Document Title	Business Change Process Policy			
Reference Number	NTW(O)68			
Lead Officer	James Duncan Deputy Chief Executive/Executive Director of Finance			
Author(s) (name and designation)	Christopher Martin Head of Finance and Business Development			
Ratified by	Business Delivery Group			
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Version number	V01.1			
Review and Amendment Log	**Version**	**Type of Change**	**Date**	**Description of Change**
	V01	New	April 2017	New Documentation
	V01.1	Update	Dec 2017	Update due to clinical transition

This Policy supersedes the following documents which must now be destroyed:

Reference Number	Title
V01	Business Change Process Policy

Business Change Process Policy

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Appendix No:	**Title**	**Issue No:**	**Date Issued**	**Review Date**
Appendix 1	Business Change Assessment Template	2	Dec 17	May 20
Appendix 2	Summary Business Case	2	Dec 17	May 20
Appendix 3	Full Business Case Content Framework	2	Dec 17	May 20

1   Introduction

1.1   This policy sets out the process for developing all Business Change proposals within Northumberland, Tyne and Wear (the Trust/NTW) which includes the process for preparing Business Cases and responding to Tender opportunities, and is intended to:

- Support delivery of Group/Directorate and Trust strategies

- Ensure robust governance processes underpin the Trust's investment and disinvestment decisions

- Increase the Trust's success rate in terms of securing business from tenders pursued thus increasing or maintaining income

- Ensure compliance with CQC and NHS Improvement requirements

- Help prioritise activities in the context of all Group/Directorate/ Trust development work

- Support the development of technical expertise within the Group/ Directorate/Trust

- Maximise use of available resources

- Reduce waste by minimising processes that don't demonstrably add value

1.2   NHS organisations have a duty to produce Business Cases to justify service or business change and ensure the proposal reflects strategic fit, good practice, governance and is financially sound.

1.3   The Business Case is used to obtain management and Commissioner (where appropriate) approval and to provide a framework for planning and implementation of the proposal once agreed. A Business Case should be produced in all cases when the proposal would require:

- Significant revenue over and above that available within the service

- A change which impacts on how a service is delivered

- The proposal would impact on services and facilities outside of those directly managed by the Group/Directorate

- A capital investment

- A lease agreement for equipment or facility

- The contracting out of a service

- The development of a new service

- The proposed termination of a service or disinvestment

- The sale of an asset

2   Purpose

2.1   The purpose of this Policy sets out the process for developing all Business Change proposals, which includes the process for preparing Business Cases and responding to Tender opportunities, and is intended to:

- Support delivery of Group/Directorate and Trust Strategies

- Ensure robust governance processes underpin the Trust's investment and disinvestment decisions

- Increase the Trust's success rate in terms of securing business from tenders pursued thus increasing or maintaining income

- Ensure compliance with CQC and NHS Improvement requirements;

- Help prioritise activities in the context of all Group/ Directorate/Trust development work

- Support the development of technical expertise within the Group/Directorate/Trust

- Maximise use of available resources

- Reduce waste by minimising processes that don't demonstrably add value

3   Duties, Accountabilities and Responsibilities

3.1   The **Executive Director of Finance** has overall responsibility for this Policy and final accountability for ensuring that this Policy is followed when developing Business Change proposals across the Trust. Ownership of this Policy is delegated to the Group Directors (Inpatient, Community and Specialist Care Groups) in the Trust.

