

**NHS Shropshire, Telford & Wrekin  
Clinical Commissioning Groups  
Future Fit Joint Committee  
Meeting**

**Monday 12<sup>th</sup> December 2016, 6.30pm  
Telford International Centre, St Quentin  
Gate, TF3 4JH**

**NHS**  
*Telford and Wrekin  
Clinical Commissioning Group*

**NHS**  
*Shropshire  
Clinical Commissioning Group*

## A G E N D A

**The meeting is to be held in public to enable the public to observe  
the decision making process.  
Members of the public will be able to ask questions  
at the discretion of the Chair**

1.	<b><u>Welcome &amp; Apologies</u></b>	Andy Williams Independent Chair	6.30	verbal
2.	<b><u>Members' Declaration of Interests</u></b>  2.1 Declarations of Interests	Andy Williams Independent Chair	6.35	verbal
3.	<b><u>Introductory Comments from the Chair including Code of Conduct</u></b>	Andy Williams Independent Chair	6.40	verbal
4.	<b><u>Items for Discussion/Approval</u></b>  4.1 Report from the Future Fit Programme Board Meeting on 30 <sup>th</sup> November 2016: The Outcome of the Option Appraisal and Recommendation on the Preferred Option  4.2 Board discussion  4.3 Questions from members of the public <ul style="list-style-type: none"><li>At the discretion of the Chair questions from members of the public will be invited.</li></ul> 4.4 Board discussion and decision	David Evans Future Fit SRO  Debbie Vogler Future Fit Programme Director	6.45  7.00  7.30  8.00	enclosure
5.	<b>Closing Remarks including Next Steps</b>	Chairman	8.10	Verbal

**ENCLOSURE 1**

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**NHS Shropshire, Telford & Wrekin  
Clinical Commissioning Groups  
Future Fit Joint Committee  
EXECUTIVE SUMMARY SHEET**

<b>DATE:</b>	12th December 2016
<b>TITLE OF PAPER:</b>	Outcome of Option Appraisal and Recommendation on Preferred Option
<b>EXECUTIVE RESPONSIBLE:</b>	David Evans SRO Future fit Programme
<b>Contact Details:</b>	Ext: 580361 Email: david.evans2@nhs.net
<b>AUTHOR</b> (if different from above)	Debbie Vogler Programme Director, Emma Pyrah Senior Programme Manager Future fit
<b>Contact Details:</b>	Ext: Email: debbie.vogler@nhs.net
<b>CCG OBJECTIVE:</b>	
<input type="checkbox"/> For Discussion <input checked="" type="checkbox"/> For decision <input type="checkbox"/> For performance monitoring	
<b>EXECUTIVE SUMMARY</b>	<p>The purpose of this report is to set out the recommendations made by the Future Fit Programme Board on the 30th November 2016 to the Joint Committee of the CCGs in terms of the outcome of the Options appraisal process.</p> <p>The Programme Board agreed at its meeting on 30th November to make a number of recommendations to the Joint Committee of the CCG:</p> <ul style="list-style-type: none"> <li>• Whilst 'do nothing' is not seen as a deliverable option, it needs to remain in business cases as the baseline. The narrative during consultation will explain why it has been discounted.</li> <li>• Option C2 is not clinically deliverable and is therefore is not taken forward into formal public consultation as a deliverable option.</li> <li>• Both Options B and C1 are deemed financially and clinically deliverable and will therefore form part of the public consultation process.</li> <li>• Option C1 is taken into the consultation process as the preferred Option</li> </ul> <p>The Joint Committee are asked to confirm which options the CCGs believe at this stage remain deliverable and will therefore form part of the NHSE Stage 2 Assurance Process and the CCGs' public engagement including formal public consultation and; to identify a preferred option or options to present to i) the NHSE Stage 2 Assurance Process and ii) to engage with the public and involve the public in the CCGs' decision-making, including formal consultation where appropriate.</p>
<b>FINANCIAL IMPLICATIONS:</b>	The Future Fit OBC has an inter dependency with the system deficit reduction plan.

<b>EQUALITY &amp; INCLUSION</b>	An impact assessment has been carried out in 2016 and was received by the Programme Board at its meeting in November.
<b>PATIENT &amp; PUBLIC ENGAGEMENT:</b>	The Future Fit Programme continues to undertake a comprehensive Communication and Engagement process which is continually reviewed.
<b>LEGAL IMPACT:</b>	Legal advice has been taken where necessary in the process
<b>RISKS/OPPORTUNITIES:</b>	The risks are continuously reviewed and form part of the Programme updates to the Programme Board
<b>RECOMMENDATIONS:</b>	<p>The Joint Committee is asked to:</p> <ol style="list-style-type: none"> <li>1. Approve the recommendations from the Future Fit Programme Board on the outcome of the option appraisal process for the reconfiguration of Acute Hospital Services: <ul style="list-style-type: none"> <li>• Whilst 'do nothing' is not seen as a deliverable option, it needs to remain in business cases as the baseline. The narrative during consultation will explain why it has been discounted.</li> <li>• Option C2 is not clinically deliverable and is therefore not taken forward into formal public consultation as a deliverable option.</li> <li>• Both Options B and C1 are deemed financially and clinically deliverable and will therefore form part of the public consultation process.</li> <li>• Option C1 is taken into the consultation process as the Preferred Option</li> </ul> </li> </ol> <p>In doing so,</p> <ol style="list-style-type: none"> <li>2. To confirm which options the CCGs believe at this stage remain deliverable and will therefore form part of the NHSE Stage 2 Assurance Process and the CCGs' public engagement including formal public consultation.</li> <li>3. To identify a preferred option or options and to present options to i) the NHSE Stage 2 Assurance Process and ii) to engage with the public and involve the public in the CCGs' decision-making, including formal consultation where appropriate.</li> </ol>

**REPORT FROM FUTURE FIT PROGRAMME BOARD**  
**TO THE JOINT DECISION MAKING COMMITTEE OF THE CCG BOARDS**  
**12<sup>TH</sup> DECEMBER 2016**

**OUTCOME OF OPTIONS APPRAISAL AND**  
**RECOMMENDATION ON PREFERRED OPTION**

**1. Introduction**

The purpose of this report is to set out the recommendations made by the Future Fit Programme Board on the 30<sup>th</sup> November 2016 to the Joint Committee of the CCGs in terms of the outcome of the Options appraisal.

The Programme Board on 30<sup>th</sup> November 2016 was asked to discuss the non-financial and financial appraisal process that has been followed and consider which options it could recommend to the Joint Committee of the CCGs that remain deliverable and therefore form part of the public consultation process and in doing so whether it was also able to recommend a preferred option to form part of that consultation process.

This report references and summarises the relevant documents that were received by the Programme Board in concluding its recommendation and other information that was considered in the discussions.

The following documents are attached to this report as appendices:

Appendix 1: Joint Committee Terms of reference

Appendix 2: Non-financial Evidence Pack

Appendix 3: Option Appraisal Report

Appendix 4: Integrated Impact Assessment

Appendix 5: Women and Children's Variant Option (C2); Paper received by the Programme Board

Appendix 6: The Clinical Senate Review

The Clinical Senate report, whilst not available to the Programme Board on 30th September, a verbal report was presented by the Programme Director. The final report was received on 2nd December and will be circulated to the Joint Committee Members prior to the Joint Committee meeting, once mutual agreement with the Senate is made on the release date, in line with the Senate Reviews Terms of Reference.

Appendix 7: Report on T&W Challenges and the Future Fit Programme response. (Prepared for the Joint HOSC based on the correspondence with T&W Council)

The following report sets out the recommendations made from the Future Fit Programme Board to the Joint Committee and also summarises the outcome of the discussions held and concerns raised in doing so.

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## 2. Joint Committee Terms of Reference

In September 2016, both CCG Boards agreed to establish a joint decision making committee to receive the outcome of the options appraisal, the supporting recommendations from the Future Fit Programme Board and to determine a decision on a preferred option. The terms of reference for the committee are attached as Appendix 1.

The Joint Committee is asked:

- To receive the recommendation from the Future Fit Programme Board on the outcome of the option appraisal process for the reconfiguration of Acute Hospital Services.
- To confirm which options the CCGs believe at this stage remain deliverable and will therefore form part of the NHSE Stage 2 Assurance Process and the CCGs' public engagement including formal public consultation.
- To identify a preferred option or options and to present options to i) the NHSE Stage 2 Assurance Process and ii) to engage with the public and involve the public in the CCGs' decision-making, including formal consultation where appropriate.

## 3. Evidence Considered by the Programme Board in forming its Recommendations

The Future Fit Programme Board met on 30<sup>th</sup> November 2016 and considered the evidence available to it as set out in the Appendices attached to this report. All referenced reports below are attached in full.

### 3.1 Non-Financial Evidence Pack (September 2016)

The Non-Financial Appraisal was undertaken on 23<sup>rd</sup> September 2016 with a multi-stakeholder panel of 50 members. The Programme produced an evidence pack to support panel members in appraising the 4 options and this was circulated to panel members electronically and by post one week in advance of the appraisal workshop date. The evidence pack provides analysis and other information on the 4 agreed appraisal criteria of accessibility, quality, workforce and deliverability for each of the 4 options.

At the Programme Board meeting a preface to the original pack was included that identified a number of amendments made to the pack post the panel meeting on 23<sup>rd</sup> September. **(Appendix 2)**

### 3.2 Options Appraisal Report

The purpose of this report was to present the results of the process to appraise the remaining shortlisted options for acute hospital services. The results summary received by the Programme Board on 30<sup>th</sup> November is set out below, but the process and results together with a sensitivity analysis are included in detail in the attached appraisal report itself. **(Appendix 3)**

- *In the non-financial analysis, Option C1 ranked 1st over Option B by a margin of 21.1%. The analysis demonstrates that, although various changes to the weighting and/or scoring of options could reduce that margin, no single analysis undertaken prompts a switch in ranking;*
  - *In the financial analysis conversely, Option B ranked 1st over Option C1 by a margin of 0.8%;*
-

- *In the overall economic analysis which combines the result of the financial and non-financial analysis, it was found that Options B and C1 score significantly higher than Options A and C2. Depending on the methodology used, Option C1 out-performs Option B by a margin of either 10.2% (50:50 weighting of combined scores) or 25.7% (cost per benefit point).*

*On the basis of these analyses, therefore, Option C1 appears to be the option that offers the greatest value for money, including in respect of the 'no change' option (Option A).*

### **3.3 Integrated Impact Assessment**

The Integrated Impact Assessment report (IIA) presents the findings of an Integrated Impact Assessment (IIA) of the Future Fit programme options for reconfiguration (**Appendix 4**). The report has been produced jointly by ICF and the Strategy Unit, Midlands and Lancashire Commissioning Support Unit. The aim of the IIA has been to assess all potentially significant health, access, economic, social and environmental impacts and equality effects of the Future Fit options; and provide recommendations for how any negative impacts and effects could be mitigated and positive impacts and effects maximised.

It is important to note that the purpose of impact assessments is not to determine the decision about which option would be selected; rather they act to assist decision-makers by giving them better information on how best they can promote and protect the well-being of the local communities that they serve.

The focus of the IIA was on impacts arising from the proposed changes to acute hospital services under the preferred options. The IIA considers both the whole of the affected area and the different localities within it. Potential changes to Woman & Children care were not directly in scope of the IIA and would merit consideration in further assessment.

The scope of the IIA was restricted to assessing the impacts of the changes to acute hospital care. There are elements of the Future Fit programme that have implications for other types of care such as women and children's, and some stakeholders felt that the potential impacts of these also needed to be assessed – if not through this IIA then through additional work undertaken before the selection of a final preferred option.

The IIA was presented to the Future Fit Programme Board at its October meeting. There were some requests for changes to the document received during the discussion, and some useful constructive recommendations for further changes subsequently received by email. A summary of the changes made to the IIA were received by the Future Fit Programme Board on 30<sup>th</sup> November.

The IIA is a live resource that is intended to provide the basis for further assessment as the programme progresses. This includes the mitigation strategies provided in the final chapter, which will continue to be refined during subsequent consultation. The Programme Board agreed on 30<sup>th</sup> November that further analysis on the impact of women and children's services should be completed as soon as possible.

### **3.4 Women and Children's variant Option C2**

Option C2 is a variant option of C1 with the Emergency Centre at Royal Shrewsbury Hospital but with Women and Children's remaining sited on the Planned Care site at Princess Royal Hospital.

