

Capital Works: Benefits Evaluation Policy Guideline

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**Government
of South Australia**

SA Health

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Capital Works Projects: Benefits Evaluation

Policy Guideline

1. Policy Statement

The purpose of the Capital Works: Benefits Evaluation Policy Guideline (“the Evaluation Policy Guideline”) is to support benefits management and realisation for capital projects. The Evaluation Policy Guideline facilitates comprehensive evaluation of design and performance outcomes throughout the process of planning and delivery of capital infrastructure to ensure benefits outlined in the Business Case are enabled and realised.

Benefits evaluation assesses reporting of achieved benefits against set performance targets and/or desired service outcomes. The monitoring, reporting and escalation of actual vs anticipated outcome is undertaken by the benefits reporting function. It informs progress and corrective actions required.

Benefits realisation activities must occur throughout the capital project lifecycle, although the extent of benefits realisation activities required vary between projects. Procedures for benefits planning and benefits execution are described in more detail in the respective steps of other Policy Guidelines, while this Policy Guideline focuses on benefits evaluations, which conclude the project lifecycle.

The benefits evaluation phase is the fourth and last phase that forms SA Health’s capital works lifecycle, as shown in Figure 1 below:

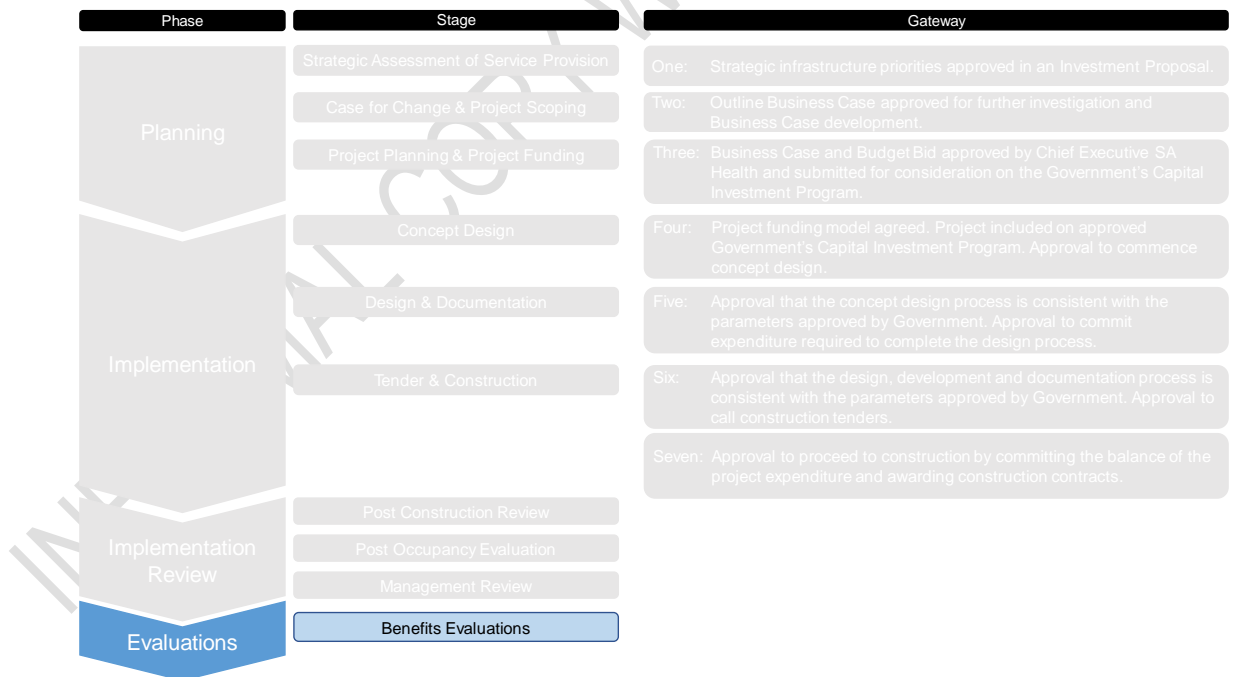


Figure 1: Capital works project lifecycle

The evaluation phase captures the beneficial outcomes from a capital solution and identifies the learnings from the project to inform remedial recommendations where issues have been identified, and/or to inform future capital work projects.

The procedures defined in section 3 (policy requirements) align with the steps outlined in the process maps in Appendix A, and a Gateway checklist is provided in Appendix B.

