

NHS Scotland Assure Capital Programme Delivery Strategy (CPDS)



Purpose of session

- **Overview** of the current situation
- **Review** of options appraisal
- **Linking** options appraisal with future capital projects delivery strategy (CPDS) “scenarios”
- **Understanding the “Why”** - Developing national performance outcomes
- **Crystal Balling** - Fit For the Future Framework?



Overview of current situation

- **What we do know**
 - Current capital plan
 - Potential for maintenance expenditure
- **What we don't know**
 - Type of projects
 - Values of projects
- **Basis of Options Appraisal?**
 - Manifesto pipeline
 - £10bn over 10 years



The Options Appraisal



Options Appraisal

- Reviewed **current status**
- Reviewed **best practice cross sector**
- Advised on **'possibilities'**
- **Engaged** with industry; internal & external stakeholders
- Options appraisal identified **4 options for review**
- Reviewed **risk and benefit** of each option
- **Report** on recommendation(s) moving forward



Critical Observations

- Visibility
- Realistic
- Consider grouping projects

Pipeline



- To account for core strengths; capacity and capability of different businesses
- Consider new entrants

Lot Structure

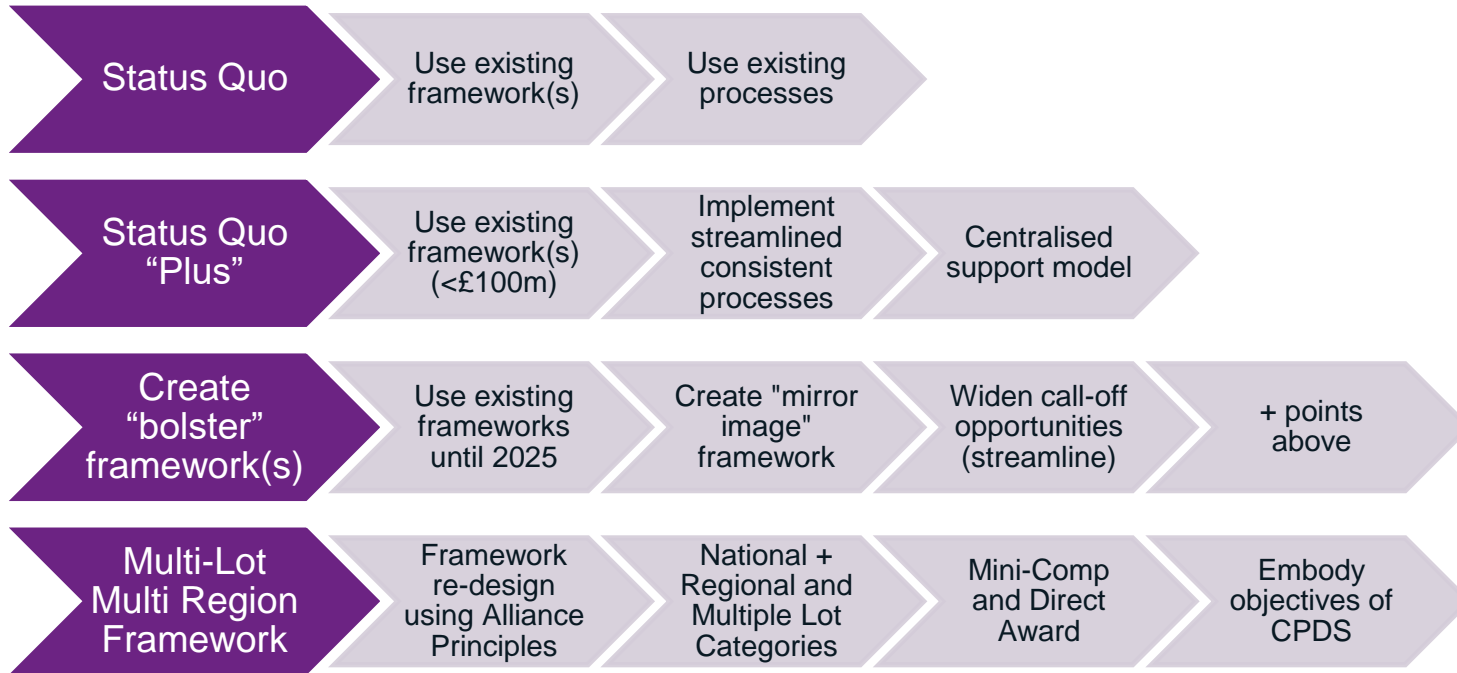


- Standardisation
- MMC Digital
- Performance based regimes
- Alliancing

Learning from other sectors



Options Reviewed



Option Appraisal Outcome

Option	Overall Assessment	Rank
Option 1 – Status Quo	45	4
Option 2 – Status Quo Plus	51.5	3
Option 3 – Create “bolster” framework(s)	60	2
Option 4 – Create multi-lot/multi-region frameworks with alliancing principles	69	1



What is a framework Alliance?

