SCOTTISH FUTURES TRUST

HUB PROGRAMME DELIVERY OFFICE

GUIDANCE NOTE

Implementation of Performance Metrics for Primary Health Care

29th October 2013 Versions 1.0

CONTENTS

1. OVERVIEW

The Scottish Government Health & Social Care Directorate has identified £250million for investment in primary healthcare buildings to be delivered through the Hub Programme. Delivering value for money through this investment is a key driver to the success of the programme. The ability to measure performance, improve consistency and promote best practice will support the objective of delivering value for money.

Through the development of the Health Reference Design a cost and area metric has been developed which will support the ability to measure performance, improve consistency and is based on best practice guidance. Further information regarding the health reference design and the lessons learned can be obtained from the Quality & Efficiency report in relation to primary healthcare[1] and the Health Reference Design Stage C reports[2]. The performance metrics are based on the following principles:-

Diagram 1 – Improving VFM

Within the Hub Programme, value for money covers a variety of aspects which include social, economic and sustainability criteria. These performance metrics however focus primarily on the economic aspects and specifically monitor and drive efficiency in the capital and whole life expenditure while maintaining the quality of design.

This document outlines the process by which Health Boards should implement the new performance metrics and how these will be reported to the Capital Investment Group. These performance metrics are intended to offer a consistent means by which to measure the efficiency of new primary healthcare facilities. The measurements will be consolidated and reported through the preparation of the Value for Money (VFM) Scorecard which is available within the Scottish Capital Investment Manual (SCIM) [3]. The key steps outlined within this guidance are as follows:-

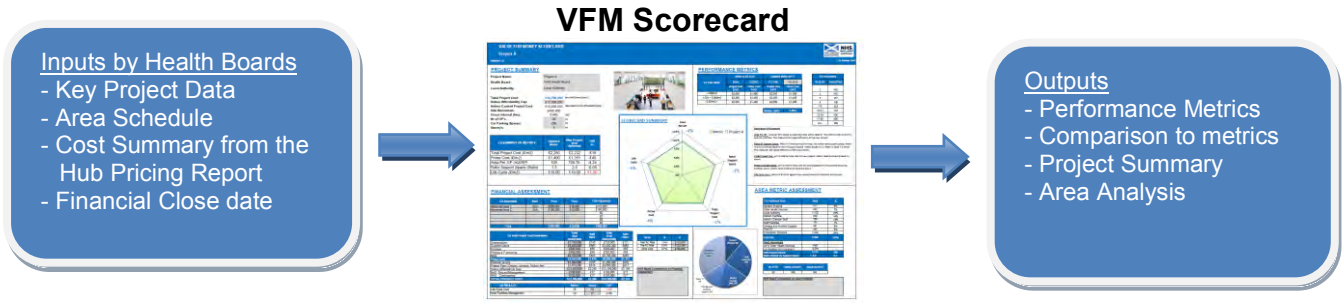


Diagram 2:- Overview of Metric Process

All enquiries relating to this methodology should be directed to Paul Dodd at Scottish Futures Trust pauldodd@scottishfuturestrust.org.uk.

1 www.scottishfuturestrust.org.uk/publications/health/
2 www.scottishfuturestrust.org.uk/publications/health/
3 http://www.scim.scot.nhs.uk/Support/SCIM_VFM_SC.xlsx

2. AREA PERFORMANCE METRICS

2.1. INTRODUCTION

The development of an area metric for new Health Centres has been carefully designed to ensure any measurements are robust and relevant across all new health facilities. The area metric takes account of the specific complexities in defining a clinical brief for a new project. Neither of the area metrics is intended to determine the clinical provision. This would remain the responsibility of each Health Board and relevant General Practitioners (GPs). However the area metrics do test and measure the efficiency of a New Health Centre once the clinical provision has been established. The two area metrics are as follows:-

- **Area Metric A - Area per GP**
- **Area Metric B - Ratio of Clinical Space versus Support Space.**

Both approaches measure specific area efficiencies within a new Health or Partnership centre as outlined below:-