This Policy Guideline must be read and administered in conjunction with *SA Health's Capital Works Policy Directive*. It is also recommended that users refer to the process map and preceding Policy Guidelines, in conjunction with the guidance below, to understand the required actions in each process.

The preceding Policy Guidelines are:

- Capital Works: Planning Policy Guideline;
- Capital Works: Implementation Policy Guideline; and
- Capital Works: Implementation Review Policy Guideline.

What is in this Policy Guideline

The Evaluation Policy Guideline covers:

- processes to enable necessary measurable information to be captured;
- processes to capture stakeholder feedback
- a process map for benefits realisation; and
- tools and templates associated with planning, monitoring and evaluating benefits.

Scope

The Evaluation Policy Guideline is to be applied to all major capital works projects undertaken by SA Health that have been designated by Executive Director Infrastructure DHW as requiring a formal benefits evaluation.

Benefits evaluation commences during the planning phase, as soon as a capital infrastructure solution is identified as a component of future service delivery such as new health facility or redevelopment of existing facility.

Benefits evaluation is a whole of project lifecycle methodology:

- commences when sufficient information regarding benefits becomes available, usually at a period following a post-construction review and post-occupancy evaluation, as described in *SA Health Capital Works: Implementation Review Policy Guideline*; and
- concludes when the modified benefits monitoring plan is handed over to the LHN/BU.

When to use the Evaluation Policy Guideline

The Evaluation Policy Guideline will be used by Infrastructure DHW for capital works projects of a significant or sensitive nature as determined by the Executive Director Infrastructure DHW.

2. Roles and Responsibilities

In the context of this document:

Executive Director Infrastructure DHW is responsible for:

- Providing leadership of benefits evaluation process.

3. Policy Requirements

Step 8.1 Planning and implementation evaluation

By the time benefits evaluation is undertaken, there should be a range of benefits realisation outputs previously developed, monitored and captured throughout the project planning and implementation lifecycle.

It is Infrastructure DHW's responsibility to review all documentation and summarise as required. The table below summarises the key documentation and the lifecycle stage at which to review:

Documentation	Project lifecycle stage	Performance measures
Benefits statement for Investment Proposal	Case for change and project scoping	
Benefits definition for Business Case	Project planning and project funding	Capture service performance and facility performance (if relevant) indicators within existing facility to inform rationale and provide commencement benchmark
Post-construction review (PCR)	Implementation Review	
Post-occupancy evaluation (POE)	Implementation Review	Assess against building performance indicators (as determined in procurement approach) for completed project

Post-construction reviews and post-occupancy evaluations directly contribute to assessing benefits realised by the physical capital solution as:

- PCR provides an overview of the process undertaken to develop the capital solution (new build or redevelopment of existing) including achievement of set performance target during the construction phase; and
- POE provides a measure of stakeholder satisfaction with the capital solution including furniture, fittings and equipment.

All documentation collected must be reviewed as part of benefits evaluation, which assesses the service performance indicators against project objectives and feeds forward lessons learned into future capital projects.

Step 8.2: Benefits Evaluation

Infrastructure DHW is responsible for working with LHNs/BUs to determine what new data may be needed based on gaps identified. Further data could be in the form of tangible and intangible benefits, where:

- Tangible benefits are quantifiable/measurable, and are generally identified and monitored through a set of KPIs/benchmarks identified at benefits definition stage, which allows SA Health to gauge the impact of a capital solution to a service trigger after implementation; and

- Intangible benefits are those that can only be judged subjectively and tend to employ qualitative measures. Whilst intangible benefits are difficult to measure, they are worth pursuing as they relate to values and objectives that are critical to the success of SA Health capital works projects.

The approach for benefits data collection must follow the methodology identified and agreed in the Business Case developed during the planning phase (refer to Appendix E1 of Capital Works Projects: Project Planning Policy Guideline). Data collection must be targeted. Since benefits evaluation is explicitly linked to the benefits planning process, the methods outlined below should deliberately seek data and information that assist in determining whether the benefits outlined in the Business Case have been achieved.

Step 8.3: Collection of new information

Infrastructure DHW is responsible for collecting new information, with input from LHN/BUs, other branches of DHW, other government agencies (such as DPTI Infrastructure, DTF, relevant facilities manager), and any other stakeholders as appropriate.