- Framework between one or more clients and a group of contractors, consultants (and specialists)
- Set of agreed objectives and principles
- All parties work together to achieve (proportionate to organisation size/capability)
- Agreed activities against a timetable to implement common processes etc



Benefit of Option to the CPDS?

- **Standardised suites of processes** and contract templates
 - **Early engagement** of supply chain
 - **Strong governance** through a Strategic Core Group with senior Client team members and Alliance Members
 - **Reduced burden** of continuous tendering and associated evaluation and award resource requirements
 - **Best practice exchange** and innovation between Contractors
- 

Benefit of Alliance to the CPDS?

- **Standardisation** working groups and buy in
- Creation of “**banks**” of **employment & skills** opportunities
- Can support traditional or design & build, or construction management
- Offers **flexibility of approach** desired by end users
- Improved value through **BIM and Digitisation** via initiatives such as multi-party BIM protocols



Option Caveats

- **Pipeline:** Assumes a published pipeline which is fully funded
- **“What-If” scenario planning:** In event pipeline does not come to fruition, option requires review to ensure suitability for CPDS “light”
- **Up-front work & centralised support:** Option relies on significant “up-front” work around standardised, consistent processes and appointment of Framework Director and Framework Alliance Managers
- **Framework of >4 years possible?**



What it might look like

Framework Alliance

Framework
Director

*Strategic
Core Group*

National
Lot

Regional Lot 1/2/3/4/5

Framework
Alliance
Manager

*Core
Group(s)*

Projects
>£100m

Stand Alone
Complex
Procurements

*Refurb
<£TBCm*

*Refurb
>£TBCm -
£TBCm*

*Design &
Build*

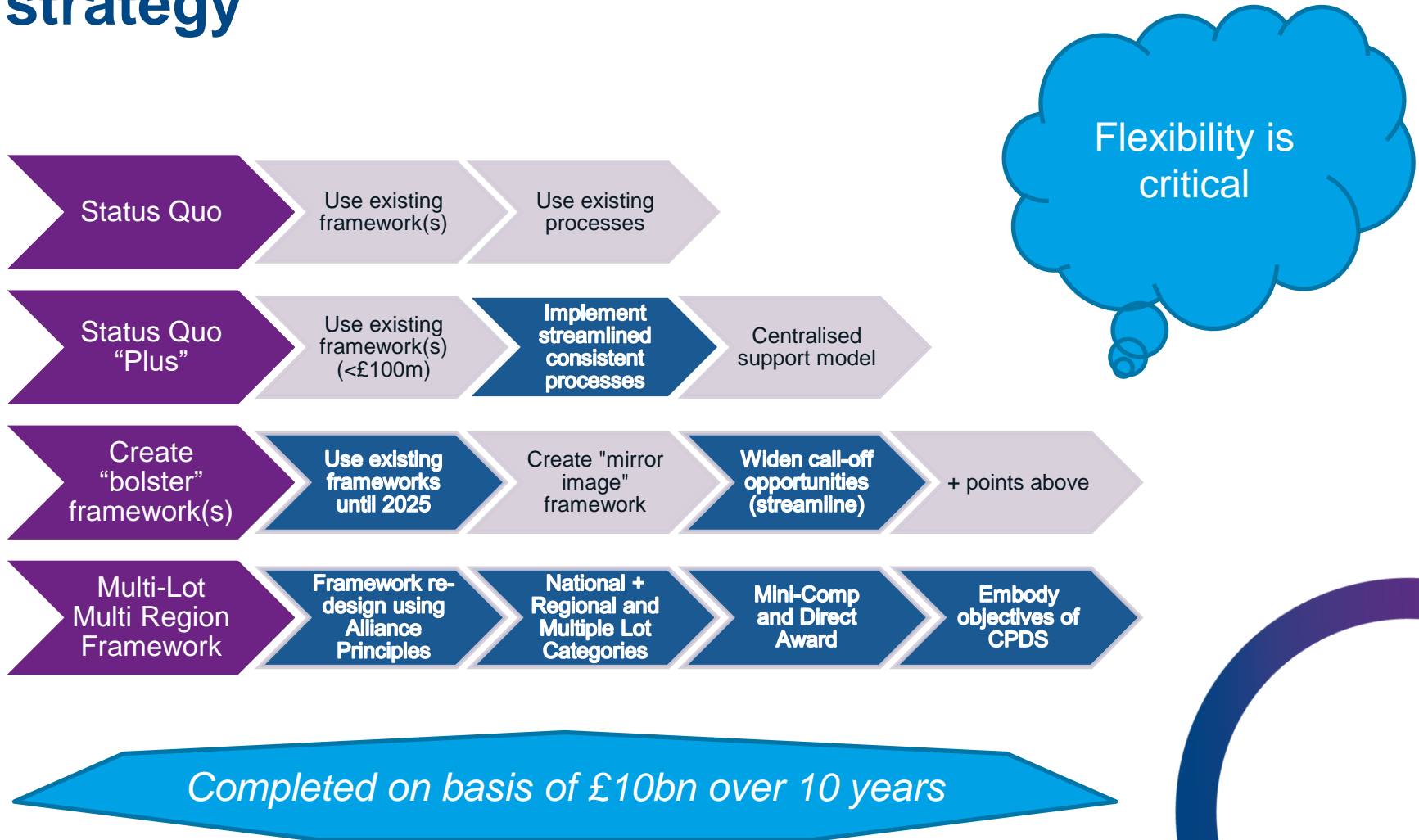
Shell & Core

Fit Out only

Board
Representatives/
Client Representative

Specialty working groups (standardisation; Net zero; Apprenticeship "sharing" etc)

CPDS – Developing the option into strategy



Understanding the why - *Alignment with National Performance Outcomes*



The "Why"

National Performance Framework Our Purpose, Values and National Outcomes



11 National Outcomes

Describe features of the kind of Scotland we want to create as a consequence of our collective actions. Community Empowerment (Scotland) Act 2015.

Which outcomes are most relevant to NHSScotland CPDS?

Health

Reduced Inequalities (SDG 10)

Good Health & Wellbeing (SDG 3)

Economy

Carbon Footprint (SDG 12)

Economic Growth (SDG8)

Greenhouse Gas Emissions (SDG 7)

Environment

Carbon Footprint (SDG 12)

