SCOTTISH CAPITAL

INVESTMENT MANUAL

Benefits Realisation

# Introduction

The rationale for an investment should be reflected in the potential benefits to be gained from that investment. This provides both the evidence base that a proposal is of value and worthwhile to do. The recording of a project’s key benefits will commence at the Strategic Assessment stage when addressing the need for change is initially considered. The likely outcomes will continue to be developed, recorded, monitored and realised throughout the planning, procurement and implementation stages of a project. Benefits realisation will therefore be a key measure in determining the success of a project.

## What are benefits?

Benefits can be defined as demonstrable and positive consequences of change. They are about the advantages gained and value received from the outcomes of a solution, and not the delivery of that solution. They can include a better experience, improved performance, positive outcomes, efficiency savings, etc.

## Why is benefits realisation important?

At the business case stage, the identification of a project’s potential benefits is crucial in determining whether it is a good thing in which to invest. The realisation of these benefits is then vital in determining the success of an investment. Benefits realisation is therefore a process which helps to ensure that these potential benefits are achieved. It will also help towards:

* Substantiating the case for investment.
* Focussing efforts on benefits with the greatest reward.
* Engaging with stakeholders to agree expected outcomes.
* Managing risks associated with benefits realisation.
* Creating a framework for project evaluation.

# Benefits Realisation Process

Benefits Realisation is a planned and systematic process consisting of 4 defined stages:

These four stages are described in more detail below:

## Benefits Identification

Benefits identification should begin by asking what improvements will flow from addressing the need for change. For example, will the proposed change bring about a better experience, improved performance, positive outcomes, resolution of a problem, efficiency savings, etc? This might relate to improvements in:

* Experience of a service or building environment.
* Service throughput or performance effectiveness.
* The condition and/or performance of related assets (e.g. building condition, reduction in backlog, etc).
* Accessibility to services or buildings.
* Efficiency savings.
* NHSScotland’s strategic investment priorities i.e. person centredness, safety, effective quality of care, improved health of the population, value and sustainability.
* Wider social, environmental and employment benefits for the local community.

The range of benefits to be identified should be commensurate with the planning stage that the proposal is at, and the proposed level of investment. At Strategic Assessment stage, no more than seven key benefits are expected, but this should be expanded upon as the project develops through Initial Agreement and Outline Business Case stages. The aim will be to provide sufficient evidence that the proposal is worthwhile and will be an important investment for NHSScotland.

It will also be important to identify any wider social, environmental and employment benefits for the local community that the project might influence. These may cover:

* Employment benefits, such as opportunities available for new entrants, graduates, apprenticeships, etc.
* Skills and training benefits, such as opportunities available for work placements, curriculum support, school / college visits, educational engagement, etc.
* Environmental benefits, such as opportunities to recycle waste, reduce waste to landfill, reduce site pollution, enhance the local habitat, reduce carbon emissions, etc.
* SME & 3rd sector benefits, such as opportunities to award them work (subject to appropriate procurement rules), enhance supplier engagement & training, support community events, etc.

Community benefits must be identified for all projects above a £4million investment threshold, but it is acknowledged that at Initial Agreement stage specific details might not be fully developed until the proposal is closer to procurement at OBC / FBC stages.

Identification of each benefit will also need to consider how their achievement could be identified and assessed. This will not only acknowledge their relevance to the proposed investment, but also confirm the potential for evaluating them at project evaluation stage. This means that for every benefit identified, a suitable method of assessment will need to be recorded.

This assessment can be qualitative or quantitative. Qualitative assessments can be informed from interviews, questionnaires, and other judgement based / demonstrable assessments e.g. workshop scoring against set criteria, before & after images, etc . Quantitative assessments can include the attainment of measurable standards (e.g. KPI targets), and quantifiable cash saving or cost avoidance measures. Financial benefits also need to be included within the Economic Appraisal at Outline Business Case stage.