3.2   The **Group Directors** and **Corporate Directors** have delegated authority and are responsible for ensuring that this Policy is followed.
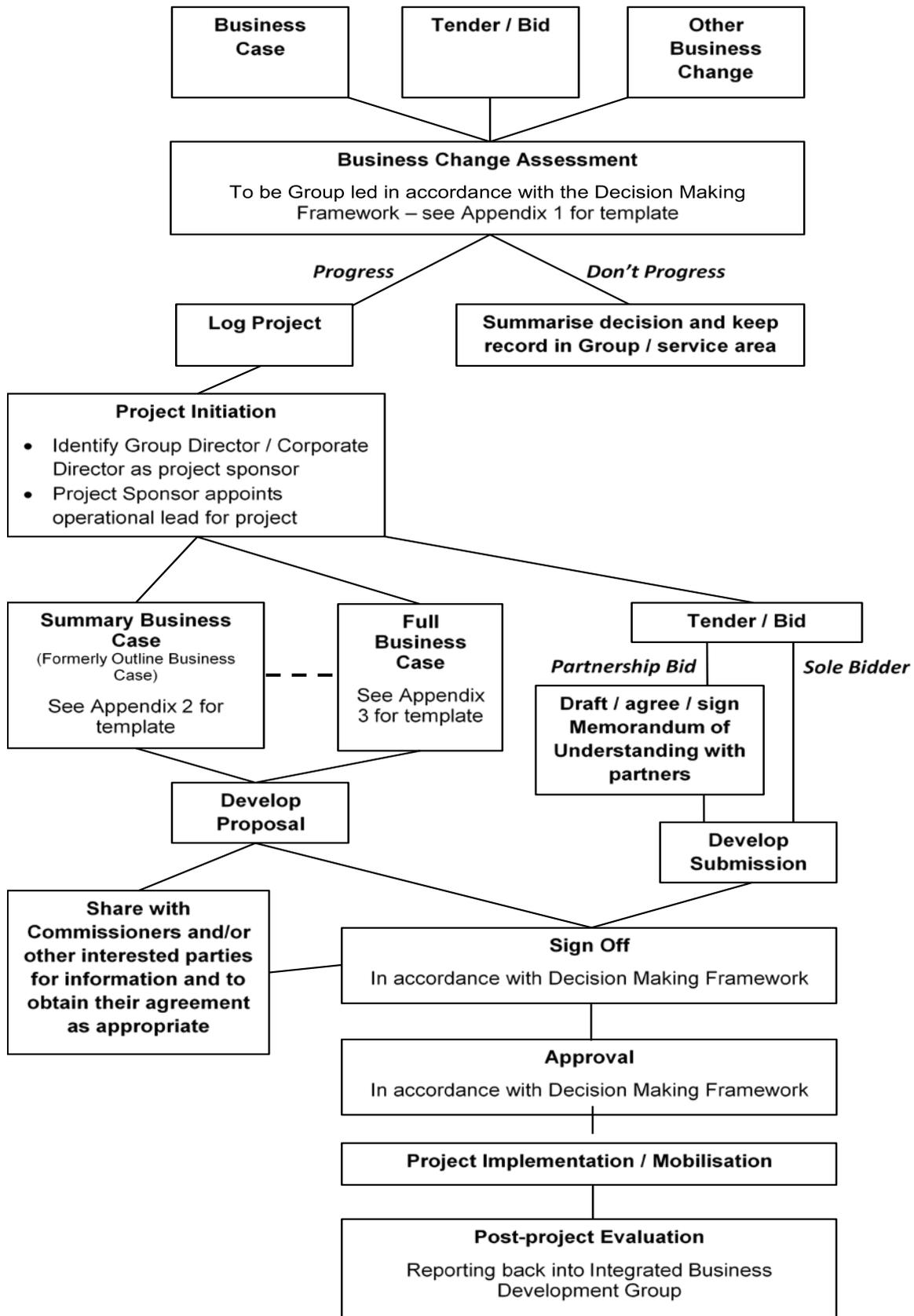
3.3   **Project Leads** are responsible for raising with Group Directors and Corporate Directors any queries about the implementation of this Policy.

3.4   **Group Heads of Finance and Business Development** have responsibility for offering appropriate and necessary support to Group Directors and Project Leads to develop proposals and for ensuring that due process is followed for all proposals as outlined in this Policy.

3.5   **All staff** are responsible for reading and complying with this Policy as relevant to their job as required by their conditions of employment. Failure to follow a Trust Policy could result in disciplinary action being taken, up to and including dismissal.

4   Process

4.1   The diagram below illustrates an overview of the process to be followed when preparing Business Change proposals:

```
┌──────────────┐    ┌──────────────┐    ┌──────────────┐
│   Business   │    │ Tender / Bid │    │    Other     │
│     Case     │    │              │    │   Business   │
│              │    │              │    │    Change    │
└──────┬───────┘    └──────┬───────┘    └──────┬───────┘
       └───────────────────┼───────────────────┘
            ┌──────────────────────────────────────────┐
            │        Business Change Assessment         │
            │                                           │
            │  To be Group led in accordance with the   │
            │   Decision Making Framework – see         │
            │       Appendix 1 for template             │
            └──────────────────────────────────────────┘
                 Progress              Don't Progress
        ┌──────────────┐        ┌────────────────────────┐
        │ Log Project  │        │ Summarise decision and │
        │              │        │   keep record in       │
        │              │        │   Group / service area │
        └──────┬───────┘        └────────────────────────┘
   ┌───────────────────────────┐
   │     Project Initiation    │
   │                           │
   │ • Identify Group Director /│
   │   Corporate Director as    │
   │   project sponsor          │
   │ • Project Sponsor appoints │
   │   operational lead for     │
   │   project                  │
   └───────────────────────────┘
```

