



Post Project Evaluations for Capital Projects

Paper for Trust Board [October 2017]

1. Introduction

The following report:

1. Describes what a Post Projection Evaluation (PPE) is and its purpose,
2. Provides a breakdown of PPEs the Trust undertook in 2015/16 for capital projects and are currently undertaking for 2016/17,
3. Provides examples of the learning from the 2015/16 PPEs for Below Delegated Limits (BDL) Capital Projects, and
4. Provides examples of the learning from recently completed PPEs for Above Delegated Limits (ADL) Capital Projects.

2. What are Post Project Evaluations and how do we report on PPEs?

The purpose of a Post Project Evaluation is to:

- Evaluate the effectiveness of a project in realising the proposed benefits as outlined in the approved Business Case;
- Compare planned costs and benefits with actual costs and benefits to allow an assessment of the project's overall value for money to be made;
- Identify particular aspects of the project which have affected benefits either positively or negatively; recommendations for future projects can then be derived; and
- Reveal opportunities for increasing the project's yield of benefits, whether they were planned or became apparent during or after implementation, and to recommend the actions required for achievement of their maximisation.

The DOH require the Trust to carry out a PPE for **all capital projects** in line with its guidance 'Developing a Business Case', November 2016 and following the Northern Ireland Guide to Expenditure Appraisal and Evaluation (NIGAE).

The NIGAE states that:

"Evaluation is an ex post activity which examines the outturn of a project [programme or policy], and is designed to ensure that the lessons learned are fed back into the decision-making process...PPEs are an integral part of the process involved in completing a project and should not be seen as an additional complication to the appraisal process, but rather as an opportunity to learn valuable lessons and to avoid repeating mistakes"

Each PPE should demonstrate proportionate effort, i.e. detail provided should be commensurate with the level of expenditure. The DOH provides a standard PPE template that must be completed for each capital investment and should be planned as part of the appraisal and normally conducted **12 months after project closure**.

In terms of reporting on the completion of PPEs for capital projects, the Capital Development Department monitors the completion of PPEs for all ADL and BDL schemes and reports these at Trust Board on a monthly basis. In addition for BDL capital projects, DOH 'test drills' a selection of PPEs and assesses them in terms of compliance with the guidance. For ADL schemes (major capital projects) the PPEs are approved at ExT and / or SMT and submitted to the Investment Directorate, DOH, for review.

3. Analysis of Post Project Evaluations 2015/16 and 2016/17

In 2015/16 36 BDL capital projects were completed at a value of £3.328m and PPEs were completed for all these projects. This is the most recent year for which all PPEs are required to be complete. The following table contains the number and value of BDL capital project PPEs for the financial years 2015/16 and 2016/17. Those for 2016/17 are being completed for no later than 31/03/18.

Below Delegated Limits Capital Projects				
Division/Directorate	Number of PPEs 2015/16	Value of PPEs 2015/16	Number of PPEs 2016/17	Value of PPEs 2016/17
Community Care	6	£238,316	6	£753,343
Finance – Estates	8	£748,500	15	£1,087,500
Strategic Development and Business Services – Informatics; Capital Development & IQI	1	£197,000	5	£247,576
Medical & Governance	1	£336,000	2	£850,580
Medicine and Emergency Medicine	5	£527,330	6	£128,285
Mental Health, Learning Disability & Community Wellbeing	2	£310,000	7	£443,062
Nursing & User Experience	3	£202,250	25	£1,257,422
Pharmacy	2	£463,256	4	£109,844
Surgical and Clinical Services	4	£149,190	25	£2,003,578
Women, Children & Families Division	4	£156,400	11	£334,872
Total	36	£3,328,242	106	£7,448,162

In addition to this the following PPEs were carried out for ABL capital projects in 2015/16, 2016/17 and 2017/18 to date.

Above Delegated Limits Capital Projects			
Capital Project	2015/16	2016/17	2017/18
Sexual Assault Referral Centre (The Rowan)	£2,105,197		
The Willows Intensive Support Unit	£1,576,060		
Neonatal		£1,860,875	
Hospital Dentistry		£1,680,821	
Ballymena Health and Care Centre			£23,746,421 (final account to be agreed)

4. Learning from 2015/16 PPEs – Below Delegated Limits Capital Projects

As referenced above the DoH conducted an annual test drill of 3 post project evaluations from the NHSCT 2015/16 BDL schemes. The results were as follows:

Overall the majority of the PPEs selected were of a satisfactory standard and were proportionate to the level of expenditure on the project. There were however some PPEs which were considered as unsatisfactory as not all key elements had been addressed. Below are listed recommendations for enhancement and improvement of the process:

- Ensure details are provided on how effective the project has been in achieving each objective as per the approved business case;
- Ensure adequate explanation is provided as to why targets were not achieved;
- Ensure details are provided of budgeted versus actual costs for capital and revenue expenditure and explanations for any deviation from budget including under spends;
- Ensure that a proportionate effort is applied in the completion of PPEs.

The following table summarises the DoH findings of the assessment of post project evaluations selected for 15/16:

Directorate	Status	Details	Amount	Issues
Surgical & Clinical Services	Amber	Endobronchial Ultrasound System	209K	Objectives in the business case were not SMART therefore it is difficult to gauge the effectiveness of the project. Quantifiable measurable targets would have enhanced the quality of both the business case and PPE. The PPE should have been completed by an individual independent of the project team.