To capture the effects of the capital solution on the health system in totality, tangible data models that consider a balanced set of measures to evaluate the overall health system performance should be considered. This could include:

- process performance measurement models (e.g. patient pathway analytical model);
- workflow-based measurement models (e.g. nursing hours per patient day);
- statistical process control model (e.g. average length of stay);
- performance measurement matrix (e.g. the use of KPIs); and
- balanced scorecard methods.

Stakeholder feedback is a vital part of the benefits evaluation process as it will complement quantitative sources by illustrating whether the capital solution has improved the service delivery and overall experience of the end user. Stakeholder engagement techniques may include the following:

- questionnaires/surveys;
- interviews (structured or semi-structured and based upon issues developed for each stakeholder);
- observation of the asset;
- collection of operational user experience data from LHNs/BUs; and
- focus groups and workshops.

Step 8.4: Analysis of information collated

Infrastructure DHW is responsible for reviewing and analysing all the information collated as part of benefits evaluation.

A value assessment technique framework has been developed to assist in gauging the success of the capital solution implemented.

The value assessment must consider the following as part of the data analysis:

- Are we doing the right things? – assessing effects of the capital solution in terms of SA Health's strategic vision;

- Are we doing things the right way? – assessing effects of the capital solution on SA Health’s structure and processes;
- Are we getting things done well? – assessing effects of the capital solution in addressing capability, resourcing and infrastructure needs;
- Are we seeing the benefits? – assessing the proactive management of the benefits to maximise return.

Analysing information gathered will involve comparing what happened to what was planned (as outlined in the benefits definition document, and Business Case). This includes analysis of:

- outcome performance (i.e. actual vs planned);
- dependencies (i.e. cross-referenced to other benefits internal and/or external to the project);
- justified actions required to realise the benefit;
- stakeholders impacted by the benefit;
- assumptions (i.e. about probability and/or value of the benefit);
- outstanding risks to future benefits realisation and any corrective actions that can be taken to mitigate the risks;
- costs associated with benefits measurement;
- lessons learned; and
- effectiveness of the benefits management approach.

In examining the benefits, consideration should be given to what caused any variances between what was expected and what was achieved.

Step 8.5: Prepare project benefits realisation report

The project benefits realisation report illustrates achievement against the set performance targets or desired outcomes as specified in the benefits statement and Business Case.

The benefits realisation report should include:

- analysis of benefits:
 - activities undertaken to measure the benefits
 - results of benefits realisation performance against baseline and targets;
 - analysis of performance;
 - stakeholder feedback; and
 - observations regarding progress towards realising results;
- corrective actions required for unmet benefits; and
- lessons learned.

Refer to Appendix C for a project benefits realisation report template.

Step 8.6: Disseminate the findings and lessons learned

For benefits evaluation to have a positive impact, the results must be communicated to the relevant LHN, as well as those involved in the management or operation of the built asset. The information gathered during benefits evaluation can be used to inform future planning and project management practices.

The information can also be used to inform future capital works where relevant, creating a feedback mechanism through which capital work projects can be improved.

The benefits realisation report and measurement documentation may include:

- corrective actions to be undertaken;
- required changes to the benefits realisation plan;
- future benefits monitoring methods; and
- Any corrective actions identified with service delivery or model of care changes will be Provided to the LHN for action.

Benefits Evaluation	
Deliverable	Benefits realisation report
Approval Delegate	Executive Director of Infrastructure DHW and LHN/BU accountable Executive

4. Implementation and Monitoring

With reference to the gateways outlined above, the project outcomes / deliverables and the approval authority delegate is summarised in the table below.

Gateway	Documents required	Approval Delegate
Benefits evaluation	<ul style="list-style-type: none"> • Benefits evaluation report (if required) 	Executive Director Infrastructure DHW

5. National Safety and Quality Health Service Standards

N/A

6. Definitions

- **AGFMA** means Across Government Facilities Management Arrangements.
- **Business Units (BU)** means the Statewide Service unit within SA Health for which the major capital works project is being delivered (including SA Ambulance Service).
- **Capital works projects** means any capital works project as defined in the Premier and Cabinet Circular PC028. This Policy Directive refers to any building work / construction project funded through the major capital program.
- **DHW** means the Department for Health and Wellbeing.
- **DPTI** means the Department of Planning Transport and Infrastructure.
- **DHW Infrastructure Branch (Infrastructure DHW)** means the Infrastructure Branch in the Finance and Corporate Services Division of the Department for Health and Wellbeing.