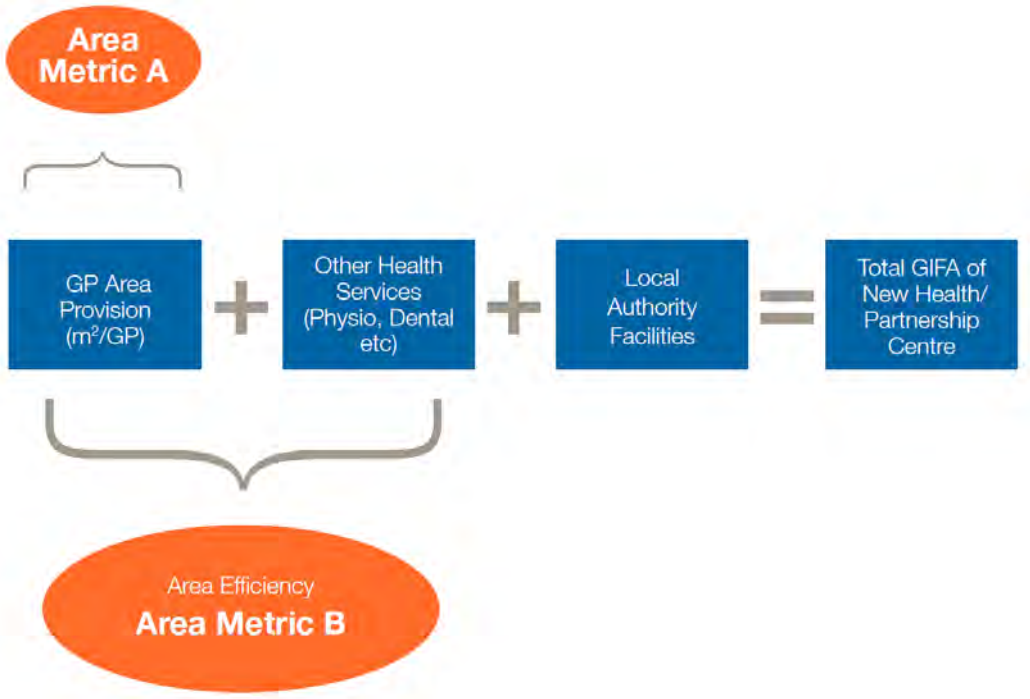


Diagram 3:– Area Summary

Note. Both area metrics operate independently and measure two different aspects of the gross internal area. Metric A defines the area per GP inclusive of support space and circulation. Metric B defines the area of support space required for any clinical provision.

2.2. AREA METRIC TYPE A – AREA PER GP

This performance metric identifies a gross internal area (GIA) attributed to the number of GPs within a new health centre. Table 1 below summaries the banding and the allocated GIA attributed to each banding:-

Nr of GP's	Gross Internal Area per GP (m2)
3	160
4	152
5	137
6	130
7-9	123
10-11	116
12-16	109
17-20	105
21>	100

Metric Area Includes
Clinical Areas
Patient Interface
Administrative/Clerical/Staff
Staff Facilities
Storage and Ancillary
Plant/Services/IT
Circulation/Structure
Corridors, Lifts & Stairs

Table 1 – Metric A - GP Area Metric

The metric for GPs outlined above has been developed in partnership with NHS Grampian and is based on supplementary benchmark data of recently delivered projects in addition to the Scottish Government Health Directorate GP Premises Direction Guidance Note 1. An example of how the area metric would be applied:-

Example
New Partnership Centre Project to provide 20 GP's including additional Local Authority facilities with a GIA of 1,000m2:-

Area Metric A = 20 GP's x 105/m2	= 2,100/m2
GIA Local Authority Facilities (*Inc circ & support spaces*)	= 1,000m2
Metric Gross Internal Area	**= 3,100/m2**

Calculating Area Metric A for a New Project

To calculate the performance of a new project, the total area attributed to the GP services must first be identified. This area provision includes clinical, circulation, patient interface, administration, staff facilities, plant, structure & storage areas attributed to GP services. Once this total area is identified it is then divided by the number of GPs (not GP practices) to generate an area per GP equivalent to the metric.

