NHS
Sheffield Health and Social Care
NHS Foundation Trust

SHSC – EPR – Full Business Case

Summary for Trust Board meeting

22/12/2021

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Introduction & Strategic Case

Sheffield Health and Social Care NHS Foundation Trust

- SHSC has been using Insight for the last 17 years, due to ageing technology & Infrastructure plus lack of integration the system is no longer fit for purpose

- The Full Business Case (FBC) demonstrates that replacing the current in-house built EPR with Supplier A's EPR presents excellent value for money and solves a number of current issues faced by the Trust. It will also enable the Trust to realise several benefits in its operational processes and efficiency.

- The strategic case demonstrates that doing nothing is not an option due to clinical risk and system stability issues.

- The Supplier A EPR supports the Trust's strategic aims to transform its services, including how it supports and cares for service users and delivers care, integration with systems used by local partners and national systems and enables the CQC action plan to support "Get back to good",

Financial Case

Sheffield Health and Social Care NHS Foundation Trust

THE TRUST BOARD IS ASKED TO:

- Approve this Full Business Case (FBC) to proceed to contract signature with Supplier A for their EPR.
- Fund the capital and revenue requirements below (assuming 100% benefit realisation and no UTF funding):
    - Capital: ***£4.3m is affordable*** via Capital plan £6.7m
    - Revenue: Need ***to fund £3.15m*** Income & Expenditure (I&E) cost pressure during year 0-3 i.e. before cash releasing benefits cover costs
    - Approve to fund the capital cost profiling difference £180k (Year 0)
- Note affordability assumption of 100% benefit realisation per conversation with clinical and operational team. In case of less than 100% benefit realisation, there will be proportional increase in I&E cost pressure, discussed further in benefit section
- Note the preferred supplier and Trust cost split to understand the associated risks. **Supplier and Trust cost split redacted due to commercial sensitivity**

Financial Case: Affordability and Cost Profile

Sheffield Health and Social Care NHS Foundation Trust

Affordability - Capital assuming no UTF	Year 0 2021/22	Year 1 2022/23	Year 2 2023/24	Year 3 2024/25	Year 4 2025/26	Year 5-10 2026/27 to 2031/32	Total	Comment
Capital cost	-£479,979	-£2,667,825	-£1,106,563	£0	£0	£0	**-£4,254,367**	**Affordable via Capital plan**
Trust Capital plan	£300,000	£4,300,000	£2,136,000	£0	£0	£0	**£6,736,000**	
Affordability Gap (no Tech fund Scenario)	**-£179,979**	**£1,632,175**	**£1,029,437**	**£0**	**£0**	**£0**	**£2,481,633**	

Affordability - I&E cost pressure assuming 100% benefit realisation and no UTF	Year 0 2021/22	Year 1 2022/23	Year 2 2023/24	Year 3 2024/25	Year 4 2025/26	Year 5-10 2026/27 to 2031/32	Total	Comment
Revenue cost including capital charges	-£470,970	-£904,884	-£1,696,241	-£985,852	-£984,822	-£7,568,209	**-£12,610,978**	**Need to fund £3.15m I&E cost pressure**
Trust I&E - Internal funding identified	0	0	0	0	0	0	**£0**	
Affordability Gap (no Tech fund Scenario) Excluding CRBs	**-£470,970**	**-£904,884**	**-£1,696,241**	**-£985,852**	**-£984,822**	**-£7,568,209**	**-£12,610,978**	
Cash releasing Benefits (CBRs - 100% realisation)	£0	£0	£0	£906,995	£1,813,990	£10,883,940	**£13,604,925**	
Affordability Gap (no Tech fund Scenario) assuming 100% CRBs	**-£470,970**	**-£904,884**	**-£1,696,241**	**-£78,857**	**£829,168**	**£3,315,731**	**£993,947**	
Initial I&E cost pressure before CRBs benefit cover cost fully				**-£3,150,952**				