- **DPTI Infrastructure** means the Infrastructure Branch of the Department of Planning Transport and Infrastructure.
- **Local Health Network** means the Local Health Network for which the major capital works project is being delivered.
- **Minister** means the Minister for Health and Wellbeing.
- **SA BME** means SA Biomedical Engineering.
- **SA Health** means the health portfolio of services and agencies responsible to the Minister for Health and Wellbeing.

7. Associated Policy Directives / Policy Guideline & Resources

The following documents should be referred to throughout SA Health’s capital works project lifecycle:

- Capital Works Policy Directive;
- Capital Works: Planning Policy Guideline;
- Capital Works: Implementation Policy Guideline; and
- Capital Works: Implementation Review Policy Guideline.

8. Document Ownership & History

Document developed by: Infrastructure

File / Objective No.: 2017-05231 | A795293

Next review due: 31/08/2023

Policy history: Is this a new policy (V1)? **Y**

Does this policy amend or update an existing policy? **N**

Document supports Capital Works Policy

If so, which version?

Does this policy replace another policy with a different title? **N**

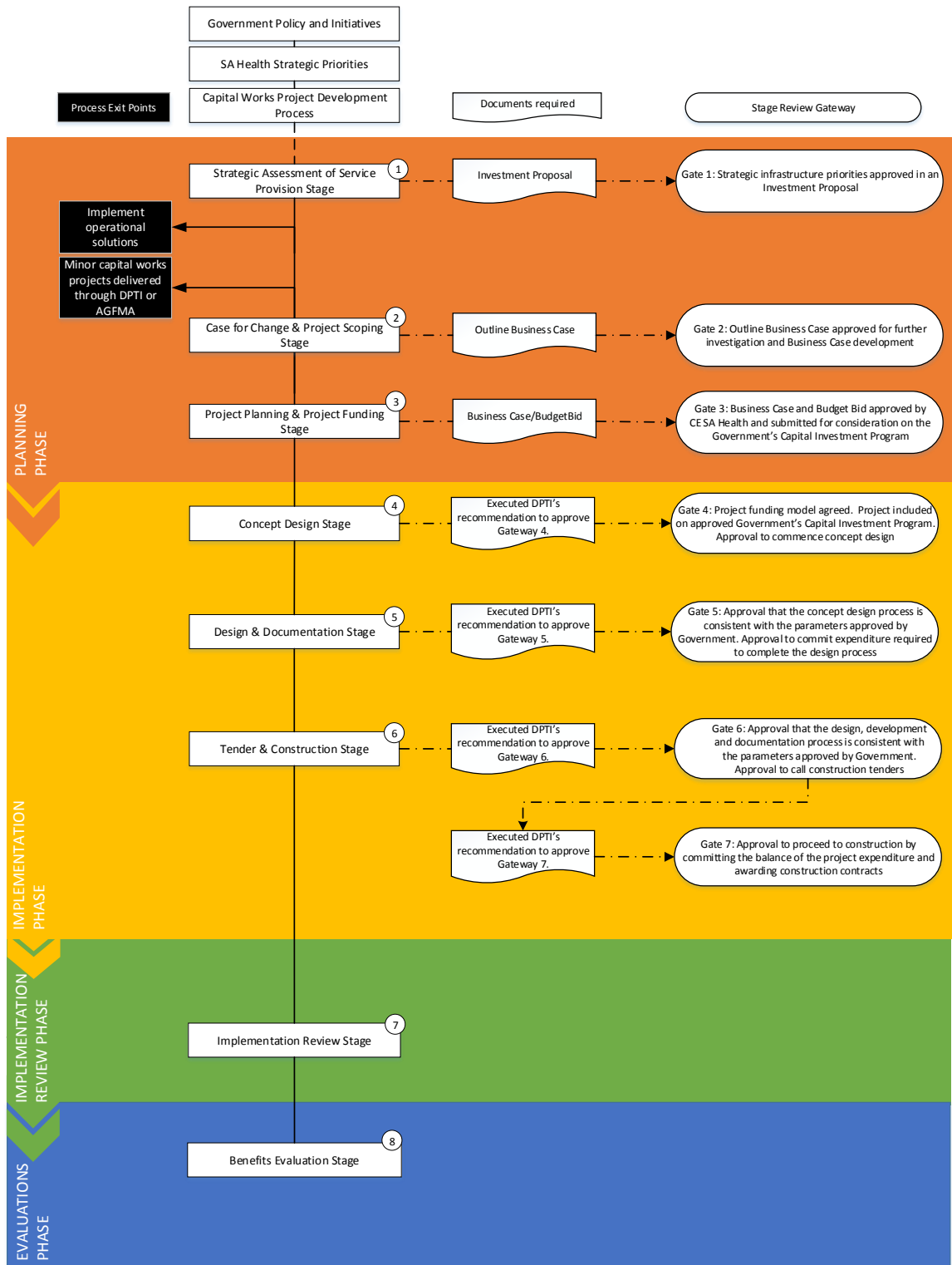
If so, which policy (title)?