As part of developing a clinical evidence base on which to appraise the 4 shortlisted options and determine a preferred option, the Future Fit Programme has specifically for the C2 option sought to obtain both an internal and external clinical view of its deliverability. These are included in full within the contained within non financial appraisal evidence pack. (**Appendix 2**)

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In light of the internal and external review reports on C2 and subject to the Senate Report concluding the same, the Programme Board was asked to consider making a recommendation to the CCGs Joint Committee that C2 is not clinically deliverable and is therefore is not taken forward into formal public consultation as a deliverable option. **(Appendix 5)**

The Senate Report finding in relation to C2 was read out at the Programme Board by the Programme Director supported this recommendation. The Senate report is now available in full.

### **3.5 West Midlands Clinical Senate Stage 2 Review Report (December 2016)**

In October 2016 the West Midlands Clinical Senate undertook a review to provide independent clinical advice on the Future Fit preferred options for reconfiguring acute hospital services. The Senate reviewed documentation and evidence in order to consider, assess and confirm the clinical quality, safety and sustainability of the Future Fit Programmes preferred models of options B, C1 and C2 for reconfiguring acute hospital services in Shropshire and Telford & Wrekin prior to public consultation and then make recommendations on whether to support the models to the West Midlands Clinical Senate and thereafter to sponsoring organisations and the Future Fit programme board.

The final report of the Senate Review was received by the Programme on 2<sup>nd</sup> December 2016.

*“The Panel was of the view that a clear and compelling case for change was made, based on sound evidence presented to it on current performance, improvements seen in other regions by reconfiguration of services with multi-site Trusts, the potential long-term benefits, and alignment with national NHS strategy.*

The full Senate report has been made available to the Joint Committee **(Appendix 6)**

In addition to the Senate Review of C2, the programme requested a formal view on the issue of trauma unit status from The North West Midlands and North Wales Regional Trauma Network. A letter of response has been received and has been forwarded to the SRO and Clinical Chairs. The following extract from the letter was used to brief the Programme Board:

*The matter was discussed at the North West Midlands and North Wales Trauma Network’s Governance Meeting on 10 November 2016. The view of the Network is that the preferred site for the Trauma Unit should be Shrewsbury. This reflects its geographical location and the Board agreed with Sir Keith’s view that there is an increased risk for the group of patients from Powys if it was sited at Telford.*

*Wherever the Unit is sited it would need to comply with the National Standards for Trauma Units. Shrewsbury is already accredited. Telford would have to undergo a formal accreditation process to become a Trauma Unit.*

### **3.6 Report on T&W Challenges and the Future Fit Programme response**

Following the Non-Financial Appraisal Workshop in September, the Programme received a number of challenges and concerns raised in correspondence from T&W Council relating to the Option Appraisal process.

The areas of concern raised by the T&W Council relate to:

- The composition of the Panel undertaking the assessment of the non-financial appraisal;
  - The evaluation and scoring process;
-



- The accuracy and sufficiency of the information supporting the non-financial and financial appraisal

The programme Board received copies of the letters and the responses. The Joint Committee are provided with a summary of the challenges and concerns raised within those letters the Programme's responses to-date that was prepared for the Joint HOSC meeting on 2<sup>nd</sup> December 2016.

#### **(Appendix 7)**

The Programme has continued to state since the initial challenge by T&W Council that its processes are robust and will stand up to scrutiny. Programme Board paper dated 8th April 2015: Option Appraisal Processes and Programme Board paper dated 18th April 2016: Preparing for Appraising the Revised Delivery Solutions for Future Fit Options set out those processes which were developed, agreed and signed off by all Programme Sponsors and Stakeholders and then progressed in good faith by the Programme Team.

#### **4. Summary of Discussions at Programme Board relating to Concerns**

During the presentation of the evidence and the discussions at the Programme Board, a number of concerns were raised by the Telford & Wrekin CCG and Telford & Wrekin Council representatives. For the record these included:

- Concerns around lack of clarity on capital availability. The NHSE Stage 2 Assurance process should confirm or otherwise whether this issue remains a concern.
- The financial risks to the CCGs and the worsening position of Shropshire CCG and whether there was sufficient clarity on affordability. This will form part of the NHSE Stage 2 Assurance process.
- Concerns remaining around the non-financial appraisal process. It has been agreed to carry out an independent review of T&W Council concerns set out in their report: *Analysis of Future Fit Appraisal of Options*.
- The lack of detailed impact assessment on Women and Children in Telford within the IIA. It was agreed to commission further work to address this point over the coming weeks.

#### **5. Summary of Programme Board Recommendations**

The Programme Board agreed at its meeting on 30<sup>th</sup> November to make a number of recommendations to the Joint Committee of the CCG:

5.1 Whilst 'do nothing' is not seen as a deliverable option, it needs to remain in business cases as the baseline. The narrative during consultation will explain why it has been discounted.

5.2 Option C2 is not clinically deliverable and is therefore is not taken forward into formal public consultation as a deliverable option.

5.3 Both Options B and C1 are deemed financially and clinically deliverable and will therefore form part of the public consultation process.

5.4 Option C1 is taken into the consultation process as the preferred Option

Recommendations 5.1, 5.2 and 5.3 were unanimously supported by all 5 sponsor organisations. For 5.4, this was supported by consensus vote of 4 to 1 of the Sponsor Programme Board members.

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## **6. Recommendations**

The Joint Committee is asked:

- To receive and approve the recommendations set out in section 5 above, from the Future Fit Programme Board on the outcome of the option appraisal process for the reconfiguration of Acute Hospital Services.
  - To confirm which options the CCGs believe at this stage remain deliverable and will therefore form part of the NHSE Stage 2 Assurance Process and the CCGs' public engagement including formal public consultation.
  - To identify a preferred option or options and to present options to i) the NHSE Stage 2 Assurance Process and ii) to engage with the public and involve the public in the CCGs' decision-making, including formal consultation where appropriate.
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## APPENDIX 1 – Joint Committee Terms of Reference

**NHS Shropshire, Telford & Wrekin**

**Clinical Commissioning Groups**

# **Future Fit Joint Committee**

## **Terms of Reference**

### **1. Introduction**

These Terms of Reference set out the process by which Shropshire and Telford and Wrekin CCGs will make joint decisions regarding the Future Fit Programme.

At their respective September meetings, the Governance Board of Telford & Wrekin CCG and the Governing Body of Shropshire CCG (“Governing Bodies”) agreed to establish a joint committee, with responsibility for making certain decisions in relation to the Future Fit Programme. The CCGs’ joint committee shall be called the Future Fit Joint Committee (FFJC)

In terms of scope of decision making, the FFJC will perform the functions delegated to it by the CCGs and in the first instance; this will be in relation to receiving the outcome of the option appraisal, the recommendation from the Future Fit Programme Board for a preferred option or options and engagement with the Clinical Senate and the public. Other future decisions relating to the Future Fit Programme may be delegated to this Joint Committee by the CCG Governing Bodies.

The FFJC is therefore comprised of representatives from each of the CCGs. Its constitution and meeting arrangements are set out in these Terms of Reference.

### **2. Establishment**

These Terms of Reference are drawn up in line with:

NHS Shropshire CCG Constitution: Section 6

NHS Telford & Wrekin CCG Constitution: Section 6

In the event of contradiction or dispute, this document should be seen as the authoritative document in respect of the NHS Future Fit Joint Committee functions.

The CCGs have agreed to establish and constitute a Joint Committee with these terms of reference to be known as the FFJC. Legal advice has been taken into account in setting out the approach to the membership to satisfy the expectation of a “shared and binding decision”.

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### **3. Functions of the Committee**

The FFJC will act as the decision-making body:

- (a) To receive the recommendation from the Future Fit Programme Board on the outcome of the option appraisal process for the reconfiguration of Acute Hospital Services.
- (b) To confirm which options the CCGs believe at this stage remain deliverable and will therefore form part of the NHSE Stage 2 Assurance Process and the CCGs' public engagement.
- (c) To identify from (b) above, a preferred option or options and to present options to i) the NHSE Stage 2 Assurance Process and ii) to engage with the public and involve the public in the CCGs' decision-making, including formal consultation where appropriate.

There will be scope for using the FFJC to be the decision-making body for other decisions relating to Future Fit. These will need to be agreed and formally delegated by the two CCG Governing Bodies as they arise.

### **4. Membership**

Membership of the Joint Committee will combine both Voting and Non-voting members and observers. Non-voting members of the Joint Committee will provide support and advise the voting members on any proposals.

The Joint Committee will be chaired by a Non-voting Independent Chair. It is expected that this will be an Accountable Officer from another CCG outside of area.

The voting members of the Joint Committee shall comprise:

- 3 Clinicians from each CCG (who would be members of the Governing Body)
- 2 Lay Members from each CCG
- 1 Executive from each CCG Governing Body

Each member would hold 1 vote. The decision of the Joint Committee would be by majority vote and be binding on both CCGs.

Powys Health Board will be represented but will be a non-voting member. This reflects the Powys Health Board's position regarding voting.

1 representative from each of Telford and Wrekin Healthwatch, Shropshire Healthwatch, Powys Community Health Council, Telford and Wrekin Council and Shropshire Council are invited to attend as observers.

All members are required to comply with the NHS Shropshire, Telford and Wrekin CCG Future Fit Joint Committee Principles for Joint Working and Member Code of Conduct.

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## **5. Deputies**

The CCGs will nominate named deputies for the agreed Joint Committee Members appointed.

Any other individual may deputise for any Joint Committee Member provided that the relevant CCG has made a request in advance of the meeting to the Chair of the Joint Committee to arrive no later than the day before the relevant meeting (or within such shorter period before the meeting as the Chair may in his or her sole discretion decide). Any individual so authorised must be a member of the relevant CCG's Governing Body.

## **6. Meetings**

The Joint Committee shall meet at such times and places as the Chair may direct on giving reasonable written notice to the members of the Joint Committee. Meetings will be scheduled to ensure they do not conflict with respective CCG Governing Bodies.

Meetings of the Joint Committee shall be open to the public unless the Joint Committee considers that it would not be in the public interest to permit members of the public to attend.

## **7. Quorum**

The quorum for a meeting of the Joint Committee shall be:

All of the voting members or their nominated deputy of the Joint Committee must be in attendance or able to participate virtually by using video or telephone or web link or other live and uninterrupted conferencing facilities.

## **8. Attendees**

The Chair of the Joint Committee may at his or her discretion permit other persons to attend its meetings but, for the avoidance of doubt, any persons in attendance at any meeting of the Joint Committee shall not count towards the quorum or have the right to vote at such meetings.

## **9. Voting**

The voting members (which, for the avoidance of doubt, include any deputies attending a meeting on behalf of the Joint Committee Members) shall each have one vote.

The decision of the Joint Committee would be by majority vote and be binding on both CCGs.

## **10. Administrative Support**

Support for the Joint Committee will be provided by the Future Fit Programme Team.

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Papers for each meeting will normally be sent to Joint Committee members no later than one week prior to each meeting. By exception, and only with the agreement of the Chair, amendments to papers may be tabled before the meeting. Every effort will be made to circulate papers to members earlier if possible.

#### **11. Notice**

Either CCG may withdraw from these arrangements and revoke its delegation to the Joint Committee at any time by notice given by its Governing Body to the members of the Joint Committee.

**APPENDIX 2 (EVIDENCE PACK – sent separately due to data file size)**

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## APPENDIX 3 – Option Appraisal Report



# Report on the Appraisal of Options

Version 5

7<sup>th</sup> November 2016

■ **DOCUMENT CONTROL SHEET**

Version	Date	Status
1	23/9/16	Non-financial appraisal (only) content updated
2	30/9/16	Financial appraisal added by SaTH. Economic summary completed.
3	10/10/2016	Minor corrections following review by Programme Board
4	27/10/2016	Amended to reflect revised OBC capital costs
5	7/11/2016	Clarification of impact of capital costs added in response to feedback from NHS Telford and Wrekin CCG

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# EXECUTIVE SUMMARY

The purpose of this report is to present the results of the process to appraise the remaining shortlisted options for acute hospital services. Those results are set out in summary here, and discussed in detail in subsequent sections.

