

Jersey Future Hospital Project

Outline Business Case

Appendix 10 – Options shortlisting methodology and outcomes

Document Control

| Version | Date Issued | Summary of Changes | Author |
|----------------|--------------------|---------------------------|---------------|
| V1 | 27.9.17 | Document compilation | N Aubrey |
| V2 | 24.10.2017 | Template updated | T Nicholls |



gleeds^G

JERSEY FUTURE HOSPITAL PROJECT

QUALITY ASSURANCE

Sign off: N Aubrey

Position: Strategy Director

Options Appraisal [D5] –

OBC Short listing process outcomes

15th May 2017

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STATES OF JERSEY

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D5 – Options Appraisal

VERSION CONTROL

| Version | Date Issued | Brief Summary of Change | Owner's Name |
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| 0.1 | 05 th May 2017 | Preparation of baseline report structure | N Aubrey |
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D5 – Options Appraisal

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1 Executive Summary and Recommendation

- 1.1 To minimise the time cost and effort required to develop the project Outline Business Case [OBC] UK HM Treasury recommends that a shortlisting process is completed to identify those options worthy of full Cost Benefit Analysis.
- 1.2 An exercise designed to identify shortlisted options for the JFH was completed on the 25th April by a panel comprising expertise and knowledge consistent with the panel which completed the site appraisal option benefit assessment within CR025.
- 1.3 The panel considered the following options:

| | |
|--|--|
| Option 1 - Do Nothing | <p>Mandatory Option. Anticipates capital programme spend only and anticipates a managed decline in service standard and safety as demand increases. Already rejected by Ministers.</p> <p>Earlier formal appraisals concluded that this option is not viable. Ministers, supported by Gleeds and EY through their project assurance role, accepted this conclusion and the option remains rejected. Subsequently, it has only been included to demonstrate consistency with guidance and to act as a comparative baseline for all other options</p> |
| Option 2 - Do Minimum | <p>Mandatory Option. Additional capital expenditure to that in the capital programme targeting key areas to preserve services for as long as possible. Unlikely to achieve the functionality needed or the capacity required to meet demand resulting in managed decline.</p> |
| Option 3 – Baseline Solution | <p>This Option involves construction on a cleared and extended part of the site & delivers the Projects objects in a minimal way. It is considered to have some ability to meet forecast future demand.</p> <p>This option reflects the current design under development but would exclude any items set out on the Values Log and Key Decision Log. It would also exclude any other content that has arisen since the approval of P110/2016 other than those essential to delivering a safe, affordable and sustainable hospital. Under this Option all the remaining redundant hospital buildings on-site would remain in place.</p> |
| Option 4 – Increased Flexibility Option | <p>This Option includes additional 'value adding & revenue saving' features designed to increase the options performance and its ability to meet forecast future demand. It involves construction on a cleared and extended part of the site.</p> <p>This option reflects the current design under development including the full range of additions set out in the Value Log and Key Decision Log. Under this Option all the remaining redundant hospital buildings on-site would remain in place.</p> |
| Variants – applicable to | Variation A: Residual site cleared except for 1980s block & reserved for future health use. |
| | Variation B: Residual site cleared except for 1960s Block & reserved for future health use |

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**Options 3
and 4 only**

Variation C: Residual site cleared in its entirety & reserved for future health use

1.4 The panel concluded that:

- **Options 1 and 2** being the mandatory options were unlikely to meet the projects strategic objectives;
- **Options 3 and 4** were considered to offer good prospects of meeting and exceeding the projects strategic objectives;
- In health benefit terms, the impact of the demolition and reuse of the residual site and buildings was felt to be consistent across options 3 and 4. The presence of redundant buildings following completion of the new hospital build was at this stage considered to have at most a limited negative effect on delivering the project objectives.

1.5 **It is therefore recommended that:**

- Options 1 and 2 being the mandatory options and Options 3 and 4 be confirmed as the options for evaluation within the Outline Business Case and;
- The demolition and re-use of the residual site and buildings should be considered as a separate value for money review within the Outline Business Case.