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Approval Date	Version	Who approved New/Revised Version	Reason for Change
17/09/2018	V1	SA Health Policy Committee	Original SA Health Policy Committee approved version.

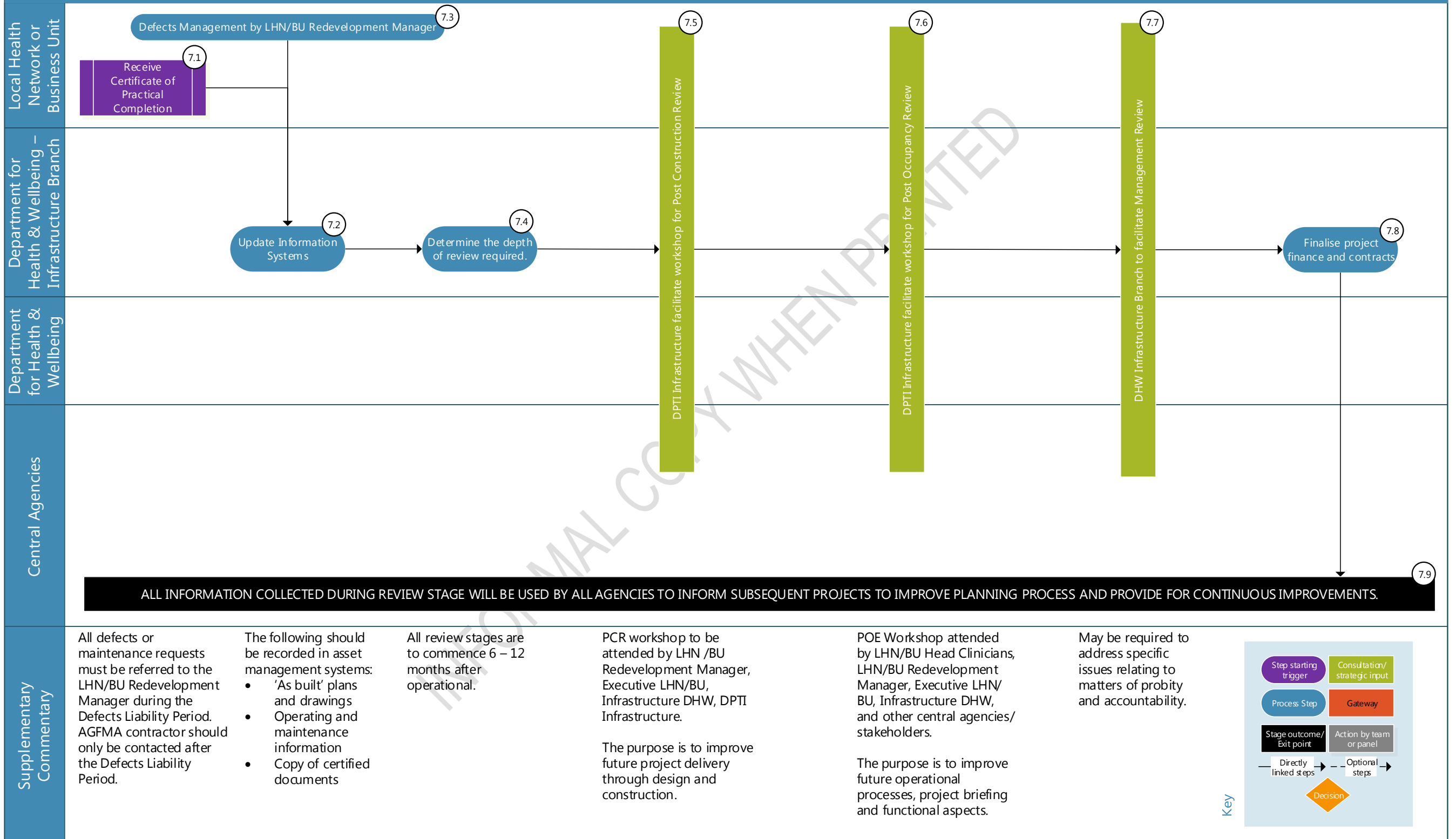
Appendix A: Process Maps

SA Health Capital Works Project Delivery Lifecycle



SA HEALTH CAPITAL WORKS PROJECTS PROCESS FLOW MAP – IMPLEMENTATION REVIEW PHASE

Implementation Review Stage



Appendix B: Gateway Checklist

To complete this checklist, click on the tick boxes in the approved column corresponding to the activity done. Afterwards, sign the authorisation box and email to the approving Project Manager or similar.

✓	Task
Benefits Evaluation	
<input type="checkbox"/>	Existing information collated and reviewed, information gaps identified
<input type="checkbox"/>	Information analysed
<input type="checkbox"/>	Benefits realisation report prepared
<input type="checkbox"/>	Disseminate the findings and lessons learned
<input type="checkbox"/>	Handover of benefits realisation plan undertaken

Checklist Authorisation

Approved by	
Executive Delegate LHN	Date

Endorsed by	
Executive Director DHW Infrastructure Branch	Date

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Policy Classification: xx

Policy No.: eg. D0146

Capital Works Benefits Realisation Report Template

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Capital Works Projects

Benefits Realisation Report Template

The final benefits realisation report is a collation of interim benefits realisation reports, and summarises how the project performed against the benefits outlined in the Business Case approved and included as part of Government's Capital Investment Program.

It also shares lessons learned and details benefits realisation handover process to the local health network (LHN) or business units (BU).

1. Introduction

This section provides context for the details of the project, and information on benefits were identified.

Initiative or program or project description

Summarise the project. Reference approvals received for the project, including approved funding amount, objectives of the project, and high-level benefits identified in the benefits realisation plan.

Scope

Reference scope of this project.

Describe why benefits realisation is required for the project. E.g., Is this a Strategically Important Project deemed by Cabinet, or chosen for Benefits Realisation by the Minister?

Organisational context