Business Case

Tender / Bid

Other Business Change

Business Change Assessment

To be Group led in accordance with the Decision Making Framework – see Appendix 1 for template

Progress   *Don't Progress*

Log Project

Summarise decision and keep record in Group / service area

Project Initiation

- Identify Group Director / Corporate Director as project sponsor
- Project Sponsor appoints operational lead for project

Summary Business Case
(Formerly Outline Business Case)

See Appendix 2 for template

Full Business Case

See Appendix 3 for template

Tender / Bid

Partnership Bid   *Sole Bidder*

Draft / agree / sign Memorandum of Understanding with partners

Develop Proposal

Develop Submission

Share with Commissioners and/or other interested parties for information and to obtain their agreement as appropriate

Sign Off

In accordance with Decision Making Framework

Approval

In accordance with Decision Making Framework

Project Implementation / Mobilisation

Post-project Evaluation

Reporting back into Integrated Business Development Group

4.2   It should be noted in relation to the process diagram above that any Business Change proposal requiring capital investment must be subject to the same approval process as that required by capital schemes, namely:

- Submission to Integrated Business Development Group for approval if under £250,000 capital expenditure
- Submission to Corporate Decision Team (CDT) for approval if between £250,000 and £6m capital expenditure
- Submission to the Trust Board for approval if over £6m capital expenditure

5   Project Assessment

5.1   A risks and benefits analysis of progressing with projects will be conducted within the relevant Group or service area and a decision over whether or not to proceed will be taken in line with the Trust's Decision Making Framework. A copy of the current version of the Framework, entitled *Decision Making Framework – June 2016*, is available in the Corporate Governance section of the Policies page on the Trust Intranet.

5.2   The relevant Group or service area should conduct a **high-level** assessment of the risk presented by each business change project to determine if it's appropriate to proceed. This will be done through the completion of the Business Change Assessment Template (Appendix 1).

5.3   As part of this high-level assessment there are a number of dimensions that need to be considered in understanding the overall risk position:

- Service and operational risks, including clinical risks to patients and risk to quality

- Strategic risk of decisions not being aligned to strategic aims of the organisation

- Allocation risks in terms of the prioritisation of scarce resources to support the implementation of decisions on a Trust-wide basis e.g. access to capital and support teams (e.g. IT, Estates, Finance and Business Development)

- Reputational risk and risk to partnerships

- Risk to management of Trust-wide employee relations such as impact of a decision in setting a Trust-wide precedent

- Financial risk

- Commissioner support and impact of stakeholders' other priorities

5.4   The Group or Service Area should assess the magnitude of risk and the likelihood that the risk will transpire against each of the 6 dimensions above. Having completed the assessment for each dimension the highest risk scores for a single dimension should be considered against the risk matrix identified below:

Likelihood	1 Insignificant	2 Minor	3 Moderate	4 Major	5 Catastrophic
5 Almost Certain	Green	Yellow	Red	Red	Red
4 Likely	Green	Yellow	Red	Red	Red
3 Possible	Green	Yellow	Yellow	Red	Red
2 Unlikely	Green	Green	Yellow	Red	Red
1 Rare	Green	Green	Yellow	Red	Red

5.5 Where necessary completed Business Change Assessment Templates will be tabled at the Integrated Business Development Group (IBDG) for information and discussion around the associated strategic issues of importance such as how scarce resources (e.g. Estates and Informatics) will be allocated to projects.

5.6 The results of the risk assessment will determine whether to proceed with a Business Change project (e.g. tender or business case). When a Business Case is required, the level of Business Case to be completed will be at the discretion of the appropriate Group/Corporate Director and may be dependent on a project's overall risk rating.

5.7 Business Case requirements will be subject to change at the discretion of the Group/Corporate Director in response to external requirements that must be met (e.g. from Commissioners).

5.8 Due consideration should be given to any potential conflicts of interest prior to progressing a Business Change project. Any potential conflicts of interest should be declared prior to project commencement and, if there is a conflict, a decision will be required as to the appropriateness of the individual(s) concerned being involved in the project.