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2 Introduction

- 2.1 To secure value for money in preparing an Outline Business Case (OBC), UK HM Treasury Guidance recommends that only a limited number of options are subject to a detailed review using the 5 case model structure. This serves to reduce the time, effort and importantly the cost of the OBC preparation.
- 2.2 A shortlisting process is recommended as a means of reducing a longlist of potential options and, then establishing a shorter list of those considered to offer the best prospects of meeting a project's strategic objectives.
- 2.3 In being completed in advance of the full Outline Business Case [OBC], the shortlisting process appropriately considers options at the highest level only, with the aim of identifying and removing the weakest options as early as possible.
- 2.4 This process has been applied to the options identified as possible on the existing general hospital site. This was the preferred site identified by Ministers. Based on the outcome of the shortlisting exercise this report proposes the options to be subject to the full detailed cost benefit analysis within the New Hospital Project's Outline Business Case.

3 Context

- 3.1 Given the scale and significance of the hospital its potential replacement has to date been subject to two benefits assessment option appraisals. A third benefits options appraisal will be undertaken as part of the detailed economic case assessment for the OBC
- 3.2 The first options appraisal, completed as part of CR025, sought to identify the preferred location and site for the hospital. This secured Ministers approval for a site formed from a cleared part of the existing hospital demise augmented by property acquisitions on its boundary;
- 3.3 The second, being this high-level review to identify a feasible short list. The Methodology for this second options appraisal is set out in **Appendix 1**. It sets out the evaluation process, the 10 options to be considered and the confirmed strategic objectives against which they were to be tested.
- 3.4 At each stage of review, the potential of options to deliver on a wide range of benefits related to the project's objectives were considered by a consistent panel of subject matter experts, advisors and hospital representatives using a formally approved appraisal Methodology.

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- 3.5 The third benefits assessment of options will be undertaken following a fuller development of each options' design and cost. An appropriate stakeholder group will be brought together to undertake this assessment.

4 The Options

- 4.1 The panel were asked to consider the following longlist of options. These include four principal options and, in each case, variants relating to the treatment of residual buildings.

| | Variants | | |
|---|--|---|--|
| | Residual site cleared except for 1980s block & reserved for future health use. | Residual site cleared except for 1960s Block & reserved for future health use | Residual site cleared in its entirety & reserved for future health use |
| Option 1 - Do Nothing | Variation A | Variation B | Variation C |
| <p>Mandatory Option. anticipates capital programme spend only and anticipates a managed decline in service standard and safety as demand increases. Already rejected by Ministers.</p> <p>Earlier formal appraisals concluded that this option is not viable. Ministers, supported by Gleeds and EY through their project assurance role, accepted this conclusion and the option remains rejected. Subsequently, it has only been included to demonstrate consistency with guidance and to act as a comparative baseline for all other options.</p> | Not Applicable | Not Applicable | Not Applicable |
| Option 2 - Do Minimum | Variation A | Variation B | Variation C |
| <p>Mandatory Option. Additional capital expenditure to that in the capital programme targeting key areas to preserve services for as long as possible. Unlikely to achieve the functionality needed or the capacity required to meet demand resulting in managed decline.</p> <p>Consistent with guidance, this Option represents an increase in capital investment compared with the 'Do Nothing' option and is based upon</p> | Not Applicable | Not Applicable | Not Applicable |

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| | | | |
|--|--------------------|--------------------|--------------------|
| <p>retaining for as long as possible the minimum provision that can be sustained on Island.</p> <p>The level of investment assumed will be that which could practically be made in maintaining existing services and to attempt to deal with the forecast future demand. Where this is not possible un-met demand would be managed through off island activity.</p> | | | |
| Option 3 – Baseline Solution | Variation A | Variation B | Variation C |
| <p>This Option involves construction on a cleared and extended part of the site & delivers the Projects objects in a minimal way. It is considered to have some ability to meet forecast future demand.</p> <p>This option reflects the current design under development but would exclude any items set out on the Values Log and Key Decision Log. It would also exclude any other content that has arisen since the approval of P110/2016 other than those essential to delivering a safe, affordable and sustainable hospital. Under this Option all the remaining redundant hospital buildings on-site would remain in place.</p> | Applicable | Applicable | Applicable |
| Option 4 – Increased Flexibility Option | Variation A | Variation B | Variation C |
| <p>This Option includes additional 'value adding & revenue saving' features designed to increase the options performance and its ability to meet forecast future demand. It involves construction on a cleared and extended part of the site.</p> <p>This option reflects the current design under development including the full range of additions set out in the Value Log and Key Decision Log. Under this Option all the remaining redundant hospital buildings on-site would remain in place.</p> | Applicable | Applicable | Applicable |

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5 Workshop and findings

5.1 The shortlisting exercise was led and facilitated by Gleeds as the Lead Advisor and conducted on 25th April 2017 at the Jersey Future Hospital Project Office. Key material defining each option was shared with panel members with Subject Matter Experts [SME's] providing wider detail and explanation as needed.