The calculation of this metric is generated from the VFM scorecard through the population of an area schedule contained within the scorecard document which can be downloaded from the SCIM website. (Refer to http://www.scim.scot.nhs.uk/Support/SCIM_VFM_SC.xlsx)

2.3. AREA METRIC TYPE B – SUPPORT SPACES

Through the analysis of recently developed health centres, a trend in the proportion of functional areas across new health centres has been identified. The analysis demonstrates that the amount of clinical areas have a direct relationship on the amount of support space. This has led to a second area metric which measures the ratio of clinical area versus the support space.

Area Metric B – Area Ratio

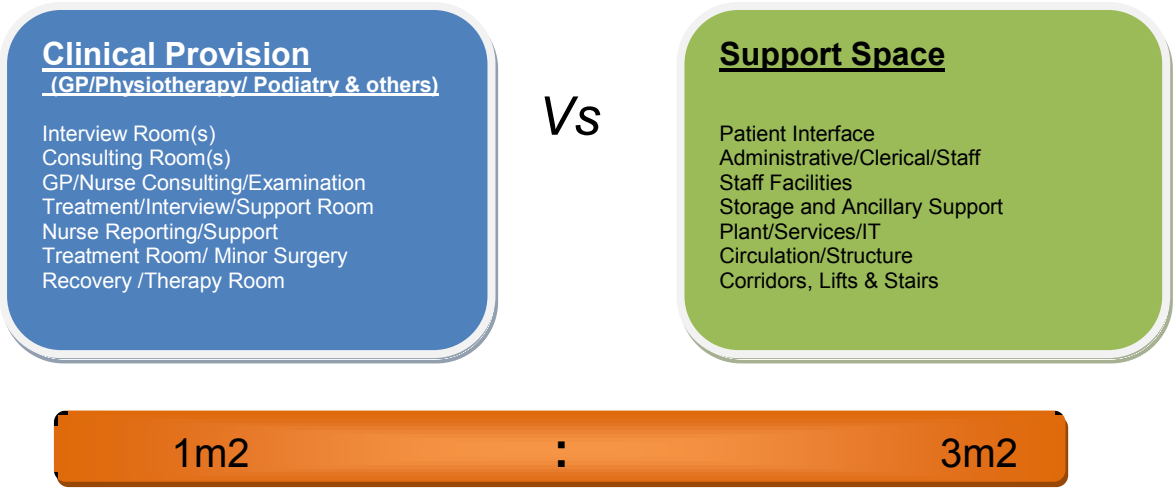


Diagram 4:- Area Metric B

Area Metric B offers a performance measurement for approximately 75% of a new projects gross internal area and across all clinical services provided within a new health centre. This calculation excludes any Local Authority areas and associated support space and is solely focussed on the NHS provisions. The metric is intended to act as a guide and trigger additional analysis should the actual figures be significantly different to the ratio above.

Example

New Partnership Centre whereby the Health Board has developed a clinical provision which requires 525m2. Application of Area Metric B:-

Local Health Board Clinical Area Provisions	= 525m2
Area Metric B for Support Space (525m2 x 3.)	= 1,575m2
Local Authority Area (Total GIA)	= 1,000m2
GIA of new Health Centre	= **3,100/m2**

Calculating Area Metric B for a New Project

To calculate the performance of a new project, the total clinical provisions and support space associated for all health provisions needs to be identified. Once these values are identified then the ratio can be calculated. The functional areas are aligned to the area classification contained within the Scottish Health Planning Note 36 Part 1[4].

The calculation of this metric is generated from the VFM scorecard through the population of the area schedule contained within the scorecard document which can be downloaded from the SCIM website. (Ref to http://www.scim.scot.nhs.uk/Support/SCIM_VFM_SC.xlsx)

(4) www.hfs.scot.nhs. p ic tio s s p - -p rt -1-v1 pd

3. COMMERCIAL PERFORMANCE METRIC

3.1. COST METRIC

The cost metric for primary healthcare facilities has been developed and informed by delivered benchmark projects and the Hub programme pricing levels. The cost metric is as follows:-