6   Project Sign Off/Approval

6.1 As outlined in the process flowchart above, the pre-project assessment, sign off, approval, and elements of other stages of the process as appropriate, are to be undertaken in accordance with the Trust's Decision Making Framework.

6.2 This framework is designed to promote:

- Clear transparent accountability and responsibility for decision making

- Devolution of decision making authority to the level best placed to understand and manage the risk arising from those decisions made, or indeed not made

- Effective service line management

- Alignment of accountability for delivery of key performance indicators (KPIs), with the authority to make decisions impacting on their deliver

- A clear link between decision making authority and performance and capability

6.3   Decision rights should be allocated to the level best placed to understand and manage the risk arising from those decisions made, or indeed not made.

6.4   These risks will be determined in the Business Change Assessment phase of the process with decision right owners allocated as below:

Red Risks	**Executive Director / CDT / Board**
Amber Risks	**Group Director / Corporate Director**
Green Risks	**Sub – Group**

6.5   All decisions identified as red risk should be considered by CDT, with those at amber being held at Group level. Any decisions rated as green can be taken at the appropriate level set within the Group.

7   Assurance

7.1   The Resource and Business Assurance Committee (RABAC), formerly the Finance, Infrastructure and Business Development Committee, will oversee and assure arrangements relating to effective risk evaluation in decision making, and oversee the development of significant investment and development proposals on behalf of the Trust Board including major projects, business case development, commercial partnerships and tenders. The Resource and Business Assurance Committee will also receive assurance on effective financial modelling for major tenders, effective project implementation and post project evaluation.

8   Project Log

8.1   The Head of Finance and Business Development in the Corporate Centre will be responsible for the compilation and maintenance of the Trust's Business Change Log to support the Trust to maintain a strategic overview of the its business development and investment priorities, risks, activity and progress.

9   Retention of Project Documentation

9.1   Business Cases (significant and material transactions) must be retained for 20 years in accordance with Records Management: NHS Code of Practice 2nd edition (Limitation Act 1980). All other Business Cases will be retained for a minimum period of 6 years.

9.2 Successful tender documentation must be retained for a period of 6 years after the end of the contract period in accordance with Records Management: NHS Code of Practice 2nd edition (Limitation Act 1980). Unsuccessful tender documentation must also be retained for a period of 6 years.

10   Identification of Stakeholders

10.1   In line with NTW(O)01 – Development and Management of Procedural Documents, this new Policy was circulated for Trust-wide Consultation to the following for a **four week** consultation period:

- North Locality Care Group
- Central Locality Care Group
- South Locality Care Group
- Corporate Decision Team
- Business Delivery Group
- Safer Care Group
- Communications, Finance, IM&T
- Commissioning and Quality Assurance
- Workforce and Organisational Development
- NTW Solutions
- Local Negotiating Committee
- Medical Directorate
- Staff Side
- Internal Audit

11   Training

11.1   There is a general need for awareness raising about the existence of this Policy. Please see Appendix B.

12   Implementation

12.1   Taking into consideration all the implications associated with this Policy, it is considered that a target date of **May 2017** is achievable for the contents to be fully implemented across the Trust.

13   Fair Blame

13.1   The Trust is committed to developing an open learning culture. It has endorsed the view that, wherever possible, disciplinary action will not be taken against members of staff who report near misses and adverse incidents, although there may be clearly defined occasions where disciplinary action will be taken.

14 Fraud, Bribery and Corruption

14.1 In accordance with the Trust's Policy NTW(O)23 – Fraud, Bribery and Corruption Policy and Response Plan, all suspected cases of fraud and corruption should be reported immediately to the Trust's Local Counter Fraud Specialist or to the Executive Director of Finance.

15 Equality and Diversity Assessment

15.1 In conjunction with the Trust's Equality and Diversity Lead this Policy has undergone an Equality and Diversity Impact Assessment which has taken into account equality diversity and human rights in relation to all protected characteristics as defined by the Equality Act 2010. The Trust undertakes to improve the working experience of staff and to ensure everyone is treated in a fair and consistent manner.