The panel revisited the options and methodology set out in Appendix 1 prior to completing their review and the findings are set out in table 1 below.

5.2 A RAG coding system has been used to summarise the agreed conclusions of the panel;

- Red the option does not offer the potential to deliver on the objective
- Amber- the option possibly offers the potential to deliver on the objective
- Green- the option at this stage appears to offer the potential to deliver on the objective.

| CSF Critical success Factors | | Options | | | | | | | | | | | | |
|------------------------------|---|-----------------------|-----------------------|------------------------------|----------------------|----------------------|----------------------|----------------------------------|----------------------|----------------------|----------------------|---|---|---|
| | | Option 1 - Do Nothing | Option 2 - Do Minimum | Option 3 – Baseline Solution | Option 3 Variation A | Option 3 Variation B | Option 3 Variation C | Option 4 – Increased Flexibility | Option 4 Variation A | Option 4 Variation B | Option 4 Variation C | | | |
| CSF-1 | Does the option offer the prospect of being able to deliver services safely in future | X | ? | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| CSF-2 | Does the option offer the prospect of being flexible in responding to low patient volumes across a broad spectrum of services | X | X | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| CSF-3 | Does the option offer the prospect of developing facilities within which staff can deliver consistently high quality care | X | X | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| CSF-4 | Does the option offer the prospect of providing safe and effective care during the redevelopment of the hospital | N/A | ? | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| CSF-5 | Does the option offer the prospect of good functionality with minimal operational compromise | X | X | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

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| | | | | | | | | | | | |
|--------|--|-----|-----|---|---|---|---|---|---|---|---|
| CSF-6 | Does the option offer the flexibility to accommodate future change in service need and delivery | ? | X | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| CSF-7 | Does the option offer prospect of retaining and attracting staff of high calibre | X | X | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| CSF-8 | Does the option offer the prospect of being operationally cost effective in use | X | X | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| CSF-9 | value for money including the whole life cost | X | X | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| CSF-10 | How well does the option support minimising the cost of delivering healthcare | X | X | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| CSF-11 | How well does the option offer the prospect of delivering value for money ie effective, efficient and economic general hospital services | X | X | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| CSF-12 | How well does the option minimise risks associated with delivering general hospital services | X | X | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| CSF-13 | Does the option positively contribute to Health Policy and Strategy, particularly Transformation Strategy | X | X | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| CSF-14 | Does the option contribute positively to the wider economic policy | X | ? | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| CSF-15 | Does the option contribute positively to civic pride and wider social needs | X | X | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| CSF-16 | Does the option contribute positively to the built environment by safeguarding and building upon heritage assets | X | ? | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| CSF-17 | How likely is the option to be delivered in view of the scale of change and organisational capacity | N/A | N/A | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| CSF-18 | How likely is the option to be delivered in view of supply side interest and capacity to provide services | N/A | N/A | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| CSF-19 | Does the option have the potential to deliver a new hospital by 2024 | N/A | N/A | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| CSF-20 | would breach current planning expectations | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| CSF-21 | Does the capital expenditure requirements of the option offer the prospect of being funded given Treasury budget allocation | ? | ? | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| CSF-22 | requirements of the option offer the prospect of being funded given budget allocation | ? | ? | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| CSF-23 | How well does the option contribute to establishing funding streams & developing funding models that incentivise care and co-operation? | X | X | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

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Conclusion and recommendation

5.3 From the above it is evident that:

- Options 1 and 2 were considered by the panel to perform poorly and absolute and comparative terms in regard to their ability to meet qualitative and demand expectations;
- Options 3 and 4 were considered to offer good prospects for meeting expectations with option 4 presenting the most flexibility to deal with future demand;
- Based on the high level of feasibility and design detail presented the demolition of buildings on the residual site was not deemed by the panel as a whole as likely to exert a significant negative on hospital development. It was acknowledged that this may change as potential design solutions emerge.
- The variations for Options 3 and 4 are not possible to effect until post 2024 i.e. after the new hospital is fully operational. This is because the buildings are needed during the transitional phase of the hospital building programme.
- There is currently no clear requirement for the re-use of the redundant buildings post 2024 but neither is it clear that there is no likely or possible health care use from then onwards.
- Given the absence of a clear use strategy for the redundant buildings it is not sensible at this stage to subject the variations to detailed cost benefit analysis as part of the core OBC process.
- Given the above it is recommended that Options 1 and 2 being the mandatory options and Options 3 and 4 are the shortlisted as the Jersey Future Hospital Outline Business Case Options.