Facility Size GIA m2	Equivalent Prime Cost (Excl External Works) £/m2	Project Cost (Incl Ext Works, Fees, Cont, NHS direct costs etc) £/m2
<1,000m2	£1,500	£2,550
1,001 – 5,000m2	£1,450	£2,350
5,001m2>	£1,400	£2,250

Table 2 – Cost Metric

The above rates include all costs to permit the development of a new build facility with the exception of the following items:-

- Land purchase
- VAT
- Group 2 supply only and group 3 & 4 supply and install furniture and equipment.
- IT hardware (All IT Hardware excluded with exception of cabling/wiring)
- DBFM specific costs (Financial Close, Construction or Operational SPV costs.)

The cost metric contains the following assumptions:-

- Provision has been made for NHS Internal Management costs
- Provision has been made for decant costs. (Excluding temporary accommodation)
- The Base Date for the metric is 4Q 2012

3.2. DBFM SPECIFC COST METRICS

In addition to the metric above, the cost metric for Life Cycle Costs and hard facilities management works is as follows:-

DBFM Specific	Rate
Life Cycle Costs	£18/m2
Hard FM Costs	£19/m2

Table 3 - DBFM Specific

Life Cycle & FM Cost Assumptions

The following assumptions have been made in determining the cost metrics for Life Cycle and Hard Facilities Management costs. These include:-

- Cost based on standard hub service specification.
- Hard FM assumes normal working hours of Mon-Fri 8.00 – 5.30 and Sat 8.00 – 12.30
- Assume NHS maintenance obligations maintained by Health Board. (PAT Testing, Floor Covering Replacement, Internal Decoration & Specialist Floor Finishes)
- Assume mobile maintenance. (ie. Not site based personnel)

4. REPORTING OF PERFORMANCE METRICS

The performance metrics will be reported and consolidated through the preparation of a Value for Money Scorecard. The following reporting template has been developed which captures all the methodology above and condenses it into one summary page. See below:-