In the **non-financial analysis**, Option C1 ranked 1<sup>st</sup> over Option B by a margin of 21.1%. The analysis demonstrates that, although various changes to the weighting and/or scoring of options could reduce that margin, no single analysis undertaken prompts a switch in ranking;

In the **financial analysis** conversely, Option B ranked 1<sup>st</sup> over Option C1 by a margin of 0.8%;

In the **overall economic analysis** which combines the result of the financial and non-financial analysis, it was found that Options B and C1 score significantly higher than Options A and C2. Depending on the methodology used, Option C1 outperforms Option B by a margin of either 10.2% (50:50 weighting of combined scores<sup>1</sup>) or 25.7% (cost per benefit point).

**Table 1: Results of Economic Appraisal**

Results of Economic Appraisal				
Weighted Scores (50:50)	Option A	Option B	Option C1	Option C2
Non-Financial Weighted	26.2	39.5	50.0	21.9
Financial Weighted	45.7	50.0	49.6	49.3
<b>Combined Score</b>	<b>71.9</b>	<b>89.5</b>	<b>99.6</b>	<b>71.2</b>
Margin below 1 <sup>st</sup>	-27.8%	-10.2%	0.0%	-28.5%
<b>Rank</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>4</b>
Cost per Benefit Point	Option A	Option B	Option C1	Option C2
<b>Cost per benefit point</b>	<b>2434.40</b>	<b>1476.92</b>	<b>1175.04</b>	<b>2696.20</b>
Margin above 1 <sup>st</sup>	107.2%	25.7%	0.0%	129.5%
<b>Rank</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>4</b>

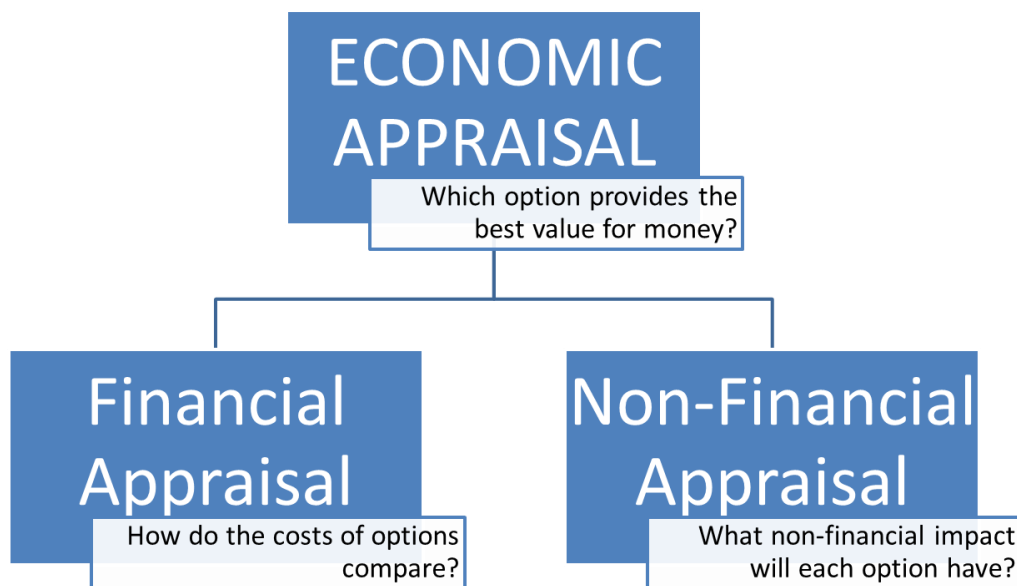
On the basis of these analyses, therefore, Option C1 appears to be the option that offers the greatest value for money, including in respect of the 'no change' option (Option A).

<sup>1</sup> Further weightings have been tested as part of the sensitivity analysis but with no change in ranking (see Appendix D).

# INTRODUCTION

## Appraisal Process

The appraisal process consists of three parts and these are each briefly described below. It was endorsed by Programme Board in April 2015 and confirmed (with some minor enhancements) in April 2016. It reflects the guidance set out in the DH Capital Investment Manual and HM Treasury's *The Green Book: Appraisal and Evaluation in Central Government*.



### Financial Appraisal

At the shortlisting stage there was an overarching affordability criterion which reflected the relatively high level information that was available at that point. That criterion has now been subsumed into the financial appraisal undertaken by the Technical Team using data provided by SaTH.

The financial appraisal covers capital, lifecycle and revenue costs, and is summarised in terms of:

Net Present Cost (NPC) - the total future costs of the project over a number of years expressed in terms of today's prices,

Equivalent Annual Cost (EAC) - the average annual impact at today's prices.

The analysis considers periods of both 30 years and 60 years.

### Non-financial Appraisal

The remaining criteria from the shortlisting process— accessibility, quality, workforce and deliverability – provide the framework for this appraisal.

Full descriptions of the options were developed which addressed all four criteria. The criteria were weighted for importance, and the appraisal panel

## **Economic Appraisal**

This final appraisal combines the outputs of the financial and non-financial appraisals in order to assess the overall value for money offered by each option.

There are a number of standard methodologies recommended by HM Treasury which can be used at that stage, alone or in combination. This report covers two approaches

### **a) Weighting financial and non-financial scores**

A non-financial score for each option is derived from the weighted total of the score for each non-financial criterion, giving a maximum of 100 'benefit points'. A financial score is derived from awarding 100 points to the option with the lowest EAC. More costly options are awarded points in inverse proportion to this.

The two scores for each option are then combined, and the impact of different financial and non-financial weightings can be tested. Weightings used in this analysis are 25:75, 50:50 and 75:25.

### **b) Calculating the cost of each non-financial benefit point**

Here, the NPC is converted into an EAC for each option, and a cost per benefit point is calculated. The option with the lowest cost per benefit point would be the preferred option.

## **Options**

Initially, over 40 ideas were developed by an evaluation panel for how the programme's clinical model could be delivered. This panel then grouped these ideas into 13 scenarios.

At shortlisting, the panel appraised those scenarios and made a recommendation to Programme Board which reflected the five options which had scored most highly. The Board accepted this recommendation and, in addition, –

- Accepted that the 'do minimum' also needed to be included on the shortlist as required by national guidance; and
- Agreed that two 'obstetric variants' should also remain under consideration pending further clarity being gained about the relative location of consultant-led obstetrics services and the proposed Emergency Centre.

The resultant eight options were then developed in terms of physical solutions and associated revenue and capital costs.

At its meeting in August 2015, the Board was advised that:

- a) The options involving a new site (D, E1, E2, F) were not affordable, and;
- b) The remaining options (B, C1, C2) were potentially affordable in that they would cover their own costs and contribute to the Trust's underlying financial position.

The Board therefore agreed to recommend to Sponsor Boards that the new site options be excluded from further consideration. At the same time, work was undertaken to test previously excluded options. Board accepted the conclusion that the result of the shortlisting process had been robust.

As a result, the revised shortlist was reduced to four options. This recommendation has been approved by all Sponsor Boards, and it is these remaining options (summarised below) which this report addresses.

An appraisal was conducted in September 2015 but the Programme was unable to move forward at that point due the wider financial position in the local health economy.

As a result, SaTH was asked to develop solutions which addressed its most pressing workforce challenges, and to do so within the resource available locally. This present appraisal addresses the same four options but has considered them in terms of the revised delivery solutions developed by SaTH.

	Princess Royal Telford	Royal Shrewsbury Hospital
<b>A</b>	No change	No change
<b>B</b>	EC UCC LPC W&C	DTC UCC LPC
<b>C<sub>1</sub></b>	DTC UCC LPC	EC UCC LPC W&C
<b>C<sub>2</sub></b>	DTC UCC LPC W&C	EC UCC LPC

EC	Emergency Centre	DTC	Diagnostic & Treatment Centre
UCC	Urgent Care Centre	LPC	Local Planned Care
		W&C	Women & Children's Services



# NON-FINANCIAL APPRAISAL

## Panel

Programme Board agreed in 2015 that the non-financial appraisal should be undertaken by a larger group than used for the shortlisting to enable a wider and more balanced representation. It maintained the approach of asking for nominations from those bodies which are sponsor or stakeholder members of the Programme (except those conflicted by a subsequent scrutiny role). However, instead of a single member from each organisation, the following distribution was agreed. This reflected a request from the Core Group that sponsor members should have a greater representation than stakeholder members and that, given that the focus of the appraisal is exclusively on acute options, there should be additional representation from SaTH.

**Table 2: Non-financial Appraisal Panel**

	SPONSOR/STAKEHOLDER MEMBERS	REPRESENTATION
1.	Shropshire Clinical Commissioning Group	2 clinicians, 1 manager
2.	Telford & Wrekin Clinical Commissioning Group	2 clinicians, 1 manager
3.	Powys Teaching Health Board	2 clinicians, 1 manager
4.	Shrewsbury and Telford Hospital NHS Trust	8 clinicians, 4 managers
5.	Shropshire Community Health NHS Trust	2 clinicians, 1 manager
6.	Shropshire Patient Group	3 patients ( <i>1 had to leave early before scoring</i> )
7.	Telford & Wrekin Health Round Table	3 patients
8.	Healthwatch Shropshire	3 patients
9.	Healthwatch Telford & Wrekin	3 patients
10.	Powys Patients (via PtHB)	3 patients
11.	Powys Council	1 social care
12.	Shropshire Council	1 social care 1 public health
13.	Telford and Wrekin Council	1 social care 1 public health
14.	West Midlands Ambulance Service NHS FT	1 clinician
15.	Welsh Ambulance Services NHS Trust	1 clinician
16.	Robert Jones & Agnes Hunt Hospital NHS FT	1 clinician
17.	South Staffs & Shropshire Healthcare NHS FT	1 clinician
18.	LMC/GP Federation	1 clinician
19.	Shropshire Doctors' Cooperative Ltd	1 clinician ( <i>not nominated</i> )
20.	NHS England	1 commissioner

The full panel was convened on 23<sup>rd</sup> September 2016 at Shrewsbury Town Football Club, and fifty members were in attendance, along with technical advisors, members of the programme team and observers from the Joint HOSC and Powys Community Health Council. The names of panel members are listed in **Appendix A**.

## Evidence

The panel was supplied with evidence which addressed the four non-financial criteria. This was supplied to the panel in advance of the appraisal (both electronically and in hard copy), and presentations of the evidence were made on the day. Substantial time was also set aside to enable panel members to seek clarification about the evidence provided.

### Accessibility

The travel time analysis for this criterion was based on actual activity levels at SaTH during 2015-16. This enabled an assessment to be made of the travel time from each full postcode to each hospital site.

It models the impact of each option in terms of that historic activity, to show what the impact would have been were the configurations described in each option to have been in place. It is broken down into the following categories:

- Urgent Care
- Emergency Care
- Complex Planned Care
- Non-complex Planned Care
- Outpatients
- Women's and Children's Services.

For attendances at the EC, road travel times only are presented since admission is expected to be by ambulance only; for DTC, road and public transport times are presented. Both reflect off-peak conditions (9a.m. to 4 p.m.) when the bulk of activity takes place.

The focus of this analysis is on the differential impact of each option - that is, the marginal change that would result from implementing options B, C1 and C2 by comparison with Option A (the 'do minimum').

This impact is further broken down in terms of nine geographic localities and, so far as has been possible from the available data, of groups with protected characteristics (e.g. gender, ethnicity, age and deprivation).

A narrative summary of the analysis is provided in the option templates, and the detailed data tables and maps can be found in the appendices for cross-referencing.

Maps show the differential effects of assuming all activity continues to take place on a SaTH site. To reflect patient choice, data tables also show the impact of travelling to a nearer alternative provider.

Shaded areas on the maps reflect the average travel time for each Lower Super Output Area (LSOA), each of which has a population of between 1,000 and 3,000. It is important that panel members are mindful of the relative geographic size of LSOAs since there is no material difference between a large red rural area and a small red urban area.

## **Quality**

There were two main components in relation to the quality criterion. The first concerned the impact of the options on time critical journeys to EC; the second summarised the impact of each option on the three quality domains of safety, effectiveness and patient experience.

### **a) Care of patients with time-critical conditions**

Data is provided on time-critical ambulance conveyance times by locality. This information relates to 'Red 1' (West Midlands Ambulance Service) and 'Category A' (Welsh Ambulance Service) with a handful of additional incidents where the chief complaint was recorded as Red 1, Cardiac Arrest or Life Threatening Illness. These are considered, at point of triage, as being the most time critical episodes of ambulatory care.