There are a range of benefit indicators already available within NHSScotland in the form of Quality Outcome Indicators, LDP Standards, and performance indicators such as those used in the SAFR performance framework, (see Appendix A for examples of such benefit measures). If relevant to the proposal, these can be selected to begin a proposal’s benefits register, but, as they are only a source of typical examples to choose from they should be supplemented with locally gathered benefits measures that are more relevant to the specific proposal.

Facilitated, multi-stakeholder workshops are a useful method to identify the full range of benefits associated with a proposal which, once identified, should be documented in a Benefits Register similar in style to the one outlined below:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Benefits Register | | | | | | |
| 1. Identification | | | | | | 2. Prioritisation  (RAG) | |
| Ref No. | Benefit | Assessment | As measured by: | Baseline Value | Target Value | Relative Importance |
| 1. | Supporting people in looking after and improving their own health and wellbeing | Quantitatively via QOI. | *The proportion of adults within ‘A place’ who assess their health as good or very good* | 74% | 80% | 4 |

The above is an example of how each benefit might be recorded in the Benefits Register

The benefits register should include the following:

* A brief description of the benefit.
* An indication of how the benefit is to be assessed i.e. qualitatively, quantitatively, or financially (more details will need to be given by OBC stage).
* A description of the benefit measure (or an indication of why it is currently unquantifiable).
* The baseline value of that measure which reflects the current arrangement.
* The target value which indicates the level of improvement expected of that measure once the benefit is realised (this may be indicative at IA stage but needs to be confirmed by OBC stage).
* Information on the assumptions used in setting the baseline and target values should be provided where it is necessary. This will ensure appropriate assessment when monitoring and evaluating the benefits at a later stage.
* Dis-benefits which have a negative impact on beneficiaries.
* The relative importance of each benefit (see below).

If benefits are uncertain or contingent on other events then they should be classified as risks.

## Benefits Prioritisation

Each identified benefit needs to be prioritised so that resources can be focussed on the delivery of those of greatest importance and/or highest impact. The following is an example of how this might be done, but the important feature is the ability to evaluate the relative importance of each benefit to the proposal:

|  |  |
| --- | --- |
| **Scale / RAG** | **Relative**  **Importance** |
| 1 | Fairly insignificant |
| 2 | ↕ |
| 3 | Moderately important |
| 4 | ↕ |
| 5 | Vital |

## Benefits Realisation

The benefits register should be supported with a benefits realisation plan once the proposal reaches Outline Business Case stage. This will identify who will be responsible for the delivery of each benefit and what actions are necessary to realise them. The benefits realisation plan should identify and record the following information:

* Who will each benefit affect the most (public, patients, service director, clinicians, management)?
* Who will be responsible for ensuring that each benefit is realised.
* How each benefit links to the project’s investment objectives.
* What interdependencies are necessary to enable the proposed change to take place?
* What support is necessary to implement that change?
* The date of expected realisation.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Benefits Realisation Plan** | | | | | | | |
| 1. Identification | | 3. Realisation | | | | | |
| Ref. No. | Main Benefit | Who Benefits? | Who is responsible? | Investment Objective | Dependencies | Support Needed | Date of Realisation |
| 1. | Supporting people in looking after and improving their own health and wellbeing | Public / Patients | Service Director | Meet user requirements | Dependent upon public / patient’s taking positive steps following service improvement | Promotion of self-care linked to service improvement | 2020 |

## Benefits Monitoring

Benefits monitoring should be a **continuous** process throughout the project planning, procurement and implementation stages. It should be overseen by the Project Board but managed by the project team and become part of the normal project status reporting processes.

Regular reviews of the Benefits Register & Realisation Plan will help to ensure that:

* Progress against project milestones is monitored and evidenced.
* Changes made are delivering the desired benefits.
* Benefits are on track to be realised in the agreed timescales.
* Action plans are in place for benefits which fall behind schedule.

If any benefits are not progressing towards their target value as predicted, it may be because they were not realistic or achievable from the outset. These should be reviewed and, if not achievable or worth of the resource required, removed from the business case with the reasons clearly explained.