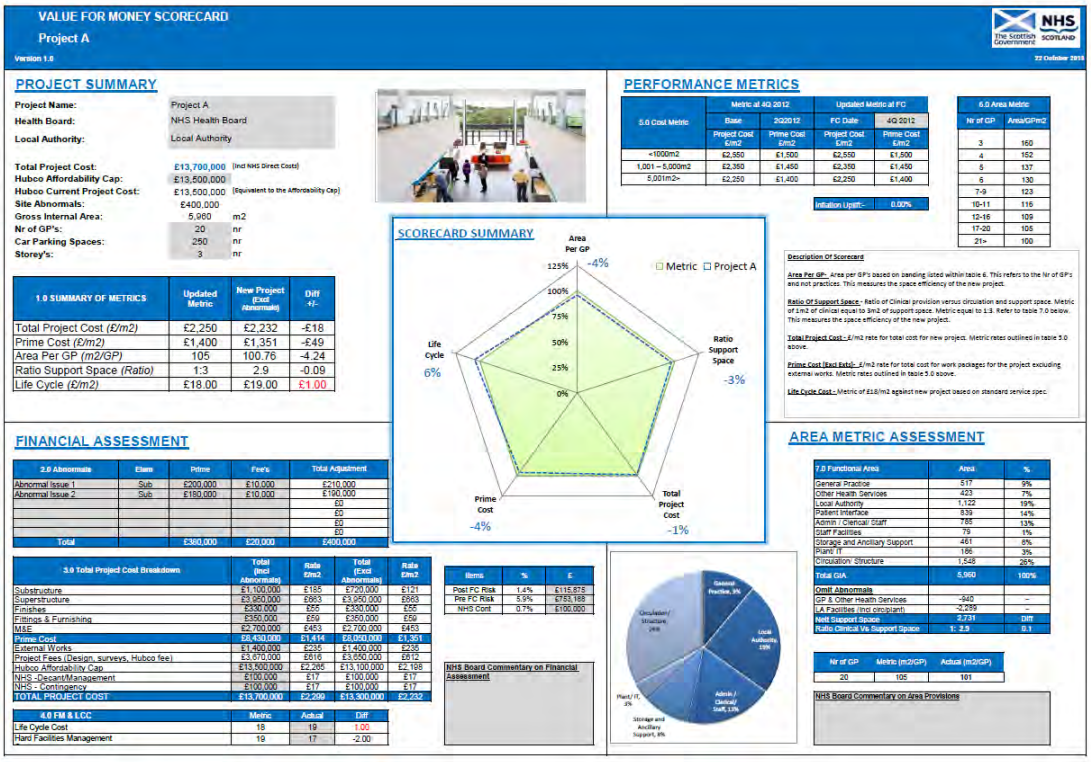


Diagram5:- Example VFM Scorecard

The VFM scorecard will offer a consistent reporting mechanism upon which NHS Health Boards can monitor the performance of their projects. It will also form part of future outline and full business cases submitted to the Capital Investment Group (CIG). This scorecard contains five key components and is supplemented by an area schedule which the Health Board should populate. It has been developed to minimise the level of resource that is required and automatically calculates the performance of the project once the key data is inserted.

4.1. POPULATING THE SCORECARD

The purpose of the scorecard is to ensure consistency in approach in how data is collected and reported. The template file is available for download on the SCIM website[(5)]. The template document has specific cells (highlighted in grey) which should be populated by the author of the document. The key data required includes:-

- Population of an area schedule. (Included within Scorecard file)
- Breakdown of the project costs. (Elemental summary of capital costs obtained from the hub Stage 1 or Stage 2 Pricing Report)
- Updated BCIS Tender Price Inflation Indices & Financial Close Date for the New Project.

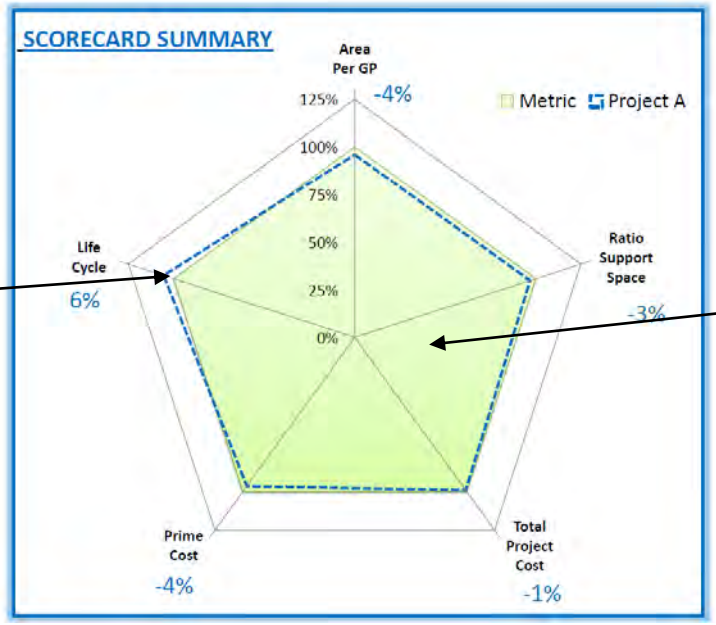
To promote further consistency and offer a like for like comparison between projects, the scorecard offers the ability to account for site specific abnormals within section 2.0. Furthermore the scorecard automatically updates the metric for inflation to ensure comparable pricing levels are being applied. The author should update the BCIS indices listed within the scorecard file and also select the date at which the project will reach financial close.

(5) http://www.scim.scot.nhs.uk/Support/SCIM_VFM_SC.xlsx

4.2. SCORECARD PERFORMANCE MATRIX

At the centre of the scorecard is the performance matrix which summaries all the key performance measurements. The example below clarifies how the matrix would be calculated for a New Health Centre with 20 GPs and FC date of 4Q 2012.

Example Health Project Assessment



Blue dashed line defines the performance of the New Project. The stated percentage is the variance of the new project versus the metric.

Green Area defines the performance metric for the New Project equivalent to 100%.