Fair Work and Business

Innovative business, quality and fair work

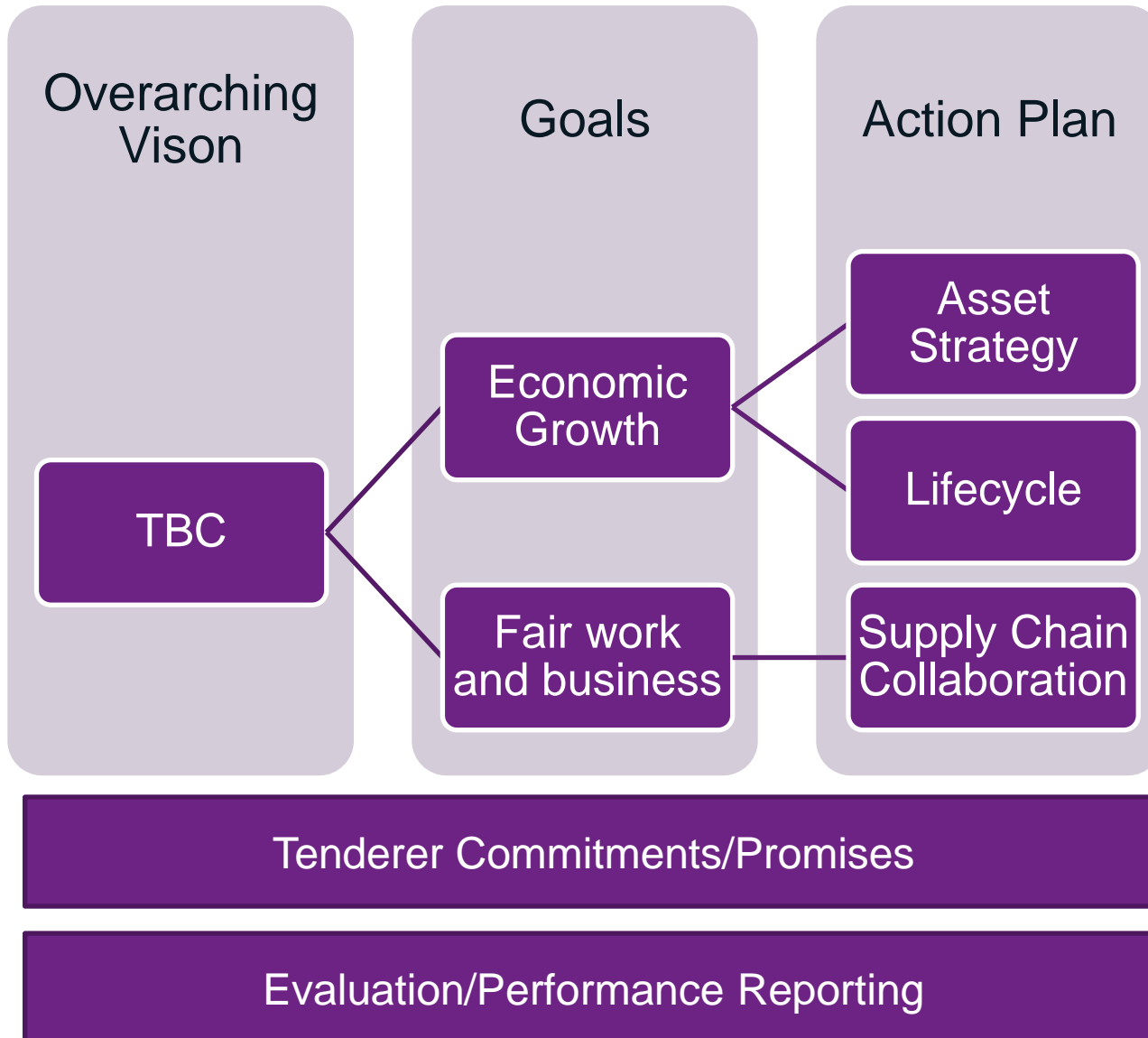
Communities

Inclusive Growth



Food for thought - Exemplar

National Outcome	Aligned Objective (Examples)	Strategic Objectives (Examples)
Reduced Inequalities	<ul style="list-style-type: none"> <i>Fair working practices</i> <i>Standardisation</i> 	<ul style="list-style-type: none"> <i>Living Wage</i>
Good Health & Wellbeing (SDG 3)	<ul style="list-style-type: none"> <i>To deliver safe, compliant, efficient and effective healthcare facilities enabling the delivery of the required patient outcomes.</i> 	<ul style="list-style-type: none"> <i>Compliance with KSAR and NHS Scotland Assure</i>
Carbon Footprint (SDG 12)	<ul style="list-style-type: none"> <i>Delivery of effective solutions to achieve net zero carbon</i> 	<ul style="list-style-type: none"> <i>SDaC Guidance SHTN 02-01</i> <i>Modern Methods of Construction</i>
Economic Growth (SDG8)	<ul style="list-style-type: none"> <i>Local Economic and Community Benefit</i> 	<ul style="list-style-type: none"> <i>Community Benefits</i> <i>Supported Businesses</i>



Linking the thinking from strategy to delivery!

1. **Identify and agree critical objectives**
2. Develop **Overarching vision** for delivery of the objectives
3. **Individual goals** for each of the objectives (linked with outcomes)
 - Approach to delivery (refurbishment vs replace)
 - Expectations against policy/legislation (i.e Net Zero)
4. Tenderers to complete action plans for things they **promise to deliver** through framework
5. Embed in contracts
6. **Measure, monitor and report** against each outcome