Mental Health, Learning Disability & Community Wellbeing	Red	Refurbishment of Ferrard House as office/OPD accommodation	211K	The level of detail provided is poor considering the level of capital expenditure. More detail should be provided on how effective the project was in meeting its objectives. Section 6 of the PPE should evaluate each objective separately, and be clear if they have been fully met and if they were achieved on time.
Pharmacy	Red	Mid Ulster Hospital Pharmacy Scheme	417K	The PPE should evaluate all the objectives provided in the business case, currently the PPE only refers to four objectives whereas there were six in the original BC. Section 6 of the PPE should evaluate each objective separately and be clear if they have been fully met and if they were achieved on time. The estimated costs in the PPE do not match those detailed in the original business case. A full breakdown of actual expenditure should be provided in the PPE.

Please note the DOH test drilling focuses on the completeness of the PPEs but does not comment on the achievement of objectives or effectiveness of the capital investment.

In addition to the DOH 'Test Drilling' of PPEs the Trust undertook a separate Lessons Learned exercise for 2015/16 where 7 projects were selected and reviewed by representatives from the projects, including Estates, Informatics, Capital Development and Finance. The focus was on the BDL capital allocation process and the following themes emerged:

- Poor Project Management of schemes resulting in elements such as ICT, goods/equipment and telecoms spend going to revenue budget and not capital;
- Minor Works requests not being linked to capital projects/allocations, thereby not being actioned resulting in project underspends; and
- Project and Business Managers not utilising the monthly finance report on capital allocations to track spend on their projects resulting in underspends or incorrect coding of invoices.

Based on this review the following changes to the BDL Capital Process were made:

- A bi-monthly Capital Development Management Group has been established at which cross Directorate issues such as budget holder responsibility and Project Manager arrangements can be tabled.
- Information sessions/workshops were held last autumn to cover the following topics:
 - The management of capital spend to give practical demonstration on the use and manipulation of the monthly capital finance report issued to managers/budget holders.
 - an update on the whole capital bidding/allocation process
 - writing of capital business cases
 - budget holder responsibilities
 - monitoring of capital allocations
 - sharing of lessons learned from 2015/16 post project evaluations

A similar exercise is underway for 2016/ 17 capital schemes.

5. Learning from PPEs - Above Delegated Limits Schemes

For all capital projects above the Trust's delegated limit value of £500k the completed PPE is submitted to the DOH for review. This happens alongside the Gateway Review process which involves a series of checks at key stages of a project's lifecycle (Gateways) and is aimed at ensuring a project's successful delivery. For projects above £500k but less than £20m (and where classified as a low risk project) an Internal Peer Review (IPR) is carried out at each of the 5 key stages. For projects assessed at a higher risk and / or > £20m an External Gateway Review is carried out at each of the 5 key stages.

Gateway / IPR 5 is the final stage and reviews the benefits realisation of the project which includes the completion of a PPE. The following 2 schemes undertook IPR 5 over the last 12 months and are described in detail below.

Hospital Dentistry Scheme at AAH

Gateway/ IPR 5, along with the post projection evaluation was completed in November 2016. The Internal Peer Review Investment Decision Assessment was given as **Green**. This assessment RAG rating indicates: Successful delivery of the project/programme to time, cost and quality appears highly likely and there were no major outstanding issues that at this stage appear to threaten delivery significantly.

The handover of the building was delayed by 6 months from the scheduled date due to the following reasons:

- Unforeseen underground services within the site area needed to be diverted to facilitate construction.

- Building required re-location by approximately 7 metres with some design changes following discovery and requirement to avoid other unforeseen underground services namely: water main and fibre-optic cables.
- HTM compliance issues associated with dental chairs pipework.

Examples of some of the benefits from this project:

- It provided an opportunity to use new specialised equipment designed to enhance both the patient experience and improve clinical/operator delivery.
- It has provided easy access to Consultants in Orthodontics and Maxillofacial and the Specialist Oral Surgeon.
- In the new working environment there is opportunity to share skills with community dentists (located outside of hospital) by undertaking joint cases or providing them with additional support on site to treat their patients.

Ballymena Health and Care Centre

Gateway / IPR 5 was completed in May 2017 and was given an assessment of **Green**. The PPE was completed in September and is with the DOH for review.

Examples of some of the benefits from this project:

1. Prior to BHCC, in the majority of cases, Trust services would have been provided from sub-standard/ not fit-for-purpose Trust or leased accommodation, unsuitable for delivering to meet the changing and developing needs of our service users.
2. In addition those services were dispersed over 20+ locations which presented challenges, not only in terms of integrated working and service developments but also in terms of estate management. BHCC provides the opportunity for the Trust as a whole, and services within, to develop new ways of working to enhance service delivery for service users. This is not restricted to within the Trust, rather the facility provides the space to develop services in partnership with the local council, voluntary sector and community groups such as Community Navigator Service.
3. The second floor open plan office environment of 167 desks and co-location with teams from all divisions in the Trust has proven invaluable for multi-disciplinary working and shared learning. Co-location with primary care partners has proven to be extremely beneficial (evidenced through staff and patient surveys) providing direct access to health care colleagues to discuss areas of concern which ultimately leads to a more responsive service.
4. Benefits from advances in technology would not have materialised had the building not been designed as it is. For example, staff would not have the benefit of the new “follow me desktop” (VDI) that has been newly



implemented. This system allows staff to work more flexibly moving throughout the building, supporting multi-disciplinary working and a self-service check in system for Trust services enabling service users to check in for their appointments.

5. The scheme enabled the Trust to retract from 11 leases at a gross value of £234k per annum.

Conclusion / Action required: this report is for noting