### **b) Other clinical quality considerations**

Summary tables providing an indication of the potential impact of each option in terms of the three quality domains were developed. The key considerations addressed were the favourable and adverse impacts of:

- i) Consolidating emergency and planned services on single sites;
- ii) Whether or not consultant-led obstetric activity is co-located with EC; and
- iii) The extent of new or significantly refurbished facilities, and the physical disposition of services within each site, which might also be considered to have an impact on both patient and staff experience.

## **Workforce**

Clinical workforce shortages are an increasingly critical element of the programme's case for change.

The impact of these shortages were set out in relation to Option A. For the other options, the potential of each option to improve recruitment and retention was summarised.

## **Deliverability**

For this criterion, the estates work required to deliver each option was summarised, drawing on work undertaken by external technical advisors. Outline plans and timescales were presented to the panel workshop.

Beyond physical deliverability, there are also differential issues in terms of the acceptability of each option to the public and other stakeholders, with supporting evidence from a stratified telephone survey.

## **Weighting Criteria**

The panel was asked to assign a relative weighting to each criterion. To inform this, the panel was presented with the weightings agreed in the shortlisting process and in the 2015 appraisal, and with a weighting derived from the public telephone survey.

Panel members agreed to use the same weighting used in the 2015 appraisal:

**Table 3: Agreed Non-financial Weightings**

<b>Evaluation Criteria</b>	<i>Shortlisting 2015</i>	<i>Appraisal 2015</i>	<i>Public Survey 2015</i>	<i>Public Survey 2016</i>	<b>agreed weighting</b>
<b>ACCESSIBILITY</b>	29.0% (2)	25.1% (3)	26.4% (2)	25.8% (3)	<b>25.1%</b>
<b>QUALITY</b>	32.3% (1)	31.2% (1)	27.5% (1)	27.1% (1)	<b>31.2%</b>
<b>WORKFORCE</b>	27.4% (3)	27.3% (2)	26.4% (2)	27.0% (2)	<b>27.3%</b>
<b>DELIVERABILITY</b>	11.3% (4)	16.3% (4)	19.7% (4)	20.1% (4)	<b>16.3%</b>
					<b>100.0%</b>

Additional weightings were used to test the sensitivity of the results, and these are set out in **Appendix B**.

## Scoring Options

Panel members were asked to score each of the four options against each of the four criteria using a range of 1-7, where a higher number indicated a stronger performance against a criterion.

Panel members recorded their own scores initially, and these were then combined and weighted to produce initial weighted totals. The totals were presented back to the panel which was then invited to discuss any areas of particular divergence in scores.

Following discussion, panel members were given the opportunity to revise any of their scores if they wished to. None chose to.

## Non-Financial Results

The following table summarises the results of the non-financial appraisal. Detailed results can be found in **Appendix B**.

**Table 4: Summary of Non-financial Scores**

TOTALS	Agreed Weighting	Total Weighted Scores			
		Option A	Option B	Option C1	Option C2
ACCESSIBILITY	25.1%	59.8	45.2	65.1	47.7
QUALITY	31.2%	39.0	65.0	91.5	24.7
WORKFORCE	27.3%	26.0	67.0	76.8	26.2
DELIVERABILITY	16.3%	19.6	40.5	42.4	22.2
	100.0%	144.4	217.6	275.8	120.8
	RANK	3	2	1	4
	DIFFERENCE	47.7%	21.1%	0.0%	56.2%

A number of sensitivity analyses were undertaken to test the validity of the results. This included breaking down weighted scores in terms of the following groupings:

- Clinicians and non-clinicians (where the former includes social care and public health professionals);
- Geographic groupings (those whose organisations are solely focused on Shropshire, Telford & Wrekin or Powys plus other non-geographic organisations), and
- The type of body represented (commissioners, SaTH, other providers and public or patient representatives which included Local Authority representatives).

The following table summarises the scores from these groupings.

**Table 5: Summary of Non-financial Sensitivity Analysis**

Scoring Analysis	Total Weighted Scores			
	Option A	Option B	Option C1	Option C2
<b>OVERALL</b>	<b>144.4</b>	<b>217.6</b>	<b>275.8</b>	<b>120.8</b>
Clinicians	69.2	103.4	138.6	59.4
Non-clinicians	75.2	114.2	137.2	61.4
Shropshire	26.1	41.2	57.8	22.4
Telford & Wrekin	33.5	67.8	49.1	31.6
Powys	28.9	24.1	48.6	18.1
Non-geographic	55.9	84.5	120.2	48.8
Commissioners	32.5	46.6	51.9	25.7
SaTH	33.6	49.2	72.4	26.7
Other Providers	36.2	59.7	73.7	32.7
Public/Patient	42.1	62.1	77.8	35.7

The colour coding highlights the highest scoring options (deep green) through to the lowest scoring options (deep red). It enables an at-a-glance assessment of any areas of significant divergence between groups.

#### **a) Weightings**

- i) Applying equal weightings to all criteria resulted in the same ranking though with a slightly reduced margin of 19.4% between C1 and B.
- ii) Applying the weightings derived from the public telephone survey also resulted in the same ranking though with a reduced margin of 20.2% between C1 and B.
- iii) Since C1 outperformed B against all criteria, no change in the weightings could switch the ranking. If the only criterion was Deliverability (a test applied in the previous appraisal) awarding a 100% weighting to deliverability would therefore still result in C1 coming first, albeit by a reduced margin of 4.6%.

#### **b) Scoring**

- i) The most significant difference in scoring between the leading options relates to the accessibility and quality criteria under which C1 scored 43.9% and 40.9%, respectively, higher than B.
- ii) Adding in scores for the Shropshire patient representative who had to leave early (using the average of other Shropshire patient representatives) very marginally increases C1's leading margin to 21.2%.
- iii) Adding in scores for the missing GP Federation representative (using the average of other GP panel members) very marginally reduces C1's leading margin to 21.0%.
- iv) C2 scored lowest across all groupings, followed by A (except in the case of Powys members where A was ranked 2<sup>nd</sup> and B 3<sup>rd</sup>).
- v) If the only scores counted are those of the CCG representatives, the outcome switches with B leading C1 by a margin of 5.2%.
- vi) If options are assessed in terms of the maximum scores awarded against each criterion, B and C1 come equal 1<sup>st</sup>.
- vii) If options are assessed in terms of the minimum scores awarded against each criterion, C1 comes 1<sup>st</sup> by a very substantial margin, indicating that the panel regarded it as the 'least worst' option as well as the best.
- viii) Finally, to test the impact of extreme scores, scores of zero and 1 were raised to 2 and scores of 7 were reduced to 6. Again, no change of ranking resulted, although C1's margin reduced to 16.8%

#### **c) Change from 2015 Appraisal**

- i) Option A scored higher than before against all criteria (Access +2, Quality +26, Workforce +16, Deliverability +2);
- ii) Option B scored lower on Access (-8), Quality (-35) and Workforce (-8) but higher on

Deliverability (+22.5);

- iii) Option C1 scored higher on all criteria (Access +12, Quality +17, Workforce +17, Deliverability +34.5);
- iv) Option C2 scored lower across the board (except from Powys scorers) and replaced Option A as the lowest scoring option;
- v) The increased differential between Option C1 and Option B was most evident in the scores of representatives from provider organisations and those with no explicit geographical affiliation but -
  - a. Telford and Wrekin scorers also increased their scores for both B and C1 (and more so for C1 than for B),
  - b. Shropshire scorers decreased their scores for both B and C1 (to a comparable degree), and
  - c. Powys scorers increased their scores for both B and C1 (and more so for B than for C1).

The 2015 appraisal, in recording the same preference for C1 over other options, noted that the panel appeared to have a concern about increasing the disadvantage of those who already have to travel further, especially for emergency care.

In the present appraisal, it was further noted that some of the disadvantages of the change options (B, C1 and C2) had been mitigated through the more balance site model offered in the revised delivery solutions.

The significant change in scoring for C2, resulting in it moving from 3<sup>rd</sup> to 4<sup>th</sup> ranking, reflects the new clinical evidence that had become available since last year, therefore precluding on clinical grounds the potential for women and children's services to remain at PRH under where the preferred site for EC is RSH.

# FINANCIAL APPRAISAL

## Introduction

The shortlisted options have been fully evaluated in line with the requirements of Department of Health Business Case Guidance and the HM Treasury *Green Book* to assess which option represents potentially the best value for money (VfM).

The economic analysis thus:

- Covers an appraisal period that ensures a full 60-year operational use of new facilities is reflected, using a discount rate of 3.5%;
- Excludes VAT from all cash flows;
- Reflects capital cash flows at current cost levels calculated by discounting outturn cash flows by 2.5% GDP deflator;
- Makes provision where appropriate for a residual asset value to be included at the end of the appraisal period;
- No provision is made for any potential Opportunity Costs;
- Includes lifecycle costs for building and engineering elements based on standard NHS asset lives and replacement cycles, and lifecycle of equipment, with replacement occurring between 5-15 years depending upon the classification of the asset;
- Incorporates cash flows for all revenue costs;
- A quantified assessment of risk has not been undertaken;
- Assumes a price base of 2016/17.

All these cost inputs have been modelled to establish, for each option:

- The Net Present Cost (NPC) of the discounted annual cash flows over the whole appraisal period;
- The Equivalent Annual Cost (EAC), being an annualised equivalent of the NPC.

## Cost Inputs

### Capital

A capital cost assessment of the short listed options has been undertaken by Rider Hunt based on NHS Departmental Cost Allowances (DCAGs), applied to the proposed schedules of accommodation.

The costing has been undertaken in accordance with Department of Health guidance for the costing of capital schemes. Separate costs forms have been produced for the individual sites and options with levels of optimism bias, VAT recovery and inflation assessed individually to provide more realistic costings.



**Table 6: Capital Costs of Options**

Costs	Option A £000s	Option B £000s	Option C1 £000s	Option C2 £000s
Works		123,554	153,837	145,450
Fees		16,062	19,999	18,908
Non-Works		400	400	400
Equipment		12,867	14,797	13,862
Contingencies		12,355	15,384	14,545
Optimism Bias		28,090	36,795	34,770
VAT		34,048	42,668	40,335
Total at PUBSEC 195 Reporting Level		227,376	283,878	268,270
<b>Total at Outturn (at PUBSEC 214)</b>		<b>249,613</b>	<b>311,636</b>	<b>294,497</b>

Key assumptions are:

- The completion on site of each option has been separately identified;
- The Cost Index at Reporting Level is defined by the Department of Health to provide a consistent means of comparison between different projects: the current PUBSEC Index level is 195 with the costs being updated to the latest index, PUBSEC 214;
- Formal indices are no longer published in respect of equipment costs therefore, the costs are based on relative percentage requirements within new build, refurbishments and backlog areas;
- Professional fees have been included at 13% across all options;
- Planning Contingencies have been incorporated at 10% across all options;
- Optimism Bias has been calculated utilising HM Treasury's and Department of Health standard template and the percentage additions reflect the relative nature of each project. For each option the optimism bias has been assessed for each site separately to make it more appropriate to the works within each site;

VAT is potentially recoverable on all construction projects and is generally related to the amount of refurbishment work but can also be recoverable against some elements of new build. For all options, recovery has been included at 100% against all fees and this is shown in the cost forms as zero VAT in accordance with the standard NHS forms.

## Revenue

Baseline 2016/17 revenue costs and forecasts for each option have been provided by SaTH as part of the analysis supporting the affordability assessment. The economic appraisal uses these figures, with the exception of the provision for inflation, in order to provide a consistent 2016/17 price base. Capital charges are also excluded from the VfM analysis.

Baseline revenue costs for 2016/17 are shown below.

**Table 7: Baseline Revenue Costs 2016/17**

Expenditure	Revenue Expenditure £000s
Pay	233,691
Non Pay	102,699
<b>Total VfM</b>	<b>336,390</b>

Table 8 below provides a summary of the assessed cost changes expected by 2020/21 under each of the options.

Sustainable services project changes represent:

Additional staffing (£4.6m under Option A only);

Workforce reductions comprise of three separate elements, new ways of working and new roles, efficiencies and savings directly related to service change and pathway redesign

Further reductions in workforce relate to activity changes, duplicate costs and IT;

Savings are site and option specific;

Within the development options, there is a net savings range of some £3.2m, between Option C2 (lowest) at £11.4m and Option B (highest) at £14.6m.