Measurement	Performance Metric	Actual For New Project	Variance from Metric to New Project %
Area per GP	105m2/GP	101m2/GP	-4%
Ratio Of Support Space	1:3	1:2.9	-3%
Total Project Cost	£2,250/m2	£2,232/m2	-1%
Prime Cost	£1,400/m2	£1,351/m2	-4%
Life Cycle	£18/m2	£19/m2	+6%

Table 4 – Worked Example of the Performance Matrix

As outlined above the green zone highlights the performance metrics for each of the five measurements and the blue dashed line represents the performance of the new project. An efficient project would maintain a blue line within the green metric zone.

4.3. SUBMISSION OF THE VFM SCORECARD

The VFM Scorecard should be submitted as part of the Outline and Full business Cases. The NHS Health Board can also adopt this process as a monitoring tool during the development process.

Furthermore for the submission of Initial Agreements, Health Boards should confirm that the pricing levels of a new project aligns with the metrics and offer commentary if there are any variance between a new project and the metrics.

5. APPENDIX A – EXAMPLE VFM SCORECARD

VALUE FOR MONEY SCORECARD

Project A

EXAMPLE SCORECARD

Version 1.0

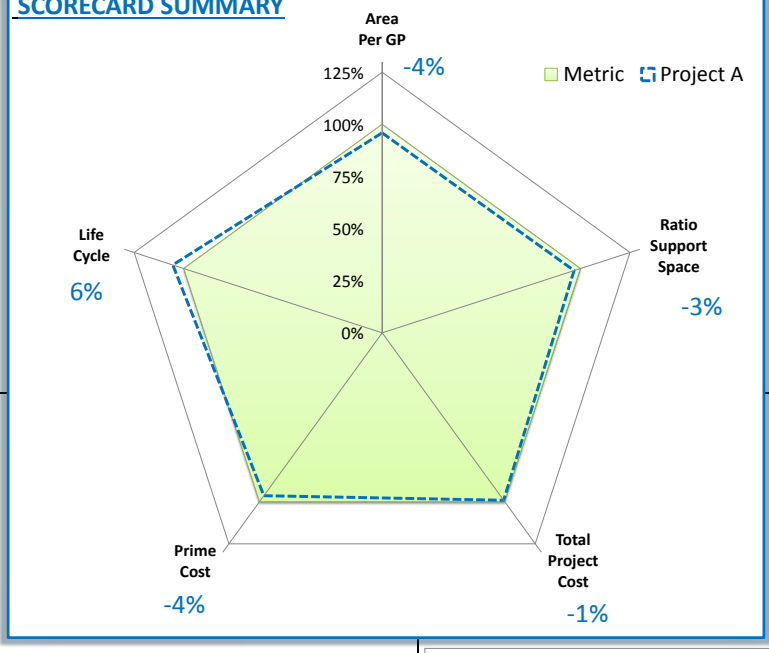
29 October 2013

PROJECT SUMMARY

Project Name:	Project A	
Health Board:	NHS Health Board	
Local Authority:	Local Authority	
Total Project Cost:	£13,700,000	(Incl NHS Direct Costs)
Hubco Affordability Cap:	£13,500,000	
Hubco Current Project Cost:	£13,500,000	(Equivalent to the Affordability Cap)
Site Abnormals:	£400,000	
Gross Internal Area:	5,960	m2
Nr of GP's:	20	nr
Car Parking Spaces:	250	nr
Storey's:	3	nr

1.0 SUMMARY OF METRICS	Updated Metric	New Project (Excl Abnormals)	Diff +/-
Total Project Cost *(£/m2)*	£2,250	£2,232	-£18
Prime Cost *(£/m2)*	£1,400	£1,351	-£49
Area Per GP *(m2/GP)*	105	100.76	-4.24
Ratio Support Space *(Ratio)*	1:3	2.9	-0.09
Life Cycle *(£/m2)*	£18.00	£19.00	£1.00

SCORECARD SUMMARY



PERFORMANCE METRICS

5.0 Cost Metric	Metric at 4Q 2012		Updated Metric at FC	
	Base	4Q2012	FC Date	4Q 2012
	Project Cost £/m2	Prime Cost £/m2	Project Cost £/m2	Prime Cost £/m2
<1000m2	£2,550	£1,500	£2,550	£1,500
1,001 – 5,000m2	£2,350	£1,450	£2,350	£1,450
5,001m2>	£2,250	£1,400	£2,250	£1,400

Inflation Uplift:-	0.00%
Area Metric B	1:3

6.0 Area Metric A	
Nr of GP	Area/GPm2
3	160
4	152
5	137
6	130
7-9	123
10-11	116
12-16	109
17-20	105
21>	100

Description Of Scorecard

Area Per GP- Area per GP's based on banding listed within table 6. This refers to the Nr of GP's and not practices. This measures the space efficiency of the new project.