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CHANGE REQUEST NR. 25

Appendix 1 - D5 Options Appraisal Methodology V8.1

| | | | |
|---------|------------------------|--------------|--------------------------------------|
| Author: | N Aubrey / B Graham | Version: | V6 Draft |
| Date: | 20/04/17 | Circulation: | Project Director Delivery and SRO |

States of Jersey

Proposed Option Appraisal Methodology

V8

Purpose of this document

This document sets out the proposed approach to establishing a shortlist of options for taking forward the development of the new hospital on the preferred site. A long list of options has been identified by the Integrated Consultant Team and the Contracting Authority and is included herein.

Proposed approach and best practice

Her Majesty's Treasury [HMT] Guidance states that it is important to consider as wide a range of options as possible at an early stage in a project's life cycle. HMT also note that:

'options may sometimes appear to be ruled out for legal, financial or political reasons. In such cases, undue time and expense should not be expended on appraising these options....it is equally important to ensure that the constraints in question have not been imposed artificially.'

To secure value for money in completing the Outline Business Case [OBC] Options Appraisal process, the Guidance indicates the use of a shortlisting process to reduce the longlist of options to a shorter list to include only those options which have the potential to fully deliver on the project objectives. These options should be subject to a rigorous, transparent and equal detailed cost benefit analysis.

As a result, HMT Supplementary Guidance reflects a two-stage process for completing Options Appraisal:

Stage 1 – Shortlisting:

The filtering of a longlist of options according to the extent to which they offer the potential to meet the project's objectives and applied constraints. The outcome of which identifies a set of 'shortlisted options' to be fully evaluated within the economic case of the Outline Business Case [OBC].

Stage 2 – Options Cost Benefit Appraisal

Completion of a full cost benefit appraisal (CBA) of the shortlisted options. The CBA involves full investigation of the capital and revenue costs associated with the project over the whole life of the asset. It also identifies financial and non-financial benefits for each option. The costs and benefits are set against each other to inform a judgement of value for money and leads to a recommendation of the best value option.

This document sets out how the Stage 1 part of the process will be completed using HMT Options Framework¹ approach. It also includes a procedural outline for completing the Stage 2 benefit appraisal which will be further updated once detailed evaluation criteria have been confirmed.

¹ HMT Green Book Supplementary Guidance: Using the Five Case Model, 2015

Defining the project's objectives and constraints

Policy context

The strategic vision for health and therefore the backdrop for the new general hospital emerges from the following key documents:

- Accepted Proposition .82/2012 'The Transformation of Health and Social Services';
- Caring for each other, Caring for Ourselves (White Paper);
- The Future Hospital Feasibility Study Strategic Brief (2013)
- The Acute Services Strategy 2015-2024 (July 2016)

They reflect and articulate a vision for safe, sustainable and affordable healthcare, defined by health and social care stakeholders and ratified by the Ministerial Oversight Group in 2010 as being:

- **Safe** – focus on clinical/service viability and overcoming the challenges of low patient volumes, delivering high quality care and minimising risk within a culture of clinical governance, safety, learning and transparency
- **Sustainable** – focus on ensuring that the services are delivered in a way that is efficient, effective and based on evidence. Requires optimising estate utilisation and ensuring the estate is fit-for-purpose and supporting and utilising the workforce to the best of their abilities. It also requires engaging the public in self-care and with consistent access and thresholds and using robust data to support decision making based on fact, and including patients and the public in service design.
- **Affordable** – focus on ensuring financial viability & reducing the impact of diseconomies of scale, with value for money, an understanding of the costs of care in Jersey and robust procurement. Also, establishing funding streams & developing funding models that incentivise care and cooperation.

