

Chief Executives, NHS Boards and Special Boards

Cc NHSScotland Directors of Finance  
Strategic Facilities Group



11 July 2012

Dear colleagues

## **REVISION OF ARRANGEMENTS FOR GATEWAY REVIEW/ KEY STAGE REVIEW (KSR) FOR NHSSCOTLAND CAPITAL PROJECTS**

My purpose in writing is to advise you of the revision of arrangements for independent project assurance for major projects within NHSScotland. This matter has been discussed and agreed at pan Scottish Government level with the aim of streamlining the overall arrangements for project assurance across the public sector in Scotland.

In taking forward revised arrangements we are making a distinction between those projects that are financed publically through Frameworks Scotland and those delivered through Revenue Finance (either through Non-Profit Distributing (NPD) or via the hub Model).

For projects being delivered through public capital and outwith the hub delivery mechanism it is envisaged that the existing arrangements for gateway review will continue with projects being assessed initially via a Risk Potential Assessment form to determine the degree of risk associated with that project and to determine whether it will be subject to Gateway Review over its lifecycle. This assessment process is conducted annually with new projects identified on the Local Delivery Plans (LDPs) being assessed.

For projects being delivered either through the hub Initiative or via NPD we will be using KSR processes to assess these projects going forward. Gateway Review will no longer be applied to these projects routinely. It is important to stress that this is not a dilution of project assurance but simply an attempt to reduce potential duplication and to streamline the overall assurance process by incorporating key requirements from Gateway Review, Key Stage Review, the Scottish Capital Investment Manual (SCIM) and best practice into an integrated project validation model in respect of these projects. The processes covering each category of project are detailed in the separately attached Annex (which should be printed as an A3 document).

It is the intention that since the KSR process currently centres around key procurement stages, NPD projects where appropriate would go through a further review in advance of operational readiness (equivalent to a Gateway Review Gate 4). The aspects of Gateway Review (Gate 5) relating to project delivery and benefits realisation are captured within our mandatory guidance on Project Evaluation.

The attached diagram does retain the option for Gate 0 reviews to be applied to hub DBFM/ Non Profit Distributing projects where requested by either the Senior Responsible Officer or the Scottish Government's Infrastructure Investment Board. Whether such reviews are requested will be dependent on the individual circumstances of the projects concerned rather than there being a general presumption that such reviews will be conducted.

We will be updating the SCIM to reflect this position. In doing so we wish to ensure that the Initial Agreements (IAs), Outline Business Cases (OBCs) and Full Business Cases (FBCs) presented for NHSScotland projects demonstrate sufficiently the key requirements contained within a Gateway Review and relevant elements of KSR in order to minimise follow up work.

This will provide a more consistent approach as to how evidence is presented within the Business Case process itself, thereby making the business cases analysis through the Scottish Government Capital Investment Group more robust and able to pick up some of the key issues that were previously addressed through other independent assurance mechanisms.

Over the next few months we will be updating the SCIM Guidance to reflect revised requirements for business cases (incorporating the changes detailed above). In the interim colleagues should continue to use the existing SCIM Guidance and if there are any points of clarification sought then please do not hesitate to make contact with myself.

Yours sincerely



**MIKE BAXTER**