Ratio Of Support Space - Ratio of Clinical provision versus circulation and support space. Metric of 1m2 of clinical equal to 3m2 of support space. Metric equal to 1:3. Refer to table 7.0 below. This measures the space efficiency of the new project.

Total Project Cost - £/m2 rate for total cost for new project. Metric rates outlined in table 5.0 above.

Prime Cost (Excl Exts)- £/m2 rate for total cost for work packages for the project excluding external works. Metric rates outlined in table 5.0 above.

Life Cycle Cost - Metric of £18/m2 against new project based on standard service spec.

FINANCIAL ASSESSMENT

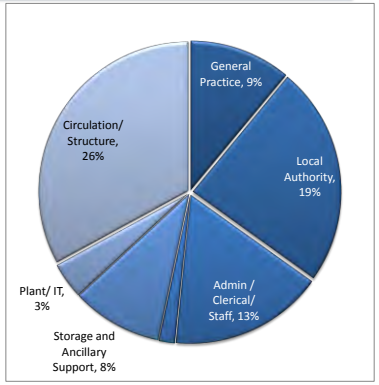
2.0 Abnormals	Elem	Prime	Fee's	Total Adjustment
Abnormal Issue 1	Sub	£200,000	£10,000	£210,000
Abnormal Issue 2	Sub	£180,000	£10,000	£190,000
				£0
				£0
				£0
				£0
Total		£380,000	£20,000	£400,000

3.0 Total Project Cost Breakdown	Total (Incl Abnormals)	Rate £/m2	Total (Excl Abnormals)	Rate £/m2
Substructure	£1,100,000	£185	£720,000	£121
Superstructure	£3,950,000	£663	£3,950,000	£663
Finishes	£330,000	£55	£330,000	£55
Fittings & Furnishing	£350,000	£59	£350,000	£59
M&E	£2,700,000	£453	£2,700,000	£453
Prime Cost	£8,430,000	£1,414	£8,050,000	£1,351
External Works	£1,400,000	£235	£1,400,000	£235
Project Fees (Design, surveys, Hubco fee)	£3,670,000	£616	£3,650,000	£612
Hubco Affordability Cap	£13,500,000	£2,265	£13,100,000	£2,198
NHS -Decant/Management	£100,000	£17	£100,000	£17
NHS - Contingency	£100,000	£17	£100,000	£17
TOTAL PROJECT COST	£13,700,000	£2,299	£13,300,000	£2,232

4.0 FM & LCC	Metric	Actual	Diff
Life Cycle Cost	18	19	1.00
Hard Facilities Management	19	17	-2.00

Items	%	£
Post FC Risk	1.5%	£115,875
Pre FC Risk	5.9%	£753,188
NHS Cont	0.7%	£100,000

NHS Board Commentary on Financial Assessment



AREA METRIC ASSESSMENT

7.0 Functional Area	Area	%
General Practice	517	9%
Other Health Services	423	7%
Local Authority	1,122	19%
Patient Interface	839	14%
Admin / Clerical/ Staff	785	13%
Staff Facilities	79	1%
Storage and Ancillary Support	461	8%
Plant/ IT	186	3%
Circulation/ Structure	1,548	26%
Total GIA	5,960	100%
Omit Abnormals		
GP & Other Health Services	-940	-
LA Facilities (Incl circ/plant)	-2,289	-
Nett Support Space	2,731	Diff
Ratio Clinical Vs Support Space	**1: 2.9**	0.1

Nr of GP	Metric (m2/GP)	Actual (m2/GP)
20	105	**101**

NHS Board Commentary on Area Provisions