16 Monitoring and Compliance

16.1 Please see Appendix C.

17 Associated Documentation

- NTW(O)01 – Development and Management of Procedural Documents
- NTW(O)23 – Fraud, Bribery and Corruption Policy

Equality Analysis Screening Toolkit			
Names of Individuals involved in Review	**Date of Initial Screening**	**Review Date**	**Service Area / Locality**
Christopher Rowlands	November 2016	November 2019	Trust-wide

Policy to be analysed	**Is this policy new or existing?**
NTW(O)68 – Business Change Process – V01	New

What are the intended outcomes of this work? Include outline of objectives and function aims

The purpose of this Policy sets out the process for developing all Business Change proposals, which includes the process for preparing Business Cases and responding to Tender opportunities.

Who will be affected? e.g. staff, service users, carers, wider public etc.

All Staff.

Protected Characteristics under the Equality Act 2010. The following characteristics have protection under the Act and therefore require further analysis of the potential impact that the policy may have upon them

Disability	Not Applicable
Sex	Not Applicable
Race	Not Applicable
Age	Not Applicable
Gender reassignment (including transgender)	Not Applicable
Sexual orientation.	Not Applicable
Religion or belief	Not Applicable
Marriage and Civil Partnership	Not Applicable
Pregnancy and maternity	Not Applicable
Carers	Not Applicable
Other identified groups	Not Applicable

How have you engaged stakeholders in gathering evidence or testing the evidence available?

Through standard Policy consultation mechanisms.

How have you engaged stakeholders in testing the policy or programme proposals?
Through standard Policy consultation mechanisms.

For each engagement activity, please state who was involved, how and when they were engaged, and the key outputs:
Through standard Policy consultation mechanisms.

Summary of Analysis Considering the evidence and engagement activity you listed above; please summarise the impact of your work. Consider whether the evidence shows potential for differential impact, if so state whether adverse or positive and for which groups. How you will mitigate any negative impacts. .How you will include certain protected groups in services or expand their participation in public life.
No adverse impact.

Now consider and detail below how the proposals impact on elimination of discrimination, harassment and victimisation, advance the equality of opportunity and promote good relations between groups. Where there is evidence, address each protected characteristic.	
Eliminate discrimination, harassment and victimisation	Not Applicable
Advance equality of opportunity	Not Applicable
Promote good relations between groups	Not Applicable
What is the overall impact?	Not Applicable
Addressing the impact on equalities	Not Applicable

From the outcome of this Screening, have negative impacts been identified for any protected characteristics as defined by the Equality Act 2010? **Measures suggested should mitigate the potential for negative impact, full impact assessment is not necessary, but a regular review of how the policy is operating in practice with a particular view to equality and diversity issues is deemed to be appropriate** **Manager's signature: Christopher Rowlands Date: November, 2016**

Communication and Training Check List for Policies

Key Questions for the accountable committees designing, reviewing or agreeing a new Trust Policy

Is this a new policy with new training requirements or a change to an existing policy?	New Policy
If it is a change to an existing policy are there changes to the existing model of training delivery? If yes specify below.	No
Are the awareness/training needs required to deliver the changes by law, national or local standards or best practice? Please give specific evidence that identifies the training need, e.g. National Guidance, CQC, NHS Resolutions etc. Please identify the risks if training does not occur.	
Please specify which staff groups need to undertake this awareness/training. Please be specific. It may well be the case that certain groups will require different levels e.g. staff group A requires awareness and staff group B requires training.	
Is there a staff group that should be prioritised for this training/awareness?	Managers
Please outline how the training will be delivered. Include who will deliver it and by what method. The following may be useful to consider: Team brief/e bulletin of summary Management cascade Newsletter/leaflets/payslip attachment Focus groups for those concerned Local Induction Training Awareness sessions for those affected by the new policy Local demonstrations of techniques/equipment with reference documentation Staff Handbook Summary for easy reference Taught Session E Learning	
Please identify a link person who will liaise with the Training Department to arrange details for the Trust Training Prospectus, Administration needs etc.	Christopher Martin

Training Needs Analysis

Staff / Professional Group	Type of Training	Duration of Training	Frequency of Training

Copy of completed form to be sent to:

Training and Development Department,
St. Nicholas Hospital

Should any advice be required, please contact: - 0191 245 6777 (internal 56777-Option 1)

Monitoring Tool

Statement

The Trust is working towards effective clinical governance and governance systems. To demonstrate effective care delivery and compliance, Policy authors are required to include how monitoring of this Policy is linked to Auditable Standards/Key Performance Indicators will be undertaken using this framework.