UTF bid	Year 0 2021/22	Year 1 2022/23	Year 2 2023/24	Year 3 2024/25	Year 4 2025/26	Year 5-10 2026/27 to 2031/32	Total	Comment
Capital cost	£350,000	£2,500,000	£1,000,000	£0	£0	£0	**£3,850,000**	**Awaiting a response**
Revenue	£250,000	£650,000	£1,250,000	£0	£0	£0	**£2,150,000**	
Tech fund applied	**£600,000**	**£3,150,000**	**£2,250,000**	**£0**	**£0**	**£0**	**£6,000,000**	

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UTF Funding Bid – Good News

Email received:

The update is that we can put your funding forward for 3 years as requested (capital only):

Multi-year £6m capital:
- 2021/22 £600k
- 2022/23 £3.150k
- 2023/24 £2.250k

As with all bids we can only guarantee year one but would be confident that you will receive all 3 years.

Conditional on Trust FBC approval & confirmation of CDEL

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Financial Case: Other Considerations

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- Financial information redacted at this time due to commercial sensitivity

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Return on Investment

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Summary EC	Costs (£)
Capital (discounted)	-£3,604,362
Revenue (discounted)	-£5,050,910
Total Discounted Cost	**-£8,655,273**
Cash Releasing Benefits (discounted)	£10,822,155
Non Cash Releasing Benefits (discounted)	£23,568,454
Financial Benefits	**£34,390,609**
Net Present Value	**£25,735,336**
Benefit to Cost Ratio	**4.0**
Costed Risk	-£1,138,843
Optimism Bias - Costs	-£939,715
Optimism Bias - Benefits	-£3,209,790
Risk adjusted NPV	**£21,386,702**
Benefit to Cost Ratio	**2.6**

The table demonstrates that the preferred option would provide good value for money with a benefit to cost ratio of 4.0 not including Costed Risks or 2.6 including risks and a Risk adjusted NPV of £21m over the lifetime of the system.

This analysis incorporates both cash releasing and non-cash releasing benefits. There are also a significant number of non-financial benefits which are briefly described in the economic case.

Cash Releasing Benefits (CRB)

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No.	Benefit Title/Name	Full Year Saving from year 4	Total Saving over 10 years
CRB			
CRB1	Reduction in clinical correspondence	£27,000	£202,500
CRB2	Reduction in clinical administration	£33,979	£254,843
CRB3	Time savings giving improvements in efficiency and productivity - admin	£243,750	£1,828,125
CRB4	Reduction in waiting list though improved clinic utilisation	£500,000	£3,750,000
CRB5	Reduction in Out of Area Placements	£500,000	£3,750,000
CRB6	Reduction in CNST premium	£68,200	£511,500
CRB7	Easier to integrate new services allowing exit from legacy systems	£5,000	£37,500
CRB8	Reduction in Agency/bank spend due to improvements in Trust reputation and recruitment/retention	£180,000	£1,350,000
CRB9	Reduced travel costs	£30,000	£225,000
CRB10	IMST impact	£38,561	£289,208
CRB11	Time savings giving improvements in efficiency and productivity - clinical	£187,500	£1,406,250
CRB	**Total**	**£1,813,990**	**£13,604,925**

- Note that based on conversation with clinical and operational teams, the FBC assumes 100% benefit realisation. In case of less than 100% benefit realisation, there will be proportional increase in I&E cost pressure. For Example:
  - If the total CRBs realisation decreases from 100% (£13.6m) to 50% there will be an additional I&E cost pressure of around £6.8m over the 10 year period.
  - Similarly, breakeven for this 10 year's project, with £13.6m CRBs is already in year 9, it will go beyond 9 years.
  - With 50% CRB realisation, the project which is currently contributing £994K, will cost £6m over the 10 year period.