The Future Hospital Feasibility Study Strategic Brief (2013)

In being based on the strategic documents and vision set out above, the Strategic Brief for the new hospital, issued in 2013, reflected these Safe, Sustainable and Affordable principles and helpfully expanded on them as being:

- **Safe**-patients and service users should not be exposed to an undue level of risk
- **Sustainable**-services should be organised in a way that is not vulnerable to change in the short term
- **Affordable**- the models of care must represent value for money relative to other potential models.

The Brief also noted that the Mission for the Future Hospital would be to '*follow this Vision in assessing the suitability of proposals*' for the future hospital with the following 'tests' in relation to each aspect of the vision;

- **Safe** - the services and facilities proposed must be demonstrably safe for patients as demonstrated through a patient Safety Case
- **Sustainable** - the proposals must be truly sustainable both in providing security of purpose for operational hospital services and also through development that meets wider social and environmental objectives
- **Affordable** - the proposals must be affordable to and offer value for money in terms of the whole life cost to Jersey.

Notwithstanding that the Strategic Brief anticipated a two-site solution, it also usefully provided further insight into the constraints anticipated for a development on the existing site, which included:

- **Business continuity**- the need to continue to operate the Island only general and acute hospital throughout the redevelopment without compromising service or patient experience or safety.
- **Heritage and Civic pride**- the need to continue to use and upgrade Hospital buildings for on-going clinical use which respecting its historic interest listed status and developing a building of quality and vision that will inspire civic pride.
- **Good neighbour**- the need to develop within a highly constrained sensitive and publicly accessible and visible site, whilst remaining a good neighbour.

The Acute Services Strategy 2015-2024 (July 2016)

This is the most recent policy document related to the new hospital and amongst other things formally sets the following objectives for the hospital;

- To provide facilities that will support safe, sustainable and affordable care up to 2040;
- To remedy the poor condition of the existing buildings in the General Hospital to meet modern day standards;
- To create sufficient capacity to meet the needs of Islanders for the foreseeable future;
- To enable the clinical adjacencies which are consistent with efficient and clinically effective care;
- To realise a series of benefits including the provision of care in 100% single en-suite patient accommodation, new ambulatory care facilities, improved imaging and diagnostic facilities including additional CT and MRI, a new pharmacy, modern laboratories, new renal dialysis and diabetes centres, a new emergency care centre, a women and children's centre and new operating theatres with the necessary critical care facilities to support these services;
- To support the repatriation of services where it is safe to do so from mainland providers;
- To act as a platform for wider States of Jersey public sector reform and other modernisation initiatives;

Proposition .110/2016

P.110/2016 confirmed that the preferred location for the Future General Hospital was ‘an extension of the current General Hospital site’. This decision was based on evidence presented from a high-level option review of over 40 possible island locations and a detailed appraisal of the capability of 6 sites to deliver on key project objectives. In addition to establishing the location for the new hospital the proposition implied a capital expenditure budget of £466 million. Whilst no figure was placed on the associated revenue expenditure there was a clear steer that this needed to be affordable.

Proposed Longlisting Criteria

As can be expected the objectives in the strategic and policy documents largely overlap but each also offers some specific additions reflecting their different purposes and timing. Taken together they inform the identification of spending objectives and critical success factors [CSF] to be used for Stage 1 Option Shortlisting. Their use in this way will ensure only those options considered to demonstrate the required characteristics are taken forward to Stage 2 detailed assessment.

For clarity, the Critical Success Factors [CSF] have been categorised using HMTs framework as follows;

- Business Need
- Benefits optimisation
- Strategic fit
- Deliverability
- Affordability

| Spending objective | | |
|--------------------------|---|-------------|
| 1 | Safe | |
| 2 | Sustainable | |
| 3 | Affordable | |
| Critical success factors | | |
| Business Need | | |
| CSF-1 | Does the option offer the prospect of being able to deliver services safely in future | Safe |
| CSF-2 | Does the option offer the prospect of being flexible in responding to low patient volumes across a broad spectrum of services | Sustainable |
| CSF-3 | Does the option offer the prospect of developing facilities within which staff can deliver consistently high quality care | safe |