**Table 8: Revenue Cost (Savings) – in 2020/21 at 2016/17 price base**

(Savings)/Costs	Option A £000s	Option B £000s	Option C1 £000s	Option C2 £000s
Sustainable Services Project Savings	4,600	(14,589)	(14,203)	(11,377)

## Opportunity Costs and Residual Values

No specific provision has been made for Opportunity Costs since:

- Full lifecycle provision has been made for all facilities including elements refurbished on a light touch basis and those simply retained as they are, as well as New Build and Major Refurbished facilities.

In respect of Residual Values, provision reflects the assumption that New Build and Major refurbished elements will be maintained to their as built standard and therefore the residual value remains.

## Financial Analysis Outputs

### Summary of VfM analysis – 60 Year Appraisal Period

Details of the economic model are attached at **Appendix C**, but the economic impact of the cash flows described in Section Financial Appraisal 0 is summarised in Table 9.

**Table 9: Economic Costs of Options - 60 year appraisal period**

	Do nothing £000s	Option B £000s	Option C1 £000s	Option C2 £000s
Net Present Cost	9,356,590	8,555,517	8,659,431	8,705,510
Equivalent Annual Cost	351,473	321,381	324,070	325,794
Economic Value	4	1	2	3
Marginal EAC over 1st Ranked	30,092	0	2,689	4,413
% over Option First Ranked	9.4%	0.0%	0.8%	1.4%

Table 10 below provides a summary of the marginal EAC of each option, over that for Option B, split between Capital and Revenue elements:

**Table 10: Summary of EAC Variance over Option B**

Option	Rank	Capital EAC Variance £000s	Revenue EAC Variance £000s	Total EAC Variance £000s
Option C1	2	2,374	315	2,689
Option C2	3	1,674	2,739	4,413
Option A	0	(10,413)	40,505	30,092

From the analysis that has been undertaken it is evident that, in economic terms:

- The cost of each of the development options (excluding Option A) falls within a relatively tight band range of just 1.4%;
- Option B is preferred by a margin of 0.8% (EAC £2.689m) over Option C1;
- The Do Nothing (Option A) is least preferred, by a margin of 9.4% (EAC £30.092m).

## Sensitivity Analysis – Appraisal Period

In order to test the robustness of the economic analysis, an appraisal has also been undertaken to assess the VfM position over a 30-year appraisal period.

Cost inputs and assumptions mirror those detailed above with the exception of Residual Value, where it is assumed that 50% of the value of new/major refurbished facilities would be retained at the end of the 30-year period.

A summary of the outcome of this sensitivity is shown in Table 11:

**Table 11: Economic Costs of Options – 30 Year Appraisal Period**

	Do nothing £000s	Option B1 £000s	Option C1 £000s	Option C2 £000s
Net Present Cost	7,478,605	6,889,470	7,039,144	7,072,871
Equivalent Annual Cost	351,265	323,594	326,332	327,895
Economic Value	4	1	2	3
Marginal EAC over 1st Ranked	27,671	0	2,738	4,301
% over Option First Ranked	8.6%	0.0%	0.8%	1.3%

This analysis confirms that under a shorter appraisal period:

- Whilst there is less net annual revenue cost impact under Option A, it remains least preferred by a margin of 8.6%;
- Option B again remains preferred by a margin of 0.8%;

## Sensitivity Analysis – Income and Expenditure

A sensitivity analysis has been undertaken relating to demography, QIPP, CIP, repatriation and sustainable services workforce reductions. It has compared initial assumptions and the percentage move required for there to be an impact on affordability on each option, this is detailed in table 13.

**Table 12: Sensitivity analysis**

Element of Sensitivity	Assumptions within Model	Option B1	Option C1	Option C2
Demography	2% pa	58%	85%	89%
QIPP	Net QIPP Loss £10.5m over 4 years	168%	125%	118%
CIP	£31.0m over 4 years (2.1%)	77%	92%	94%
Repatriation	Net gain of £6.0m over 4 years	-19%	57%	68%
SSP Workforce	Option B1 Saving of £14.4m			
	Option C1 Saving of £14.2m			
	Option C1 Saving of £11.4m	66%	88%	89%

## Financial Conclusions

On the basis of the analysis undertaken:

- Option B is preferred from a financial perspective on the basis of the figures provided;
- The Value for Money margin between all the development options is relatively close with the exception of Option A. This is the case even though there are substantial differences in the initial capital requirements of each of the change option. Once viewed from the perspective of whole life costs (as required by guidance), however, these differences become minimal. For example, although Option B has a capital requirement of £250m and Option C1 of £312m (c.25% more), the final difference in terms of equivalent annual cost is just £2.7m (0.8%)

# OVERALL CONCLUSION

As noted in Section 0, two alternative methods have been used to combine the results of the Non-Financial and Financial Appraisals in order to test for robustness:

- Cost per Benefit Point;
- Weighted for Financial / Non-Financial Factors.

Based on the results of the analysis in Sections 0 and 0, the results are as follows:

**Table 13: Overall Economic Results**

	Option A	Option B	Option C1	Option C2
Total Weighted Non-Financial Score	144.38	217.6	275.79	120.83
Benefits Margin below 1st	-47.7%	-21.1%	0.0%	-56.2%
<b>Benefits Rank</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>4</b>
Total EAC (£m)	351,473	321,381	324,070	325,794
Financial Margin above 1st	9.4%	0.0%	0.8%	1.4%
<b>Financial Rank</b>	<b>4</b>	<b>1</b>	<b>2</b>	<b>3</b>
<b>Cost per Benefit Point (£)</b>	2,434.40	1,476.92	1,175.04	2696.20
Overall Margin below 1st	107.2%	25.7%	0.0%	129.5%
<b>Overall Rank</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>4</b>
<b>Combined Scores (50:50)</b>	71.9	89.5	99.6	71.2
Overall Margin below 1st	-27.8%	-10.2%	0.0%	-28.5%
<b>Overall Rank</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>4</b>

No material change in the results is caused by the application of the variant weightings from the non-financial appraisal.

A further sensitivity analysis has been undertaken to examine what weighting would need to be applied to the Non-Financial / Financial Results in order for Option B (the second ranked Option overall) to be preferred in Overall Terms to Option C1. This shows that, in order for the combined scores of Options B and C1 to be the same, the relative weightings for financial and non-financial analyses would need to be set at 96.2% and 3.8%, respectively.

# APPENDIX A – NON-FINANCIAL PANEL

ORGANISATION	REPRESENTATIVE
Shropshire Clinical Commissioning Group	Dr Jessica Sokolov, GP Board Member
	Dr Steve James, GP Board Member
	Julie Davies, Director of Strategy & Redesign
Telford & Wrekin Clinical Commissioning Group	Dr Mike Innes
	Anna Hammond, Deputy Executive for Commissioning and Planning
	Alison Smith, Director of Governance
Powys Teaching Health Board	Victoria Deakins, Lead Therapist
	Andrew Cresswell, Interim North Locality General Manager
	Lesley Sanders
Shrewsbury and Telford Hospital NHS Trust	Dr Kevin Eardley, Care Group Director - Unscheduled Care
	Mr Mark Cheetham, Care Group Director - Scheduled Care
	Ms Louise Sykes, Consultant Anaesthetist - Scheduled Care
	Dr Subramanian Kumaran, Consultant in Emergency Medicine
	Mr Andrew Tapp, Care Group Director - Women & Children
	Julia Clarke, Director of Corporate Governance
	Sarah Bloomfield, Chief Nursing Officer
	Dr Edwin Borman, Medical Director
	Neil Nisbet, Director of Finance
	Victoria Maher, Director of HR
	Debbie Jones, Radiology Care Group Manager
	Robin Hooper, Non-Executive Director
Shropshire Community Health NHS Trust	Dr Ganesh, Medical Director
	Andrew Thomas, Head of Nursing & Quality for Adults
	Tricia Finch, Head of Business & Development
Shropshire Patient Group	Jane Niblock
	Richard Chanter
	Graham Shepherd
Telford & Wrekin Health Round Table	Derek Hall
	Janet O'Loughlin
	Jane Pickavance
Healthwatch Shropshire	Angela Saganowska - Healthwatch Shropshire Board member
	Daphne Lewis – Healthwatch Shropshire Chair
	Vanessa Barratt- Healthwatch Shropshire Board member
Healthwatch Telford & Wrekin	Kate Ballinger – Manager
	David Bell – Healthwatch Telford & Wrekin Member
	Janet O'Loughlin – Member
Powys Patients (via PtHB)	Joy Jones
	Frances Hunt
	Robert Wright
Shropshire Council	Carole Croxford, Team Leader
	Lee Chapman, Portfolio Holder for Adult Services
Telford and Wrekin Council	Julie Smith
	Clive Jones
Powys County Council	Jen Jeffreys, Senior Manager - Older People
West Midlands Ambulance Service	Mark Docherty, Director of Nursing, Quality & Clinical Commissioning

ORGANISATION	REPRESENTATIVE
NHSFT	
Welsh Ambulance Services NHS Trust	David Watkins
Robert Jones & Agnes Hunt Hospital NHS FT	David Ford, Consultant Orthopaedic Surgeon
South Staffs & Shropshire Healthcare NHS FT	Alison Blofield, Consultant Nurse and Clinical Director
LMC/GP Federation	(not provided)
Shropshire Doctors' Cooperative Ltd	Emmanuel Le Goff, Operations Director
NHS England	Richard Woosley, Assurance & Delivery Manager

# APPENDIX B – NON-FINANCIAL SCORING

TOTALS	Agreed Weighting	Total Weighted Scores			
		Option A	Option B	Option C1	Option C2
ACCESSIBILITY	25.1%	59.8	45.2	65.1	47.7
QUALITY	31.2%	39.0	65.0	91.5	24.7
WORKFORCE	27.3%	26.0	67.0	76.8	26.2
DELIVERABILITY	16.3%	19.6	40.5	42.4	22.2
	100.0%	144.4	217.6	275.8	120.8
	RANK	3	2	1	4
	DIFFERENCE	47.7%	21.1%	0.0%	56.2%

TOTALS	Equal Weighting	Total Weighted Scores			
		Option A	Option B	Option C1	Option C2
ACCESSIBILITY	25.0%	59.5	45.0	64.8	47.5
QUALITY	25.0%	31.3	52.0	73.3	19.8
WORKFORCE	25.0%	23.8	61.3	70.3	24.0
DELIVERABILITY	25.0%	30.0	62.0	65.0	34.0
	100.0%	144.5	220.3	273.3	125.3
	RANK	3	2	1	4
	DIFFERENCE	47.1%	19.4%	0.0%	54.2%

TOTALS	Public Survey Weighting	Total Weighted Scores			
		Option A	Option B	Option C1	Option C2
ACCESSIBILITY	25.8%	61.4	46.4	66.8	49.0
QUALITY	27.1%	33.9	56.4	79.4	21.4
WORKFORCE	27.0%	25.7	66.2	75.9	25.9
DELIVERABILITY	20.1%	24.1	49.8	52.3	27.3
	100.0%	145.0	218.8	274.4	123.7
	RANK	3	2	1	4
	DIFFERENCE	47.1%	20.2%	0.0%	54.9%

TOTALS	Other Weightings	Total Weighted Scores			
		Option A	Option B	Option C1	Option C2
ACCESSIBILITY	0.0%	0.0	0.0	0.0	0.0
QUALITY	0.0%	0.0	0.0	0.0	0.0
WORKFORCE	0.0%	0.0	0.0	0.0	0.0
DELIVERABILITY	100.0%	120.0	248.0	260.0	136.0
	100.0%	120.0	248.0	260.0	136.0
	RANK	4	2	1	3
	DIFFERENCE	53.8%	4.6%	0.0%	47.7%



MAXIMUM SCORES	Agreed Weighting	Total Weighted Scores			
		Option A	Option B	Option C1	Option C2
ACCESSIBILITY	25.1%	1.8	1.8	1.8	1.8
QUALITY	31.2%	1.9	2.2	2.2	1.9
WORKFORCE	27.3%	1.6	1.9	1.9	1.6
DELIVERABILITY	16.3%	1.1	1.1	1.1	1.1
	100.0%	6.4	7.0	7.0	6.4
	RANK	3	1	1	3

