delivery.

Roles & Responsibilities

We assign clear roles and responsibilities to appropriately skilled and experienced people and ensure their levels of delegated authority are clearly defined.

Planning

We develop a plan showing when our objectives will be met and the steps towards achieving them, including appropriate assurance and review activities, and re-plan as necessary.

Resource Management

We identify the resources, financial and other, inside and outside the organisation, required to meet our objectives.

Risk

We identify, understand, record and manage risks that could affect the delivery of benefits.

Lessons

We record lessons from our programmes and projects and share them with others so they may learn from our experience.

Project Closure

We ensure that the transition to business as usual maximises benefits and that operational delivery is efficient and effective.
ENABLING / ADVANCED WORKS

1. In principle, there should be no enabling or advanced works commenced or committed on site before FBC approval. This is because there is no commitment to fund the total project cost until that approval has been given.

2. In exceptional circumstances enabling or advanced works may be commenced before FBC approval but the case for such works must be included within the OBC and explicit written approval given by Welsh Government. A key requirement relating to such works is that appropriate due diligence is undertaken to avoid potentially nugatory expenditure. In practice this would normally mean that any expenditure undertaken would be required whichever of the options shortlisted in the OBC were taken forward (i.e. the expenditure is not conditional upon selection of the preferred option) or that the works procured would retain value in some other way.

3. Any proposed enabling or advanced works should be identified in both the OBC and FBC submissions identifying extent, cost, programme, cashflow, contractual mechanism and proposed contractors/consultants.

4. The enabling works costs will be included in the Project Allowance i.e. the maximum amount of funding Welsh Government is prepared to allocate to the project.

5. Each enabling or advanced works package will require prior authorisation to proceed to design from Welsh Government.

6. LHBs or Trusts must agree to accept any revenue consequences arising out of the enabling or advanced works.

7. For enabling works or advanced works to proceed, the LHB or Trust must own or have leased the site of the works and, if leased, have received written permission from the landlord for the works to be undertaken.

8. Enabling works need to comply with all relevant Health and Safety requirements before starting on site.
9. Enabling works or advanced works should not be let as Compensation Events. They need to be fully designed and market tested with complete Works Information. They should be let as a separate project contract based on the NEC3 ECC form of contract and associated Designed for Life: Building for Wales conditions. Liability for design and construction elements should be clearly identified and comprehensive insurance arrangements put in place for the construction works.

10. Enabling works or advanced works costs must be reconciled within the cost envelope established in the Outline Business Case.

11. Enabling works or advanced works should be limited to:
   • Site security;
   • Site access needs;
   • Site clearance, demolition and/or asbestos removal;
   • Discharge of specific planning conditions;
   • Replacement car parking to release a site for development;
   • Temporary accommodation to house staff displaced to release site for development;
   • Ground preparation;
   • Service diversions;
   • Highway and road diversions;
   • Land drainage;
   • Bringing services to site boundary;
   • Any environmental conditions that are time constrained e.g. bat relocation, tree felling or replanting etc.

   It is not intended that substructure or superstructure works form part of any enabling or advanced works package.
DESIGN GUIDANCE
OLDER PERSON FRIENDLY ENVIRONMENT

Introduction

As the population of Wales ages, the pattern of admission across Welsh Health Estates has changed. This pattern of older emergency and elective admissions and outpatient of older emergency and elective admissions and outpatients contacts is across the whole estate, with the obvious exceptions of paediatrics and maternity.

The average age of acute emergency medical admission to hospitals is now reported as 82-85 years, similar age profiles exist on surgical wards in A&E and across outpatients departments. It is therefore essential we begin to “design in” across the whole NHS Wales estate an approach that takes into account the needs of frail older people who are likely to have hearing, mobility or visual impairments.

We must also make sure hospital and NHS premises including community and primary care environments are accessible and less confusing, as we know that dementia incidence increases as people age and 1 in 4 people over 80 will have some degree of cognitive impairment.