| | | |
|------------------------------|--|-------------|
| CSF-4 | Does the option offer the prospect of providing safe and effective care during the redevelopment of the hospital | safe |
| CSF-5 | Does the option offer the prospect of good functionality with minimal operational compromise | safe |
| CSF-6 | Does the option offer the flexibility to accommodate future change in service need and delivery | Sustainable |
| CSF-7 | Does the option offer prospect of retaining and attracting staff of high calibre | Sustainable |
| CSF-8 | Does the option offer the prospect of being operationally cost effective in use | Sustainable |
| CSF-9 | Does the option offer the prospect of good value for money including the whole life cost | Affordable |
| CSF-10 | How well does the option support minimising the cost of delivering healthcare | Sustainable |
| Benefits optimisation | | |
| CSF-11 | How well does the option offer the prospect of delivering value for money ie effective, efficient and economic general hospital services | Sustainable |
| CSF-12 | How well does the option minimise risks associated with delivering general hospital services | safe |
| Strategic fit | | |
| CSF-13 | Does the option positively contribute to Health Policy and Strategy, particularly Transformation Strategy | Sustainable |
| CSF-14 | Does the option contribute positively to the wider economic policy | Affordable |
| CSF-15 | Does the option contribute positively to civic pride and wider social needs | Sustainable |
| CSF-16 | Does the option contribute positively to the built environment by safeguarding and building upon heritage assets | Sustainable |
| Deliverability | | |
| CSF-17 | How likely is the option to be delivered in view of the scale of change and organisational capacity | |
| CSF-18 | How likely is the option to be delivered in view of supply side interest and capacity to provide services | |
| CSF-19 | Does the option have the potential to deliver a new hospital by 2024 | |
| CSF-20 | Does the option limit the extent to which it would breach current planning expectations | |
| Affordability | | |
| CSF-21 | Does the capital expenditure requirements of the option offer the prospect of being funded given Treasury budget allocation | Affordable |

| | | |
|--------|---|------------|
| CSF-22 | Does the revenue expenditure requirements of the option offer the prospect of being funded given budget allocation | Affordable |
| CSF-23 | How well does the option contribute to establishing funding streams & developing funding models that incentivise care and co-operation? | Affordable |

Approach to Critical Success Factor [CSF] scoring

Each option in the long list will be assessed by a working group comprising SoJ HSSD clinician and management team representatives and subject matter experts [SME's]. Following discussion, the group will rate each option according to the extent that the option is felt to meet each Critical Success Factor.

Given the early feasibility stage of the project design a 'X', '√' and '?' rating system will be used to denote if an option should be taken forward to the shortlist or should be rejected at this stage. The scoring dimensions are those set out below.

| Score | Benefit Scoring dimensions |
|-------|--|
| X | The option is unlikely to meet the expectation in any way and is not considered to be able to do so following any further development. |
| √ | The option is likely to meet and potentially exceed the expectations |
| ? | It is not clear at this stage if the option could meet the spending objectives. |

Given the high level nature of the discussion of options and their ability to deliver on the project objectives as appropriate at this stage of the feasibility and design process a 'X', '√' and '?' rating system is being used to avoid the perception of precision that numeric scoring approaches would suggest. The group will be asked to err on the side of caution when making assessments, ie, they will be recommended to rate an option performance as '?' rather than 'X' where there is any degree of uncertainty.

Reporting of Findings

The results from the Stage 1 Appraisal will be drawn together into a table to collectively indicate each Option's considered performance.

| | Business Need | Strategic fit | Benefits Optimisation | Deliverability | Affordability |
|-------------|---------------|---------------|-----------------------|----------------|---------------|
| Option 1 | | | | | |
| Option 2 | | | | | |
| Option 3 | | | | | |
| Variation a | | | | | |
| Variation b | | | | | |
| Variation c | | | | | |
| Option 4 | | | | | |
| Variation a | | | | | |
| Variation b | | | | | |

| | | | | | |
|-------------|--|--|--|--|--|
| Variation c | | | | | |
|-------------|--|--|--|--|--|

The scores will be used to establish a traffic light ranking of option performance against critical success factors as follows;

- **Red-** indicating an option demonstrably and with no uncertainty will fall short of delivering what is needed and should not be shortlisted for future detailed cost benefit analysis
- **Amber-** indicating there is uncertainty around the ability of the option to deliver what is needed but it would be unsafe to de-select the option at this stage in the feasibility and design process
- **Green-** indicating there is a degree of certainty about the option's ability to deliver what is needed and it should be taken forward to the detailed cost benefit analysis stage.