Once the project is complete then benefits monitoring will become benefits evaluation and form part of the Service Benefits Evaluation process (see further SCIM guide on Project Monitoring & Service Benefits Evaluation).

# Expectations at Business Case Stages

As the project progresses through the business case stages, the project’s Benefits Register and Realisation Plan will mature from an early indication of possible benefits to be gained towards a more specific and detailed understanding of the benefits to be realised from the investment commitment. The following section provides more information on the different expectations at each business case stage:

## Strategic Assessment stage

At Strategic Assessment stage, no more than seven key benefits need to be short-listed indicating the likely gains to be realised if the identified need for change is addressed through the proposed investment.

## Initial Agreement stage

At Initial Agreement stage, the proposal’s Benefits Register should be developed following the benefits identification and prioritisation processes described earlier.

The Benefits Register should record all the main benefits that are expected to flow from addressing the need for change, including a specific benefit of the expected reduction in backlog maintenance for property based investment projects.

## Outline Business Case stage

At Outline Business Case stage, the Benefits Register should be reviewed to confirm any outstanding information e.g. further details of previously identified benefits, the approach towards benefit assessment, and the target values for each benefit measure. It is also an opportunity to review the appropriateness of each benefit to ensure that there remains a reasonable expectation of achievement. Once confirmed, then the project’s Benefits Realisation Plan should be developed following the corresponding section within this guide.

## Full Business Case stage

At Full Business Case stage, there is a final opportunity to review the project’s Benefits Register and Realisation Plan before setting out the details of how they will be monitored throughout the implementation stage of the project and then evaluated as part of the service benefits evaluation process.