Linking the options appraisal to CPDS potential strategies – *“Crystal Balling”*



Delivery scenarios under review

A

£10bn over 10
years

Start date assumed
26/27

B

Highest Priority
Projects

Strategy for
delivery developed
for use in future
projects

C

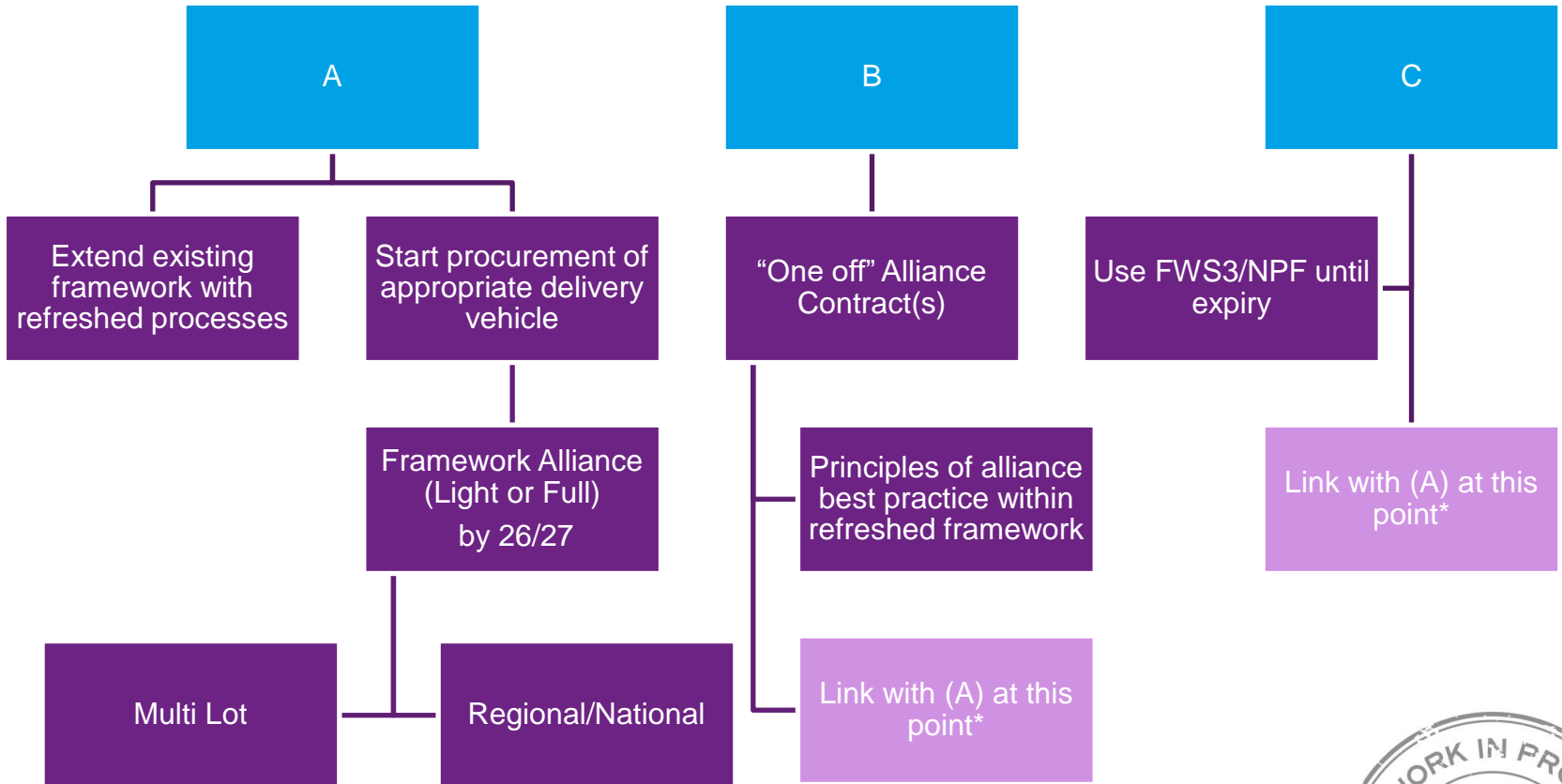
Business As Usual
– Continue on
current funding
levels

Principles for
delivery would align
with “best practice
recommendations”



CPDS being developed which seeks to
futureproof, standardise & increase user adoption/ease of use

Linking scenario to strategy.....



What next?

A

Type 1, 2 & 3

<£20m works
£15 - £300m works
>£300m works

B

Type 1, 2 & 3

<£20m works
£15 - £300m works
>£300m works

C

Type 1 & 2

<£20m works
£15 - £300m works



Create a Framework **“Fit for the Future”**
(Capable of accommodating Type 1- 3 Works)

What next?



STRESS TESTING



PROGRESS...





QUESTION AND ANSWERS