MINIMUM SCORES	Agreed Weighting	Total Weighted Scores			
		Option A	Option B	Option C1	Option C2
ACCESSIBILITY	25.1%	0.3	0.0	0.8	0.3
QUALITY	31.2%	0.3	0.3	0.9	0.0
WORKFORCE	27.3%	0.0	0.3	0.5	0.0
DELIVERABILITY	16.3%	0.0	0.2	0.3	0.2
	100.0%	0.6	0.7	2.6	0.4
	RANK	3	2	1	4
	DIFFERENCE	78.0%	70.8%	0.0%	83.8%

CLINICIANS	Weighting	Total Weighted Scores			
		Option A	Option B	Option C1	Option C2
ACCESSIBILITY	25.1%	29.4	20.9	32.7	23.9
QUALITY	31.2%	18.1	31.2	45.9	10.9
WORKFORCE	27.3%	11.8	32.5	38.8	12.0
DELIVERABILITY	16.3%	10.0	18.8	21.2	12.6
	100.0%	69.2	103.4	138.6	59.4
	RANK	3	2	1	4

NON-CLINICIANS	Weighting	Total Weighted Scores			
		Option A	Option B	Option C1	Option C2
ACCESSIBILITY	25.1%	30.4	24.4	32.4	23.9
QUALITY	31.2%	20.9	33.7	45.6	13.7
WORKFORCE	27.3%	14.2	34.4	38.0	14.2
DELIVERABILITY	16.3%	9.6	21.7	21.2	9.6
	100.0%	75.2	114.2	137.2	61.4
	RANK	3	2	1	4

Geographic Summary	Total Weighted Scores			
	Option A	Option B	Option C1	Option C2
Shropshire	26.1	41.2	57.8	22.4
Telford & Wrekin	33.5	67.8	49.1	31.6
Powys	28.9	24.1	48.6	18.1
Non-geographic	55.9	84.5	120.2	48.8

SHROPSHIRE	Total Weighted Scores			
	Option A	Option B	Option C1	Option C2
ACCESSIBILITY	11.6	7.3	13.8	9.8
QUALITY	6.6	11.9	19.4	4.4
WORKFORCE	4.4	13.4	15.8	4.6
DELIVERABILITY	3.6	8.6	8.8	3.6
	26.1	41.2	57.8	22.4
	3	2	1	4

TELFORD & WREKIN	Total Weighted Scores			
	Option A	Option B	Option C1	Option C2
ACCESSIBILITY	11.8	16.3	12.1	9.8
QUALITY	10.0	20.6	16.2	8.1
WORKFORCE	7.1	19.4	13.7	8.7
DELIVERABILITY	4.6	11.4	7.2	4.9
	33.5	67.8	49.1	31.6
	3	1	2	4

POWYS	Total Weighted Scores			
	Option A	Option B	Option C1	Option C2
ACCESSIBILITY	10.1	3.5	11.8	6.5
QUALITY	8.4	7.2	15.6	4.1
WORKFORCE	6.0	9.0	13.4	4.4
DELIVERABILITY	4.4	4.4	7.8	3.1
	28.9	24.1	48.6	18.1
	2	3	1	4

NON-GEOGRAPHICAL	Total Weighted Scores			
	Option A	Option B	Option C1	Option C2
ACCESSIBILITY	26.4	18.1	27.4	21.6
QUALITY	14.1	25.3	40.3	8.1
WORKFORCE	8.5	25.1	33.9	8.5
DELIVERABILITY	7.0	16.0	18.6	10.6
	55.9	84.5	120.2	48.8
	3	2	1	4

Group Summary	Total Weighted Scores			
	Option A	Option B	Option C1	Option C2
Commissioner	32.5	46.6	51.9	25.7
SaTH	33.6	49.2	72.4	26.7
Other Provider	36.2	59.7	73.7	32.7
Patient/Public	42.1	62.1	77.8	35.7
CCGs	19.0	29.8	28.2	17.4

COMMISSIONER	Total Weighted Scores			
	Option A	Option B	Option C1	Option C2
ACCESSIBILITY	12.3	9.5	12.1	9.8
QUALITY	8.1	14.1	17.5	4.4
WORKFORCE	6.0	15.0	14.5	6.3
DELIVERABILITY	6.0	8.0	7.8	5.2
	32.5	46.6	51.9	25.7
	3	2	1	4

SaTH	Total Weighted Scores			
	Option A	Option B	Option C1	Option C2
ACCESSIBILITY	17.1	10.3	17.3	12.6
QUALITY	7.5	14.1	24.0	4.4
WORKFORCE	4.9	14.8	19.9	4.9
DELIVERABILITY	4.1	10.1	11.1	4.9
	33.6	49.2	72.4	26.7
	3	2	1	4

OTHER PROVIDER	Total Weighted Scores			
	Option A	Option B	Option C1	Option C2
ACCESSIBILITY	15.8	12.8	16.6	13.3
QUALITY	10.0	18.4	24.7	6.6
WORKFORCE	6.3	18.3	21.0	6.3
DELIVERABILITY	4.1	10.1	11.4	6.5
	36.2	59.7	73.7	32.7
	3	2	1	4

PATIENT/PUBLIC	Total Weighted Scores			
	Option A	Option B	Option C1	Option C2
ACCESSIBILITY	14.6	12.6	19.1	12.1
QUALITY	13.4	18.4	25.3	9.4
WORKFORCE	8.7	18.9	21.3	8.7
DELIVERABILITY	5.4	12.2	12.1	5.5
	42.1	62.1	77.8	35.7
	3	2	1	4

CCGs	Total Weighted Scores			
	Option A	Option B	Option C1	Option C2
ACCESSIBILITY	7.0	6.5	6.3	6.3
QUALITY	4.4	8.7	9.7	3.1
WORKFORCE	3.6	9.3	8.2	4.4
DELIVERABILITY	4.1	5.2	4.1	3.6
	19.0	29.8	28.2	17.4
	3	1	2	4

# APPENDIX C - ECONOMIC MODEL

Option A															
Year	New Capital at Current - Land & Works	Land Sales	Opportunity Costs	Residual Value	Lifecycle New Works	Lifecycle New Equipment	Lifecycle Existing	TOTAL CAPITAL	Pay	Non Pay	Other	Total Revenue	Total costs	Discount Factor	Net Present Cost
0							9,768	9,768	233,691	104,683	-1,984	336,390	346,158	1.0000	346,158
1							9,768	9,768	233,881	104,983	-2,725	336,139	345,907	0.9662	334,209
2							9,768	9,768	234,581	105,283	-2,765	337,098	346,866	0.9335	323,804
3							9,768	9,768	235,281	105,260	-3,193	337,348	347,116	0.9019	313,079
4							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.8714	307,011
5							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.8420	296,629
6							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.8135	286,598
7							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.7860	276,906
8							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.7594	267,542
9							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.7337	258,495
10							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.7089	249,753
11							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.6849	241,308
12							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.6618	233,147
13							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.6394	225,263
14							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.6178	217,646
15							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.5969	210,286
16							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.5767	203,175
17							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.5572	196,304
18							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.5384	189,666
19							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.5202	183,252
20							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.5026	177,055
21							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.4856	171,067
22							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.4692	165,283
23							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.4533	159,693
24							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.4380	154,293
25							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.4231	149,075
26							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.4088	144,034
27							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.3950	139,164
28							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.3817	134,457
29							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.3687	129,911
30							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.3563	125,518
31							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.3442	121,273
32							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.3326	117,172
33							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.3213	113,210
34							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.3105	109,381
35							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.3000	105,682
36							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.2898	102,109
37							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.2800	98,656
38							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.2706	95,319
39							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.2614	92,096
40							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.2526	88,982
41							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.2440	85,973
42							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.2358	83,065
43							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.2278	80,256
44							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.2201	77,542
45							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.2127	74,920
46							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.2055	72,387
47							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.1985	69,939
48							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.1918	67,574
49							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.1853	65,289
50							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.1791	63,081
51							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.1730	60,948
52							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.1671	58,887
53							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.1615	56,895
54							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.1560	54,971
55							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.1508	53,112
56							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.1457	51,316
57							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.1407	49,581
58							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.1360	47,904
59							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.1314	46,284
60							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.1269	44,719
61							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.1226	43,207
62							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.1185	41,746
63							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.1145	40,334
64							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.1106	38,970
65							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.1069	37,652
66							9,768	9,768	240,581	105,560	-3,607	342,534	352,302	0.1033	36,379
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>654,456</b>	<b>654,456</b>	<b>16,094,028</b>	<b>7,070,507</b>	<b>-237,932</b>	<b>22,926,602</b>	<b>23,581,058</b>	<b>27</b>	<b>9,356,590</b>
<b>Equivalent Annual Cost</b>															<b>351,473</b>

Option B - Capital £249m															
Year	New Capital at Current - Land & Works	Land Sales	Opportunity Costs	Residual Value	Lifecycle New Works	Lifecycle New Equipment	Lifecycle Existing	TOTAL CAPITAL	Pay	Non Pay	Other	Total Revenue	Total costs	Discount Factor	Net Present Cost
0	7,000						8,821	15,821	233,691	104,683	-1,984	336,390	352,211	1.0000	352,211
1	50,000						8,821	58,821	233,881	104,983	-8,767	330,097	388,918	0.9662	375,766
2	76,000						8,821	84,821	234,581	105,283	-15,481	324,382	409,204	0.9335	381,996
3	76,000						8,821	84,821	235,281	105,260	-22,733	317,808	402,629	0.9019	363,149
4	20,000						8,821	28,821	221,392	105,560	-30,123	296,829	325,650	0.8714	283,786
5	20,000						8,821	28,821	221,392	105,560	-30,123	296,829	325,650	0.8420	274,189
6					-40,352		8,821	-31,531	221,392	105,560	-30,123	296,829	265,298	0.8135	215,820
7							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.7860	240,239
8							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.7594	232,115
9							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.7337	224,265
10							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.7089	216,681
11						5,768	8,821	14,589	221,392	105,560	-30,123	296,829	311,418	0.6849	213,305
12							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.6618	202,274
13							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.6394	195,434
14							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.6178	188,825
15							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.5969	182,440
16						26,532	8,821	35,353	221,392	105,560	-30,123	296,829	332,183	0.5767	191,572
17							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.5572	170,310
18							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.5384	164,550
19							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.5202	158,986
20							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.5026	153,610
21						36,187	8,821	45,009	221,392	105,560	-30,123	296,829	341,838	0.4856	165,987
22							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.4692	143,396
23							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.4533	138,547
24							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.4380	133,862
25							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.4231	129,335
26						26,532	8,821	35,353	221,392	105,560	-30,123	296,829	332,183	0.4088	135,809
27							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.3950	120,736
28							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.3817	116,653
29							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.3687	112,708
30							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.3563	108,897
31						63,446	8,821	72,268	221,392	105,560	-30,123	296,829	369,097	0.3442	127,054
32							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.3326	101,656
33							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.3213	98,219
34							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.3105	94,897
35							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.3000	91,688
36						56,952	8,821	65,773	221,392	105,560	-30,123	296,829	362,602	0.2898	105,094
37							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.2800	85,592
38							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.2706	82,697
39							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.2614	79,901
40							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.2526	77,199
41						5,768	8,821	14,589	221,392	105,560	-30,123	296,829	311,418	0.2440	75,996
42							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.2358	72,066
43							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.2278	69,629
44							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.2201	67,274
45							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.2127	64,999
46						26,532	8,821	35,353	221,392	105,560	-30,123	296,829	332,183	0.2055	68,253
47							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.1985	60,678
48							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.1918	58,626
49							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.1853	56,643
50							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.1791	54,728
51						36,187	8,821	45,009	221,392	105,560	-30,123	296,829	341,838	0.1730	59,137
52							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.1671	51,089
53							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.1615	49,361
54							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.1560	47,692
55							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.1508	46,079
56						84,210	8,821	93,032	221,392	105,560	-30,123	296,829	389,861	0.1457	56,787
57							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.1407	43,016
58							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.1360	41,561
59							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.1314	40,155
60							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.1269	38,798
61						5,768	8,821	14,589	221,392	105,560	-30,123	296,829	311,418	0.1226	38,193
62							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.1185	36,218
63							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.1145	34,993
64							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.1106	33,810
65							8,821	8,821	221,392	105,560	-30,123	296,829	305,650	0.1069	32,666
66				-137,547		80,023	8,821	-48,703	221,392	105,560	-30,123	296,829	248,126	0.1033	25,622
<b>Total</b>	<b>249,000</b>	<b>0</b>	<b>0</b>	<b>-137,547</b>	<b>-40,352</b>	<b>453,906</b>	<b>591,032</b>	<b>1,116,038</b>	<b>14,885,121</b>	<b>7,070,507</b>	<b>-1,946,716</b>	<b>20,008,912</b>	<b>21,124,950</b>	<b>27</b>	<b>8,555,517</b>
<b>Equivalent Annual Cost</b>															<b>321,381</b>