Appendix A

Benefits linked to NHSScotland’s

Strategic Investment Priorities

|  |  |  |  |
| --- | --- | --- | --- |
| **Person Centered** | | | |
|  |  |  |  |
|  | **General Definition** | **Ensures that resources are in place to support people powered health and care services, and promotes personal responsibility and self-management for individuals health and wellbeing** | |
|  |  | **Indicator** | **Potential Measure:** |
| **1** | **QOIs** | Supports people in looking after and improving their own health and wellbeing | Percentage of adults able to look after their health very well or quite well |
| Rate of emergency inpatient bed days for adults |
| Ensure that people who use health and social care services have positive experiences and their dignity respected. | Percentage of adults supported at home who agree that their health & care services seemed to be well co-ordinated |
| Percentage of adults receiving any care or support who rate it as excellent or good |
| Indicator on people’s experience of their GP practice |
| Proportion of Care and Care at Home services rated 3 or above in Care Inspectorate Inspections |
| Proportion of last 6 months of life spent at home or in community settings |
| Improves support to allow people to live independently | Percentage of adults supported at home who agree that they are support to live as independently as possible |
| Rate of emergency inpatient bed days for adults |
| Percentage of adults with intensive needs receiving care at home |
| Patient re-admission rate |
| Delayed discharge rate |
| Improves quality of life through care provided | Percentage of adults supported at home who agree that their services and support had an impact in improving or maintaining their quality of life |
| Increases proportion of people with intensive needs being cared for at home | TBC |
| Increases support for carers | Percentage of carers who feel supported to continue in their caring role |
| Improves care home environment | TBC |
|  |  |  |  |
| **2** | **SAFR** | Improves the Physical condition of the health / care estate | Proportion of estate categorised as either A or B for the Physical Condition appraisal facet |
| Improves the quality of the healthcare estate | Proportion of estate categorised as either A or B for the Quality appraisal facet |
| Improves peoples opinion of the hospital environment | Proportion of positive responses to the In-Patient Questionnaire on patient rating of the hospital environment |
| Reduces the age of the Healthcare Estate | Percentage of estate less than 50 years old |
|  |  |  |
| **HEAT / LDP** | N/A |  |
|  |  |  |  |
| 3 | **Project Specific** | All other local and national measurement for quality improvement and performance management. | To be locally developed by the NHS Board |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Safe** | | | | | |
|  |  |  |  | |  |
|  | **General Definition** | **Improves safety in the healthcare environment - building on the Scottish Patient Safety Programme in Acute Care, Primary Care, Maternity Services, Paediatrics and Mental Health Care.** | | | |
|  |  | **Indicator** | | **Potential Measure:** | |
| **1** | **QOIs** | Reduces Healthcare Associated Infection | | Percentage prevalence in acute hospitals | |
| Reduces adverse harmful events | | TBC | |
| Reduces Hospital Standardised Mortality ratio | | Rate per 100,000 for people aged under 75 in Scotland | |
| Increases safety of people receiving care and support | | Percentage of adults supported at home who agree they felt safe | |
|  |  |  | |  | |
| **2** | **SAFR** | Improves statutory compliance | | Overall percentage compliance score from SCART | |
| Reduces backlog maintenance | | Reduction in backlog maintenance costs | |
| Reduces significant and high risk backlog maintenance | | Significant & high risk backlog as percentage of total backlog | |
|  |  | |  | |
| **HEAT / LDP** | Reduces C.Difficile Infections | | Number of cases per 1,000 acute occupied bed days | |
| Reduces MRSA/MSSA Infections | | Number of cases per 1,000 acute occupied bed days | |
|  |  |  |  | |  |
| **3** | **Project Specific** | All other local and national measurement for quality improvement and performance management. | | To be locally developed by the NHS Board | |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Effective Quality of Care** | | | | | | |
|  |  |  |  | |  | |
|  | **General Definition** | **Improves the effective Quality of Care particularly focused on increasing the role of primary care, integrating health and social care, improving the delivery of unscheduled and emergency care, and improving the current approach to supporting and treating people who have multiple and chronic illnesses** | | | |
|  |  | **Indicator** | | **Potential Measure:** | |
| **1** | **QOIs** | Improves end of life care to be as comfortable as possible in a homely environment | | Percentage of people who spend last 12 months of life at home or in a community setting | |
| Reduces emergency admissions to hospital | | Rate of emergency admissions per 100,000 population | |
| Reduces readmissions | | TBC | |
| Ensures timely discharge from hospital | | TBC | |
|  |  |  | |  | |
| **2** | **SAFR** | Improves the Functional Suitability of the Healthcare Estate | | Proportion of estate categorised as either A or B for the Functional Suitability appraisal facet | |
|  |  | |  | |
| **HEAT / LDP** | Supports newly diagnosed Dementia patients with access to the range of post-diagnostic services | | Proportion of dementia patients given access to post-diagnostic services | |
| Reduces the rate of emergency inpatient bed days for people aged 75 | | Patients aged 75+ per 1,000 population –as a proportion of acute occupied emergency bed days | |
| Avoids people waiting more than 14 days to be discharged from hospital into a more appropriate care setting, once treatment is complete | | Number of discharges that took more than 14 days | |
| Reduces the rate of attendance at A&E | | Number of unplanned A&E attendances per 100,000 population | |
| Enables eligible patients commencing IVF treatment within 12 months | | TBC | |