NTW(O)68 – Business Change Process Policy - Monitoring Framework		
Auditable Standard/Key Performance Indicators	**Frequency/Method/Person Responsible**	**Where results and any associated action plan will be reported to implemented and monitored;** (this will usually be via the relevant Governance Group)
1. Appropriate adherence to the process for developing Business Change proposals	Monthly - by Group Heads of Finance and Business Development working with Project Leads	Integrated Business Development Group

The Author(s) of each Policy is required to complete this monitoring template and ensure that these results are taken to the appropriate Quality and Performance Governance Group in line with the frequency set out.

Business Change Assessment Template

Project Reference	
Project Sponsor	
Project Lead(s)	
Project Title	
Service/Group	

Project Proposal (aims, objectives and brief justification for consideration)

Financial impact (£) – contribution to financial savings, income generation etc. (include minimum/maximum and by when if possible)

Timescales

Workforce Implications – changes in establishment(s) as a result of the project

Resource requirements (allocation of scarce resources)

Enablers

Quality Impacts			
Safety	**Clinical Effectiveness**	**Patient Experience**	**General**

Risks			
Risk	**Magnitude of Risk**	**Likelihood**	**Risk Score**
Impact on patient care, quality and safety			
Impact on Trust-wide employee relations			
Impact on reputation / partnerships			
Impact on financial viability			
Risk of misalignment with Trust strategy			
Allocation risk (e.g. access to capital and support services)			

Summary Business Case

Project Title
Targeted area for improvement	
Service / Group	
Author(s)	
Date of completion	
Project Details	
Background to Case of Need	
Strategic Fit	
The case for change	
Description of Options reviewed	
Outline of preferred Option/Proposal	
Outline of Preferred Option/Proposal	
Outline of Benefits, Outcomes and Impact **(Include baseline position, any metrics expected to improve as**	

a result of the proposal etc.)	
Contribution towards requisite quality standards/targets	

Quality Impacts			
Safety	**Clinical Effectiveness**	**Patient Experience**	**General**

Resource Requirements and Risks		
Outline Resources Required	**Staffing**	
	Estates	
	IMT	
	Non Staff Costs	
	Pharmacy	
Interdependencies		
Risks and Mitigations	**Risks**	**Mitigations**

Finance	£	%
Income		
Group Costs		
Contribution		
Central Costs		
EBITDA		
Financing Costs		
Surplus		
CAPITAL REQUIREMENT		

Financial impact on clinical service contracts

Proposed Timetable/Implementation Plan

Approvals (date)	
Operational Lead	
Project Sponsor	
CDT	
Commissioners (if impacting on contracts)	

Full Business Case Content Framework[1]

1	**Introduction** Outlines the scope of the Business Case
2	**Context** Briefly outlines the health / social care strategies relevant to the proposal for all stakeholders including: • Existing services (i.e. where are we now) • National • Trust • Commissioners • Local Authority • Other
3	**Case for change** Focuses on the benefits for service users, carers and staff, demonstrating appropriate elements such as: • Demographics and prevalence • Need for the project using market assessments, performance and finance information as appropriate • Improved strategic fit of services • Meeting of local, regional and national policy imperatives, including the evidence base • Improved accessibility and quality of services • Improved environment • Improved performance • More effective use of resources (e.g. finance, staff, estates etc.) • Opportunities for training, teaching and/or research
4	**Option appraisal** Includes a list of options along with a description of the options and the option identification methodology
5	**Preferred option** Includes a more detailed overview of the proposed preferred option including positive quality impacts and adverse quality impacts along with management / mitigation strategies to deal with these
6	**Affordability of the preferred option** Identifies, where appropriate / applicable: • Revenue consequences and source • Implications for the workforce • Implications on the estates • Capital consequences and source • Impact on contracts/Commissioner baselines

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[1] **Complete as fully as possible but only include content where it is relevant and appropriate**

7	**Consultation** Demonstrates appropriate levels of consultation and includes the feedback of those consulted. Those consulted may include service users and carers, staff and Trade Unions, Commissioners, OSC and Health Watch and Local Authorities
8	**Equality and Diversity Impact Assessment** Reviews the impact of the project and should be appended to the Business Case (requires completion of Appendix 4)
9	**Project management arrangements** Demonstrates project leadership, structure and expected timetable for delivery
10	**Recommendation** Confirms preferred option
11	**Approvals** Demonstrates appropriate approvals as required e.g. Commissioner, CQC (e.g. service registration/de-registration), Monitor (e.g. closure of mandatory service, disposal of protected asset)