Option C1 - Capital £311m															
	New Capital at Current - Land & Works	Land Sales	Opportunity Costs	Residual Value	Lifecycle New Works	Lifecycle New Equipment	Lifecycle Existing	TOTAL CAPITAL	Pay	Non Pay	Other	Total Revenue	Total costs	Discount Factor	Net Present Cost
0	7,000						8,500	15,500	233,691	104,683	-1,984	336,390	351,890	1.0000	351,890
1	50,000						8,500	58,500	233,881	104,983	-8,767	330,097	388,597	0.9662	375,456
2	76,000						8,500	84,500	234,581	105,283	-15,481	324,382	408,883	0.9335	381,696
3	138,000						8,500	146,500	235,281	105,260	-22,733	317,808	464,308	0.9019	418,779
4	20,000						8,500	28,500	221,778	105,560	-30,123	297,215	325,715	0.8714	283,842
5	20,000						8,500	28,500	221,778	105,560	-30,123	297,215	325,715	0.8420	274,244
6							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.8135	248,700
7					-52,933		8,500	-44,433	221,778	105,560	-30,123	297,215	252,782	0.7860	198,685
8							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.7594	232,164
9							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.7337	224,313
10							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.7089	216,727
11							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.6849	209,398
12						7,432	8,500	15,933	221,778	105,560	-30,123	297,215	313,148	0.6618	207,236
13							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.6394	195,476
14							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.6178	188,865
15							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.5969	182,479
16							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.5767	176,308
17						34,189	8,500	42,689	221,778	105,560	-30,123	297,215	339,904	0.5572	189,396
18							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.5384	164,585
19							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.5202	159,020
20							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.5026	153,642
21							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.4856	148,446
22						46,631	8,500	55,131	221,778	105,560	-30,123	297,215	352,346	0.4692	165,303
23							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.4533	138,576
24							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.4380	133,890
25							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.4231	129,363
26							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.4088	124,988
27						34,189	8,500	42,689	221,778	105,560	-30,123	297,215	339,904	0.3950	134,266
28							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.3817	116,678
29							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.3687	112,732
30							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.3563	108,920
31							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.3442	105,236
32						81,756	8,500	90,256	221,778	105,560	-30,123	297,215	387,471	0.3326	128,869
33							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.3213	98,239
34							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.3105	94,917
35							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.3000	91,708
36							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.2898	88,606
37						73,387	8,500	81,887	221,778	105,560	-30,123	297,215	379,103	0.2800	106,161
38							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.2706	82,715
39							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.2614	79,918
40							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.2526	77,215
41							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.2440	74,604
42						7,432	8,500	15,933	221,778	105,560	-30,123	297,215	313,148	0.2358	73,834
43							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.2278	69,644
44							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.2201	67,289
45							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.2127	65,013
46							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.2055	62,815
47						34,189	8,500	42,689	221,778	105,560	-30,123	297,215	339,904	0.1985	67,478
48							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.1918	58,638
49							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.1853	56,655
50							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.1791	54,739
51							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.1730	52,888
52						46,631	8,500	55,131	221,778	105,560	-30,123	297,215	352,346	0.1671	58,894
53							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.1615	49,372
54							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.1560	47,702
55							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.1508	46,089
56							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.1457	44,531
57						108,513	8,500	117,013	221,778	105,560	-30,123	297,215	414,228	0.1407	58,296
58							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.1360	41,570
59							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.1314	40,164
60							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.1269	38,806
61							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.1226	37,493
62						7,432	8,500	15,933	221,778	105,560	-30,123	297,215	313,148	0.1185	37,106
63							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.1145	35,001
64							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.1106	33,817
65							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.1069	32,673
66							8,500	8,500	221,778	105,560	-30,123	297,215	305,715	0.1033	31,569
67				-177,242		103,117	8,500	-65,625	221,778	105,560	-30,123	297,215	231,590	0.0998	23,106
Total	311,000	0	0	-177,242	-52,933	584,898	578,012	1,243,735	15,131,217	7,176,067	-1,976,839	20,330,445	21,574,180	27	8,659,431
Equivalent Annual Cost															324,070

Option C2 - Capital £294m															
Year	New Capital at Current - Land & Works	Land Sales	Opportunity Costs	Residual Value	Lifecycle New Works	Lifecycle New Equipment	Lifecycle Existing	TOTAL CAPITAL	Pay	Non Pay	Other	Total Revenue	Total costs	Discount Factor	Net Present Cost
0	7,000						8,561	15,561	233,691	104,683	-1,984	336,390	351,950	1.0000	351,950
1	50,000						8,561	58,561	233,881	104,983	-8,767	330,097	388,657	0.9662	375,514
2	76,000						8,561	84,561	234,581	105,283	-15,481	324,382	408,943	0.9335	381,753
3	121,000						8,561	129,561	235,281	105,260	-22,733	317,808	447,368	0.9019	403,501
4	20,000						8,561	28,561	224,604	105,560	-30,123	300,042	328,602	0.8714	286,358
5	20,000						8,561	28,561	224,604	105,560	-30,123	300,042	328,602	0.8420	276,674
6							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.8135	251,048
7					-50,022		8,561	-41,461	224,604	105,560	-30,123	300,042	258,580	0.7860	203,242
8							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.7594	234,356
9							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.7337	226,431
10							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.7089	218,774
11							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.6849	211,376
12						7,024	8,561	15,584	224,604	105,560	-30,123	300,042	315,626	0.6618	208,876
13							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.6394	197,321
14							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.6178	190,649
15							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.5969	184,202
16							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.5767	177,973
17						32,309	8,561	40,869	224,604	105,560	-30,123	300,042	340,911	0.5572	189,957
18							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.5384	166,139
19							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.5202	160,521
20							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.5026	155,093
21							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.4856	149,848
22						44,066	8,561	52,627	224,604	105,560	-30,123	300,042	352,668	0.4692	165,455
23							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.4533	139,885
24							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.4380	135,155
25							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.4231	130,584
26							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.4088	126,168
27						32,309	8,561	40,869	224,604	105,560	-30,123	300,042	340,911	0.3950	134,664
28							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.3817	117,779
29							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.3687	113,796
30							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.3563	109,948
31							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.3442	106,230
32						77,260	8,561	85,820	224,604	105,560	-30,123	300,042	385,862	0.3326	128,334
33							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.3213	99,167
34							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.3105	95,814
35							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.3000	92,573
36							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.2898	89,443
37						69,351	8,561	77,912	224,604	105,560	-30,123	300,042	377,953	0.2800	105,839
38							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.2706	83,496
39							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.2614	80,672
40							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.2526	77,944
41							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.2440	75,309
42						7,024	8,561	15,584	224,604	105,560	-30,123	300,042	315,626	0.2358	74,418
43							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.2278	70,301
44							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.2201	67,924
45							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.2127	65,627
46							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.2055	63,408
47						32,309	8,561	40,869	224,604	105,560	-30,123	300,042	340,911	0.1985	67,677
48							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.1918	59,192
49							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.1853	57,190
50							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.1791	55,256
51							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.1730	53,388
52						44,066	8,561	52,627	224,604	105,560	-30,123	300,042	352,668	0.1671	58,948
53							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.1615	49,838
54							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.1560	48,153
55							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.1508	46,524
56							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.1457	44,951
57						102,545	8,561	111,105	224,604	105,560	-30,123	300,042	411,147	0.1407	57,862
58							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.1360	41,962
59							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.1314	40,543
60							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.1269	39,172
61							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.1226	37,848
62						7,024	8,561	15,584	224,604	105,560	-30,123	300,042	315,626	0.1185	37,400
63							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.1145	35,331
64							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.1106	34,136
65							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.1069	32,982
66							8,561	8,561	224,604	105,560	-30,123	300,042	308,602	0.1033	31,867
67				-167,494		97,446	8,561	-61,488	224,604	105,560	-30,123	300,042	238,554	0.0998	23,800
<b>Total</b>	<b>294,000</b>	<b>0</b>	<b>0</b>	<b>-167,494</b>	<b>-50,022</b>	<b>552,730</b>	<b>582,121</b>	<b>1,211,335</b>	<b>15,312,106</b>	<b>7,176,067</b>	<b>-1,976,839</b>	<b>20,511,334</b>	<b>21,722,669</b>	<b>27</b>	<b>8,705,510</b>
<b>Equivalent Annual Cost</b>															<b>325,794</b>

# APPENDIX D – OVERALL SENSITIVITY

COMBINED expressed as Cost/Benefit Point (£)					2434.40	1476.92	1175.04	2696.19
		1st			1175.0	1175.0	1175.0	1175.0
		Margin Costs/Benefits above 1st			107.2%	25.7%	0.0%	129.5%
		Rank			3	2	1	4
COMBINED SCORES - LOW COST WEIGHTING					A	B	C1	C2
Non-Fin Weighting	75.0%	Non-Financial Weighted			39.3	59.2	75.0	32.9
Cost Weighting	25.0%	Financial Weighted			22.9	25.0	24.8	24.7
		Combined Score			62.1	84.2	99.8	57.5
		1st			99.8	99.8	99.8	99.8
		Margin Combined Score below 1st			-37.7%	-15.6%	0.0%	-42.4%
		Rank			3	2	1	4
COMBINED SCORES - 50/50 WEIGHTING					A	B	C1	C2
Non-Fin Weighting	50.0%	Non-Financial Weighted			26.2	39.5	50.0	21.9
Cost Weighting	50.0%	Financial Weighted			45.7	50.0	49.6	49.3
		Combined Score			71.9	89.5	99.6	71.2
		1st			99.6	99.6	99.6	99.6
		Margin Combined Score below 1st			-27.8%	-10.2%	0.0%	-28.5%
		Rank			3	2	1	4
COMBINED SCORES - HIGH COST WEIGHTING					A	B	C1	C2
Non-Fin Weighting	25.0%	Non-Financial Weighted			13.1	19.7	25.0	11.0
Cost Weighting	75.0%	Financial Weighted			68.6	75.0	74.4	74.0
		Combined Score			81.7	94.7	99.4	84.9
		1st			99.4	99.4	99.4	99.4
		Margin Combined Score below 1st			-17.8%	-4.7%	0.0%	-14.5%
		Rank			4	2	1	3
COMBINED SCORES - HIGH COST WEIGHTING					A	B	C1	C2
Non-Fin Weighting	3.8%	Non-Financial Weighted			1.979	2.982	3.780	1.656
Cost Weighting	96.2%	Financial Weighted			87.982	96.220	95.422	94.917
		Combined Score			89.961	99.202	99.202	96.573
		1st			99.202	99.202	99.202	99.202
		Margin Combined Score below 1st			-9.3%	0.0%	0.0%	-2.6%
		Rank			4	1	1	3





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## APPENDIX 4 – Integrated Impact Assessment (IIA) sent separately due to data file size