List Federal, state government policies or initiatives supporting this project.

List SA Health strategic objectives this project is aligned to achieve

Selection of business outcomes

List workshops carried out to refine the concept design, and evidence considerations for benefits realisation in selecting the preferred concept design.

Overview of Benefits

Include measurable benefits as outlined in the benefits realisation plan.

Compare the list of benefits in the benefits realisation plan and benefits definition (included in the Business Case); provide reasoning for all new benefits and retired benefits.

2. Benefit Manager's report

This section summarises the project's performance against the benefits identified in the benefits realisation plan. It includes a summary of:

- Notable benefits achieved to date;
- Benefits requiring immediate corrective action;
- Corrective actions taken since the previous period; and
- Notable lessons learned since last period.

3. Review of Benefits

This section details performance of benefits from the benefits realisation plan.

Benefits achieved to date

This section outlines the performance of all benefits.

Residual benefits expected

This section outlines the residual benefits to be expected (difference between target benefit and current performance).

Deviations from the approved Business Case

This section should analyse of performance of the project against the original goal set out in benefits definition to determine the performance of the projects.

Lessons Learned

This section describes:

- Results of corrective action taken since the last period; and
- Lessons learned since the last period.

Recommendations

This section outlines any further recommended corrective actions to improve performance of the project

4. Benefits Realisation Handover

This section includes all handover activities required, and responsibilities. This section should describe:

- New project sponsor;
- Roles and responsibilities of the new benefits monitoring structure;
- Changes to resources and budget;
- Timeframe for benefits monitoring; and
- Monitoring processes.

5. Appendices

The appendices must, at a minimum, include:

- Final benefits register as updated by measure owners;
- Completed benefits identification tools (as appended in benefits realisation plan);
- RACI (responsible, Accountable, Consulted and Informed) or document that outlines roles and responsibilities (as appended in benefits realisation plan); and
- Benefits identified in the benefits definition document.