There are two aspects to this for estates departments, the routine refurbishment of environments and new build proposals. We now expect all such proposals to have formally considered what adaptation should be built in to every estates proposal small or large in the hospital or community setting.

A comprehensive approach to design and planning needs to include consultation with a range of specialists from inception through to post project evaluation including infection prevention and control specialists. Older people are at increased risk of acquiring healthcare associated infections and it is essential that hazards associated with infection risk should be identified and assessed and measures taken to manage these risks whilst addressing the needs as outlined above. For example, designers and planners need to consider

- the choice of materials and surfaces – that can be cleaned, disinfected if necessary and maintained
- avoiding unnecessary surfaces that can become contaminated with infectious agents

In September 2013 we asked LHBs for good practice examples for this work and were pleased to receive examples of good practice from every LHBs in Wales, although largely based in dementia units. The challenge is to take this learning and ensure it becomes the new normal provision across the estate.

Guidance

We have agreed based on evidence emerging from Sterling University and the Kings Fund, we will in future expect consideration to be given to the following minimum standards;
Signposting → large clear picture signage for toilets, dining rooms and bathing facilities etc.
   → Large script for directions to specific locations within the hospital; consider additional picture signage

Large picture signs on all toilet doors which across the Welsh NHS estate should move to bright yellow to assist identification for the elderly. We have on the basis of evidence; decided this will become the colour for toilet doors in every unit in Wales on a rolling basis, as refurbishment is required.

The RNIB has produced a number of factsheets which cover lighting issues that should be considered for ward refurbishments. These include the following:-

- Colour and tonally contrasted environments
- Lighting
- The importance of using natural light and controlling glare
- Reducing reflections, use mirrors with caution and minimise shadows
- Surface finishes / wall coverings
- Highlighting leading edges
- Bathroom recommendations
- Signage and way finding

Toilets seats should be a contrasting colour to the chinaware such as red or blue, and of traditional design so the elderly can access and use the facilities easily, similarly this will be a rolling programme for new and replacement provision.

Floors should be designed to be ‘non shiny/ non reflective’ and one colour to prevent fear of mobilisation as well as causing problems for those people with visual impairments.

Clock faces should be large and ideally have day and date on the clock too. Automatic lighting when door open for en suites with handrails fitted routinely.

For Dementia and Older Persons Units memory frames/boxes should be available by single rooms to help people orientate themselves and find their rooms easily.

There will be other good practice initiative more specific to environment such as safe access to appropriate outdoor space for dementia units, and social eating space provision you will wish to draw on initialising the following Kings Fund/Sterling University work, which while relating to dementia design have clear applicability to all areas where older people are cared for.

Kings Fund environmental assessment tool www.kingsfund.org.uk

Sterling design http://dementia.stir.ac.uk/design
BETTER BUSINESS CASES

Training

There are three Better Business Cases training courses available, two of which are accredited. It is recommended that they are pursued in order. Not everyone will need to attend all three.

The accredited Foundation course is for anyone keen to understand the process, terminology and content of a Better Business Case.

The accredited Practitioner course is aimed at those heavily involved, or tasked with developing and writing a business case.

The Reviewer course is designed for those tasked with reviewing the end product.

To find out more information about the available training products, including where to find information on Accredited Training Organisations, contact the Better Business Cases mailbox:

BetterBusinessCaseMailbox@Wales.GSI.Gov.UK

Network

A Welsh Better Business Cases Network has been established which is aimed at business case practitioners. It is led by Welsh Government with participation from across the wider Welsh public sector. The Network typically convenes every 2 to 3 months.

Key note speakers are invited and members are given an opportunity to talk to each other, share best practice, build working relationships and develop expertise.

If you would like to be included on the Network mailing list, or find out more information, contact the Better Business Cases mailbox:

BetterBusinessCaseMailbox@Wales.GSI.Gov.UK