Non Cash Releasing Benefits (NCRB)

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No.	Benefit Title/Name	Full Year Saving from year 4	Total Saving over 10 years
NCRB			
NCRB1	Time savings giving improvements in efficiency and productivity - clinical	£3,562,500	£26,718,750
NCRB2	Reduction in length of stay through better decision support	£0	£0
NCRB3	Reduction in time spent on IG activities	£1,568	£11,762
NCRB4	Release of VM infrastructure	£85,000	£637,500
NCRB5	Time spent investigating SUI and near misses	£0	£0
NCRB6	Improvement in PLC data	£1,433	£10,749
NCRB7	Improved resource management	£0	£0
NCRB8	**Improved system availability**	£300,000	£2,250,000
NCRB	**Total**	**£3,950,501**	**£29,628,761**

- There are a number of NCRB’s that the Trust expect to realise. These are detailed here and contribute to the economic case for the EPR.

Commercial Case

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- The procurement for a new EPR launched on 16th July 2021
- There were two bids received from Supplier A and Supplier B
- These were taken through a number of stages of evaluation.
    - Qualification & Mandatory questions
    - Output Based Specification (OBS)
    - Sandpit Demo
    - Executive Presentation
- The result of these evaluations produced a **‘Quality Score’** that was used to produce a **cost per quality point**.

	Mandatory Questions	Pricing	OBS Score	Sandpit Score	Exec Preso score	Total Quality Score	Price per Quality	Rank
Supplier B	Pass	Redacted	35.44	28.05	3.13	66.61	Redacted	**2**
Supplier A	Pass	Redacted	50.00	40.00	10.00	100.00	Redacted	**1**
Weighting			50.00	40.00	10.00	100.00		

- Based on this result a procurement report was written and taken through approval up to the FPC committee on 11th November, with Supplier A being the preferred bidder.
- Letters to bidders were sent out on 22nd Nov with the standstill period ending at midnight on the 2nd Dec, no challenges were received during this period.

- Legal overview of the whole process from production of the procurement pack through the evaluation, bidder letters and contract preparation has been overseen by the Trust Solicitors (Capsticks).

Proposed Project Plan

- Supplier A have proposed the following high level deployment plan. This plan assumes contract signature in January 2022 with a technical go live achieved (all core system configuration, migration and testing complete) September 2022. They then propose an early adopter go live shortly afterwards. The full go live is achieved in May 2023 with final sign-off by September 2023.

- **High-level plan redacted at this time due to commercial sensitivity**

- The Trust would need to discuss and agree the deployment approach and timetable during the Initiation stage. This proposed plan can be amended after consultation across the Trust. It is likely that the (very limited scope) early adopter go live will be moved to much later in the deployment period to minimise the risks of dual running.

Risks

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- The project is managing risk via the Trust Ulysses system, and this will continue through the deployment stage. The following risks are relevant to highlight at this stage:

  - There is a risk that a deployment partner will not be in place by the time a contract would be signed with Supplier A.
    - This is now a reality with the Tender issued with an aim for the deployment partner to be in place by the end of January

  - The high level plan from Supplier A has an extended period of dual running of systems for those service users being treated by the early adopter team. This introduces clinical risk of a record being split over two systems.
    - Initial feedback has been given to Supplier A and the plan will be revised during the initiation stage.

  - There is a very high risk that the Trust will not be able to recruit AFC staff to project roles in time for the project to start on contract signing.
    - We have engaged with HR to get an agency resource to assist with recruitment and have planned for potential contract resource to fill in gaps where possible.

Next Steps

- Following this meeting the FBC will (If approved) enable the Trust to proceed to contract signature with Supplier A. There is some information that may not be available for the Trust Board meeting and we are asking the Trust Board to delegate responsibility to approve the signing of the contract once this information is available. This currently includes:
    - Completed Schedules and Contract – the majority of this is scheduled to be complete by 17th Dec, but some may not have finished the full review process.

We will put as much information as we have in front of the Trust Board on 22nd Dec, but for any areas outstanding Trust Board will be asked to delegate authority to the FPC on 13th January

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