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | Enables delivery of 18 weeks referral for treatment for Psychological Therapies. | TBC |
| Enables delivery of 18 weeks referral for treatment for specialist Child and Adolescent Mental Health Services (CAMHS) services | Percentage of people who start treatment at CAMH services in Scotland within 18 weeks of referral |
| Supports 95% of patients waiting less than 4 hours from arrival to admission, discharge or transfer for accident and emergency treatment | Percentage of people waiting less than 4 hours at A&E |
|  |  |  |  |
| **3** | **Project Specific** | All other local and national measurement for quality improvement and performance management. | To be locally developed by the NHS Board |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Health of Population** | | | | | | | | |
|  | |  | |  | |  | | |
|  | | **General Definition** | | **Improves health of the population particularly focused on the importance of Early Years, reducing Health Inequalities, and preventative measures on alcohol, tobacco, dental health, physical activity and early detection of cancer** | | | | |
|  | |  | | **Indicator** | **Potential Measure:** | | | |
| **1** | | **QOIs** | | Supports reduction of premature mortality | Death rate among those aged under 75 per 100,000 population | | | |
| Supports increase in the number of babies born with a Healthy birth-weight | Percentage of babies born at a healthy birthweight | | | |
| **2** | | **SAFR** | | N/a | N/a | | | |
|  | |  |  | | | |
| **HEAT / LDP** | | Supports early cancer detection | Percentage of breast, colorectal and lung cancer cases (combined) diagnosed at stage 1 | | | |
| Supports smoking cessation initiatives (12 weeks post quit) | Number of successful quits at 12 weeks post quit in the 40% most deprived within Board SIMD areas | | | |
| Supports antenatal access | Percentage of pregnant women in each SIMD quintile who will have booked for antenatal care by the 12th week of gestation | | | |
| Supports suicide reduction initiatives | Suicide rate per 100,000 | | | |
| Supports SIMD child fluoride varnishing initiatives | Percentage of 3 & 4 year old children in each Scottish Index of Multiple Deprivation (SIMD) quintile to receive at least two applications of fluoride varnish (FV) per year | | | |
| Supports child healthy weight interventions | Number of interventions delivered | | | |
| **3** | | **Project Specific** | | All other local and national measurement for quality improvement and performance management. | To be locally developed by the NHS Board | | | |
| **Value & Sustainability** | | | | | | | | |
|  |  | |  | | | | |  |
|  | **General Definition** | | **Supports implementation of the 2020 Workforce Vision through modernisation, leadership and management.  Introduces investment in new innovations to increase quality of care and reduce costs. Increases efficiency and productivity through unified approaches, local solutions and decision making.** | | | | | |
|  |  | | **Indicator** | | | | **Potential Measure:** | |
| **1** | **QOIs** | | Increases level of staff engagement | | | | Percentage of staff who they say they would recommend their workplace as a good place to work | |
| Optimises resource usage | | | | Cost of delayed discharge | |
| Cost of end of life care in acute hospital | |
| Cost of emergency admissions | |
|  |  | |  | | | |  | |
| **2** | **SAFR** | | Improves accommodation space utilisation | | | | Proportion of estate categorised as ‘Fully Used’ for the Space Utilisation appraisal facet | |
| Optimises overall running cost of buildings | | | | Total occupancy cost of building | |
| Optimises cleaning costs | | | | Cleaning cost £ per sq.m. | |
| Optimises property maintenance costs | | | | Property maintenance cost £ per sq.m. | |
| Optimises PPP Facilities management costs | | | | PPP Facilities management cost £ per sq.m. | |
| Optimises energy usage costs | | | | Energy cost £ per sq.m. | |
| Optimises rent or rates costs | | | | Rent or rates £ per sq.m. | |
| Optimises catering costs | | | | Catering cost £ per consumer week or sq.m. | |
| Optimises portering costs | | | | Portering cost £ per consumer week or sq.m. | |
| Optimises laundry costs | | | | Laundry cost £ per consumer week or sq.m. | |
| Optimises waste costs | | | | Waste cost £ per consumer week or sq.m. | |
| Reduces financial burden of backlog maintenance and/or future lifecycle replacement expenditure | | | | Backlog maintenance cost | |
| Facilities Condition Index (FCI) | |
| Improves design quality in support of increased quality of care and value for money | | | | AEDET score | |
|  | |  | | | |  | |
| **HEAT / LDP** | | Improves financial performance | | | | Recurring revenue budgets | |
| Reduces carbon emissions and/or energy consumption | | | | Percentage reduction in CO2 emissions | |
| Percentage reduction in energy consumption | |
|  |  | |  | | | |  | |
| **3** | **Project Specific** | | All other local and national measurement for quality improvement and performance management. | | | | To be locally developed by the NHS Board | |