## APPENDIX 5 – C2 Women and Children’s Paper to Programme Board 30.11.16

# FUTURE FIT PROGRAMME BOARD

## REPORT COVER SHEET

<b>Meeting Date:</b>	30 <sup>th</sup> November 2016
<b>Report Title:</b>	Women and Children's Variant Option (C2)
<b>Presented by:</b>	Debbie Vogler, Programme Director
<b>Report for</b>	Approval
<b>Purpose of Report:</b>	The purpose of this report is to summarise the clinical review evidence obtained to-date in relation to the Women and Children's C2 option. It seeks a decision from Programme Board on whether in light of this evidence, a recommendation can be made to the CCG Joint Committee that C2 should be removed as a clinically deliverable option and therefore would not be included within the options forming part of the public consultation process.
<b>Summary</b>	<p>Option C2 was one of the final 4 shortlisted options approved by the Programme Board in 2015. It is a variant option of C1 with the ED sited at Royal Shrewsbury Hospital but with Women and Children's remaining sited on the Planned Care site at Princess Royal Hospital.</p> <p>As part of developing a clinical evidence base on which to appraise the 4 shortlisted options and determine a preferred option, the Futurefit Programme has specifically for the C2 option sought to obtain both an internal and external clinical view of its deliverability.</p> <p>The Programme has 2 separate clinical review reports in relation to the C2 option and the conclusions of those reviews is summarised below:-</p> <p>1. <u>The Shrewsbury and Telford Hospital NHS Trust - Future Fit Clinical Model – Option C2 Report, August 2016</u></p> <p><i>"The consultant body do not feel Option C2 is achievable or sustainable with the inability to recruit the required expanded work force within a split site option. The consultant body believe that C2 offers too many challenges to the provision of effective and safe services, in relation to having the right clinical skills in the right place to ensure children are cared for in line with best practice and guidance to deliver the best possible outcome for children. These challenges are not only to the specialists in paediatrics but also other specialities involved in the care of children and the new born.</i></p> <p><i>The midwifery and medical professional clinical body within SaTH do not consider option C2 to be deliverable or sustainable for effective and safe consultant obstetric practice.</i></p> <p><i>There are a number of high risks identified that would have a potentially grave impact on the safety and quality of services for patients. The mitigating actions that have been explored require large additional investment in the workforce and</i></p>

	<p>infrastructure.</p> <p><i>The principle aim of the Future Fit and the Trust's Sustainable Services Programme is to address issues within the Emergency Department and Critical Care due to a historic issue. The mitigating actions would further exacerbate the very issues the SSP is trying to address; therefore suggesting the mitigating actions would be undeliverable.</i></p> <p><i>Without the mitigating actions there remains a severe risk to the quality and safety of services for patients and has the potential to destabilise Women and Children's Services in the county".</i></p> <p><b>2. <u>NHS Transformation Unit – Independent Clinical Review Report</u></b> <b><u>September 2016 – 'Shropshire Acute Services Review'</u></b></p> <p><i>"The Clinical Reference Group panel is unaware of any standalone women's and children's hospital service with an ED receiving just women and children. When women are part of a women and children's hospital you need to address their adult needs with a range of specialities. This is different to a standalone paediatric ED which is common but requires significant support from paediatric ED and inpatient paediatric specialists.</i></p> <p><i>Having reviewed the current SaTH workforce challenges, the national position and the future availability of medical trainees the evidence suggested that the probability of achieving and sustaining a clinical workforce to support option C2 would be very challenging.</i></p> <p><i>It is the CRG Panel's view that option C2 would not meet the necessary standards of the Royal Colleges and issues would be raised.</i></p> <p><i>The evidence base from other health communities/systems indicates that a single emergency centre receiving undifferentiated case mix should ideally have all services including women's and children's services. This is more in line with option C1 than the option C2 configuration.</i></p> <p><i>We would recommend that your consultation on future options includes some variants of what you call B or C1 options at present. The Panel would advise exploring further, more innovative, clinical models of care underpinning a single emergency centre including women's &amp; children's services".</i></p> <p>The C2 option was also included in the West Midlands Clinical Senate Stage 2 Review in October. The final report of the review team is expected week commencing 5<sup>th</sup> December.</p>
<b>Recommendation:</b>	<p>In light of the internal and external review reports on C2 and subject to the Senate Report concluding the same, the Programme Board is asked to consider making a recommendation to the CCGs Joint Committee that C2 is not clinically deliverable and is therefore is not taken forward into formal public consultation as a deliverable option.</p>

## APPENDIX 6 (TO FOLLOW) – West Midlands Clinical Senate Review Report (Nov 2016)

## APPENDIX 7 - Summary of the Concerns Raised by T&W Council Relating to the Future Fit Option Appraisal Process

## **Summary of the Concerns Raised by T&W Council Relating to the Future Fit Option Appraisal Process**

### **1. Purpose of the Briefing**

The purpose of this paper is for the Future Fit Programme to set out in summary the challenges and concerns received in correspondence from T&W Council relating to the Option Appraisal process. It also sets out the responses made to those concerns to date since the Programme Board met in October 2016.

The Programme has continued to state since the initial challenge by T&W Council that its processes are robust and will stand up to scrutiny. Programme Board paper dated 8th April 2015: Option Appraisal Processes and Programme Board paper dated 18th April 2016: Preparing for Appraising the Revised Delivery Solutions for Future Fit Options set out those processes which were developed, agreed and signed off by all Programme Sponsors and Stakeholders and then progressed in good faith by the Programme Team.

### **2. Areas of Concern and Responses**

The areas of concern originally raised by the T&W Council relate to:

- The composition of the Panel undertaking the assessment of the non-financial appraisal;
- The evaluation and scoring process;
- The accuracy and sufficiency of the information supporting the non-financial and financial appraisal.

#### **2.1 Overall response to purpose of the non-financial evaluation**

The non-financial scoring exercise that was undertaken by the CCGs was intended to provide feedback from those who took part in the exercise to assist the CCGs make these difficult decisions. It was not intended to be a scientific or judicial process, but was an opportunity for stakeholders across the areas served by our hospitals to give their views on the non-financial factors which inevitably form part of this overall decision making process.

The views expressed by those who were present on the day constitute one element of the overall picture for further consideration by the Programme Board, and then by the CCGs. The results of the opinions expressed on the day will assist decision making but do not mandate any particular outcome. The detailed outcomes will be shared with the public and Local Authorities as part of the material which will assist the public understand the issues and hence, assist them to respond to the formal consultation.

#### **2.2 Evaluation and Scoring process**

##### **2.2.1 Weightings of non-financial and financial scores**

The Council's letter suggested that 98% of the weighting in the CCG's decision making process relates to non-financial factors and only 2% relates to financial factors. This was not accepted as correct. The analysis undertaken by the Future Fit team has sought to use a 50:50 weighting with sensitivity analysis undertaken for 75:25 and 25:75. This analysis resulted in the same preferred outcome (but by different



margins) regardless as to whether financial criteria represented 25% of the scoring matrices or 75%. When an independent, stratified telephone survey was undertaken with the affected populations, their responses suggested a weighting of 43.5% to 56.5% (financial: non-financial). Using the balance of views expressed by the public, option C1 improved its position as the favoured option.

### **2.2.2 Methodology used**

It was in order to test the robustness of results a number of sensitivity analyses, including an alternative method of combining financial and non-financial scores was undertaken. This alternative method was the cost per benefit point method, the use of which is supported by the Department of Health's Capital Investment Manual (2.64.2) where it states that the preferred option will be the one that affords the greatest ratio of benefits to costs. Whilst the Council is, of course, perfectly entitled to express a view, the Programme does not consider that there is anything improper or irrational in seeking to follow national guidance when conducting these exercises.

### **2.2.3 Scoring Concerns**

#### **(a) Panel members provided expert opinion and were able to score as well, resulting in bias**

The purpose of the event was to bring together a wide range of people from all parts of the communities served by the hospitals to help explore the impact of proposed changes and to understand their effects from a multiplicity of perspectives. Everyone who attended brought their own experiences, knowledge and expertise to the panel's open discussions. There were representatives of those who commissioned services, those who delivered services and patients (who received the services and whose taxes pay for the services). There were representatives of the Council present on the day and this criticism was not drawn to the attention of those organising the day

#### **(b) Time limits on Questions**

All views given by speakers were open to challenge by those who were present and there was a robust level of challenge at various times during the day. Clearly, time limits needed to be put on questions so that all the speakers had the chance to share their perspectives with the audience.

#### **(c) Inadequate Training for panel members**

There was a claim that there was inadequate training for those who took part in this exercise. This was not supposed to be the provision of "expert" views by a trained audience but the provision of views from a wide section of the community, some of whom came to the event with specialist expertise but others of whom were service users. The participants were asked to allocate a score of between 1 and 7 for each option and against each criterion. The CCG staff who were running this exercise considered that this was properly explained to the attendees and the completion of the forms suggested that this was the case. Details of the processes were also set out in the panel's briefing pack and explained on the day.

#### **(d) Bias in scoring**

The briefing pack stated that Panel members who attended as representatives of their nominating organisations were asked to use their own judgement in assessing the evidence provided, mindful of the needs of the whole population affected by programme proposals. It was emphasised to everyone attending that they were not "delegates" coming simply to assert a pre-determined view (whether that view is their own, the view of their nominating organisation or the view of any other

organisation to which they are affiliated). This reflects the stated 'Moral Compass' of the NHS Future Fit programme.

The Future Fit team and the CCGs are concerned with the interests of all of the populations in England and Wales who use hospital services provided within Shropshire and Telford and Wrekin. The desire is to maximise benefit for that whole population. It was unreasonable to suggest that the forty-nine individuals who recorded scores on the day (twenty-four of them local clinicians and fifteen of them patients) all did so from a purely partisan and biased perspective. Even in a sensitivity analysis that moderates the highest and lowest scores, the result of the non-financial appraisal is robust. However, the Future Fit team and the CCGs accept that it is possible that some participants failed to follow their instructions and acted in a partisan way. It is one reason why the outcome of scores given at this event is one element in the decision making processes but is not determinative.

#### **(e) Too much Information provided**

The material provided was necessarily substantial. This is why it was provided to panel members a week in advance of the panel meeting (electronically and in hard copy). The bulk of that meeting was then spent in going through the material provided, inviting questions about the material and seeking to provide responses to those questions. These responses were provided in advance of panel members' scores being collated. Each table was asked to collate a focused set of questions for an expert panel to answer but there was no constraint on any further issues being raised by individual participants.

#### **(f) Trauma Unit Status uncertainty**

The fact the Regional Trauma Network was presently accredited in Shrewsbury was one amongst many other issues which was raised on the day. There was at that point no formal position from the Network of the consequences of each option on the continued provision of an accredited Trauma Unit within the area, the consequences of losing accreditation or any formal view expressed about the chances of transferring its accreditation to Telford. Different views were expressed about the likely stance of the Trauma Network if an application were to be made to transfer accreditation from Shrewsbury to Telford.

The Programme has since requested and received a formal view from the North Midlands and North Wales Trauma Network: *The view of the Network is that the preferred site for the Trauma Unit should be Shrewsbury. This reflects its geographical location and that there is an increased risk for the group of patients from Powys if it was sited at Telford. Wherever the Unit is sited it would need to comply with the National Standards for Trauma Units. Shrewsbury is already accredited. Telford would have to undergo a formal accreditation process to become a Trauma Unit.*

#### **(g) Double Counting of Transport and Travel times**

It is not accepted that there was a double counting of transport and travel time considerations. The four non-financial criteria have been developed through extensive engagement with the public. Travel time information for a subset of the most time-critical journeys by ambulance necessarily featured under the quality criterion. There, the consideration is not convenience or the adequacy of public transport but the need to get patients with life-threatening illness or injury to the right clinicians and the right facilities;

#### **(h) Powys population given disproportionate consideration**

Patients in Powys are served by the hospitals in the same way as patients in Shropshire and Telford are served by the hospital. Panel members were expressly asked to act in the interests of the whole population affected as opposed to acting in a partisan manner. It is part of the CCGs' duty to consider the impact on all affected populations so as to ensure the provision of high quality services for as many

patients as possible. This is the fundamental driver of the programme, as expressed in its case for change (and endorsed by the Joint HOSC).

The challenge that there was a disproportionate representation on the panel for both Shropshire and Powys is not accepted as a legitimate complaint. Of the thirty representatives of organisations with a specific geographic focus, nineteen members came from Shropshire and Powys, and eleven from Telford & Wrekin. If attendance had been allocated on a strict population basis, those coming from Telford and Wrekin based organisations would have been allocated fewer places.

The sensitivity analysis the programme has run does not show the outcome in terms of the preferred option to be any different even if the relative numbers of the panel were adjusted to reflect geography and population size.

### **3. Summary**

The SRO has reiterated in correspondence what has been said in public on many occasions; no decisions have yet been taken on the outcome of the Future Fit programme and none will be taken until after a lengthy, formal public consultation.

The Programme will continue to welcome both Councils' full involvement in the decision making process. The non-financial Appraisal of Options was only one part of this.

Both Councils have representatives on the Programme Board and, of course, will be a key consultee for the CCGs in any subsequent consultation process. The Councils will also have the opportunity of expressing a view on any final proposed decision through the Joint HOSC. The Programme therefore considers that there are numerous mechanisms available to express their views about the decision-making procedures adopted by the CCGs and to influence those processes.

Debbie Vogler  
Future Fit Programme Director  
30th November 2016