Evaluation Arrangements

The working group will comprise

| Evaluator | Role and origin |
|-------------------|------------------------------|
| Stewart Rowney | SOJ |
| Matthew Saunders | MJM- Medical Health Planners |
| Dr Peter Southall | HSSD-Clinician |
| Michelle West | HSSD- Management Team |
| TBA | ARUP |
| Jamie Brewster | HASSELL- Architect |
| Steph Steadman | Planning Advisor |
| Grahame Underwood | Design Champion |
| Facilitator | Role and origin |
| Brenda Graham | Gleeds-economist |

The evaluation process will be managed by Gleeds through an Evaluation Workshop operated under the following principles:

- A summary presentation of the Options (including the linked enabling projects) will be provided to the group
- Design development representatives' will be available to respond to further questioning by the group as needed.
- Option assessments will be arrived at through collective discussion and will therefore reflect the combined view of the group.



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

Gleeds N Aubrey will act as the independent Moderator for the process and will assess the robustness of the evaluation and the extent of records established to support its findings.

The proposed Long list of on-site options

In keeping with the Options Framework Approach² a long list of on-site options was generated by the Integrated Consultant Team drawing on their technical experience and familiarity with the characteristics of the preferred site. Other than those included as mandatory options from HMT Guidance, these were approved through a series of reviews with the Contracting Authority and are set out herein.

| | Variants | | |
|--|--|---|--|
| | Residual site cleared except for 1980s block & reserved for future health use. | Residual site cleared except for 1960s Block & reserved for future health use | Residual site cleared in its entirety & reserved for future health use |
| Option 1 - Do Nothing | Variation A | Variation B | Variation C |
| <p>Mandatory Option. anticipates capital programme spend only and anticipates a managed decline in service standard and safety as demand increases. Already rejected by Ministers.</p> <p>Earlier formal appraisals concluded that this option is not viable. Ministers, supported by Gleeds and EY through their project assurance role, accepted this conclusion and the option remains rejected. Subsequently, it has only been included to demonstrate consistency with guidance and to act as a comparative baseline for all other options.</p> | Not Applicable | Not Applicable | Not Applicable |
| Option 2 - Do Minimum | Variation A | Variation B | Variation C |
| <p>Mandatory Option. Additional capital expenditure to that in the capital programme targeting in key areas to preserve services as long as possible. Unlikely to achieve the functionality needed or the capacity required to meet demand resulting in managed decline.</p> <p>Consistent with guidance, this Option represents an increase in capital investment compared with the 'Do Nothing' option and is based upon retaining for as long as possible the minimum provision that can be sustained on Island.</p> <p>The level of investment assumed will be that which could practically be made in maintaining existing services and to attempt to deal with the forecast future demand. Where this is not possible un-met demand would be managed through off island activity.</p> | Not Applicable | Not Applicable | Not Applicable |
| Option 3 – Baseline Solution | Variation A | Variation B | Variation C |

² HMT 5 Case Model Supplementary Guidance, 2015

| | | | |
|--|--------------------|--------------------|--------------------|
| <p>This Option involves construction on a cleared and extended part of the site & delivers the Projects objects in a minimal way. It is considered to have some ability to meet forecast future demand.</p> <p>This option reflects the current design under development but would exclude any items set out on the Values Log and Key Decision Log. It would also exclude any other content that has arisen since the approval of P110/2016 other than those essential to delivering a safe, affordable and sustainable hospital. Under this Option all the remaining redundant hospital buildings on-site would remain in place.</p> | Applicable | Applicable | Applicable |
| Option 4 – Increased Flexibility Option | Variation A | Variation B | Variation C |
| <p>This Option includes additional 'value adding & revenue saving' features designed to increase the options performance and its ability to meet forecast future demand. It involves construction on a cleared and extended part of the site.</p> <p>This option reflects the current design under development including the full range of additions set out in the Value Log and Key Decision Log. Under this Option all the remaining redundant hospital buildings on-site would remain in place.</p> | Applicable | Applicable | Applicable |
| | | | |

Constraints

- 1 The 1960's block has not been considered for future repurposing due to its poor condition, structural inflexibility and the absence of building services following demolition of the boiler house and services building.
- 2 The 1980's block has been included as a variant due to its potential remaining life and the extent to which the structure may be able to accommodate reasonable change

The following 10 Options are proposed for longlist review by the Panel: -

1, 2, 3, 4 and variants - 3A, 3B, 3C and 4A, 4B, 4C.