



Budgets and Financial Management

Project Initiation Document (PID)



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Date Published: 19th June 2018
Version: v0.1

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DOCUMENT CONTROL SHEET:

Key Information:

Title:	Budgets and Financial Management Project Initiation Document
Date Published/Issued:	19 th June 2018
Date Effective From:	19 th June 2019
Version/Issue Number:	V0.1
Document Type:	Approval document
Document Status:	Draft
Author:	Miriam Wallace, Project Manager
Owner:	Andrew Scott/ John Wood
Approver:	PHR Programme Board
Approved by and Date:	
Contact:	
File Location:	

Revision History:

Version:	Date:	Summary of Changes:	Name:	Changes Marked:
V0.1	15 May 2018	Initial draft	Miriam Wallace	

Approvals: This document requires the following signed approvals.

Name:	Signature:	Title:	Date:	Version:

Distribution: This document has been distributed to

Name:	Title/Division:	Date of Issue:	Version:

Linked Documentation:

Document Title:	Document File Path:

1. INTRODUCTION

The purpose of this document is to define the scope of the Budgets and Financial Management (BFM) Project, the deliverables or outcomes which will be produced as a result of the project and the timescales the project will be delivered by.

The PID will provide assurance to the Public Health Reform Programme Board (PHR PB) that the project has a sound basis and the document will also act as a foundation document against which the Senior Responsible Owner (SRO) and PHR PB can monitor progress.

Approval of the PID is sought from the SRO's, together with authorisation to proceed with the project.

1.1. Project Objectives

The BFM Project Objectives have been identified as follows:

- To identify, collate, capture and report regularly on costs for public health reform programme - end December 2019
- To identify, collate and assure due diligence information for Public Health Scotland – January 2019 (collation by December 2018, assurance by January 2019)
- To identify, develop and implement financial modelling needs of Public Health Scotland – December 2019
- To identify, develop and implement finance reporting requirements of Public Health Scotland, 2020
- To develop the financial Business Case for Public Health Scotland by January 2019
- To identify additional funding to supplement baseline funding for Public Health Scotland by December 2018

1.2. Outline Project Deliverables and/or Desired Outcomes

The following deliverables have been identified for the BFM Project:

Project Management

- PID
- Project plan
- Monthly Progress Reports
- Risks and Issues Log
- Project closure report

Objective 1

- Programme Finance Model
- Programme finance report(s)

Objective 2

- Discovery:
 - Fact finding and scoping current business models, relationships, complement, resources, statute, practices, corporate and governance structures, codes and policies (e.g. HR, ICT). This includes indentifying partners – CPP, IJB, local government, third sector, social enterprise
- Documentation outlining due diligence information for each organisation identified to transition into Public Health Scotland

Objective 3

- Financial modelling for Public Health Scotland

- WTE costs
- Initial 5 year plan for Public Health Scotland

Objective 4

- Regular finance reports for Public Health Scotland
 - Monthly management accounting report
 - Quarterly budget reviews
- Establish SFI's for Public Health Scotland

Objective 5

- Develop Finance and Commercial sections for the Business Case by December 2018

Objective 6

- Prepare document outlining funding sources for Programme Board by December 2018

1.3. Constraints

The following constraints which could impact on successful delivery of the Projects objectives have been identified:

- Time: Extent of stakeholder engagement limited by the timescales set for delivery. Stakeholders may not be supportive of project.
- Cost: Activities to support delivery need to be aligned with the limited budget available.
- Cost: requirement for other SME input, e.g. HMRC rules
- Resource (PHR Team): Finite PHR Team resource available to support delivery
- Resource: limited financial expertise as work progresses
- Resource (external): Priorities work competing with existing commitments of stakeholders
- Quality of information from commissions
- Due diligence – skills and expertise limited as it's not something that's done in the public sector

1.4. Project Scope (and any exclusions)

<u>In Scope:</u>	<u>Out of Scope:</u>
Organisations: Scottish Government COSLA NHS Health Scotland NHS National Services Scotland	Organisations: All other organisations not listed as in scope
Divisions / Departments: All current funders of ISD, HPS and HS Directorate for Population Health: <ul style="list-style-type: none"> - Health Protection Division - Health Improvement Division - Active Scotland - Health & Social Care Analysis - Mental Health & Protection of Rights Div. - Chief Dental Officer & Dentistry 	Divisions/Departments: All other Divisions/Departments not listed as in scope

Health Finance Directorate PHI	
Groups: Health Scotland Finance Team NSS Finance Team Population Directorate Finance team Directors of Public Health (DsPH) Staff of Public Health Scotland Professional and Regulatory bodies Policy and advocacy organisations Private Sector Professional services – may engage external best practice organisation	Groups: All other Groups not listed as in scope
People: - All DsPH - Head of finance Health Scotland - Head of Finance PHI - Head of finance NSS	People: All other People not listed as in scope
Processes: - Financial processes, SFIs, MOUs, payroll, accounts payable, management accounts, finance department processes.	Processes: All other Processes not listed as in scope
Systems: Finance systems within each board, e.g. business objects	Systems: Delivery of the project is fundamentally based on a whole systems approach, therefore we consider all parts of the system to be within scope

2. PROJECT DEFINITION

2.1. Method of Approach

This project will be delivered in accordance with standard Project Management methodology. The project will consist of three workstreams:

Programme Finance

1. By end June 2018 – Objective 1, Finance Reporting

Due Diligence

2. By January 2019 – Objective 2, Due Diligence
3. By December 2019 – Objective 3, Finance Modelling
4. By April 2019 – Objective 4, Finance Reporting for Public Health Scotland

Financial Business Case

5. By December 2018 – Objective 5, Financial and Commercial Business Case
6. By December 2018 – Objective 6, Funding Options Paper

2.2. Assumptions

The following assumptions have been made which the programme will actively try to manage:

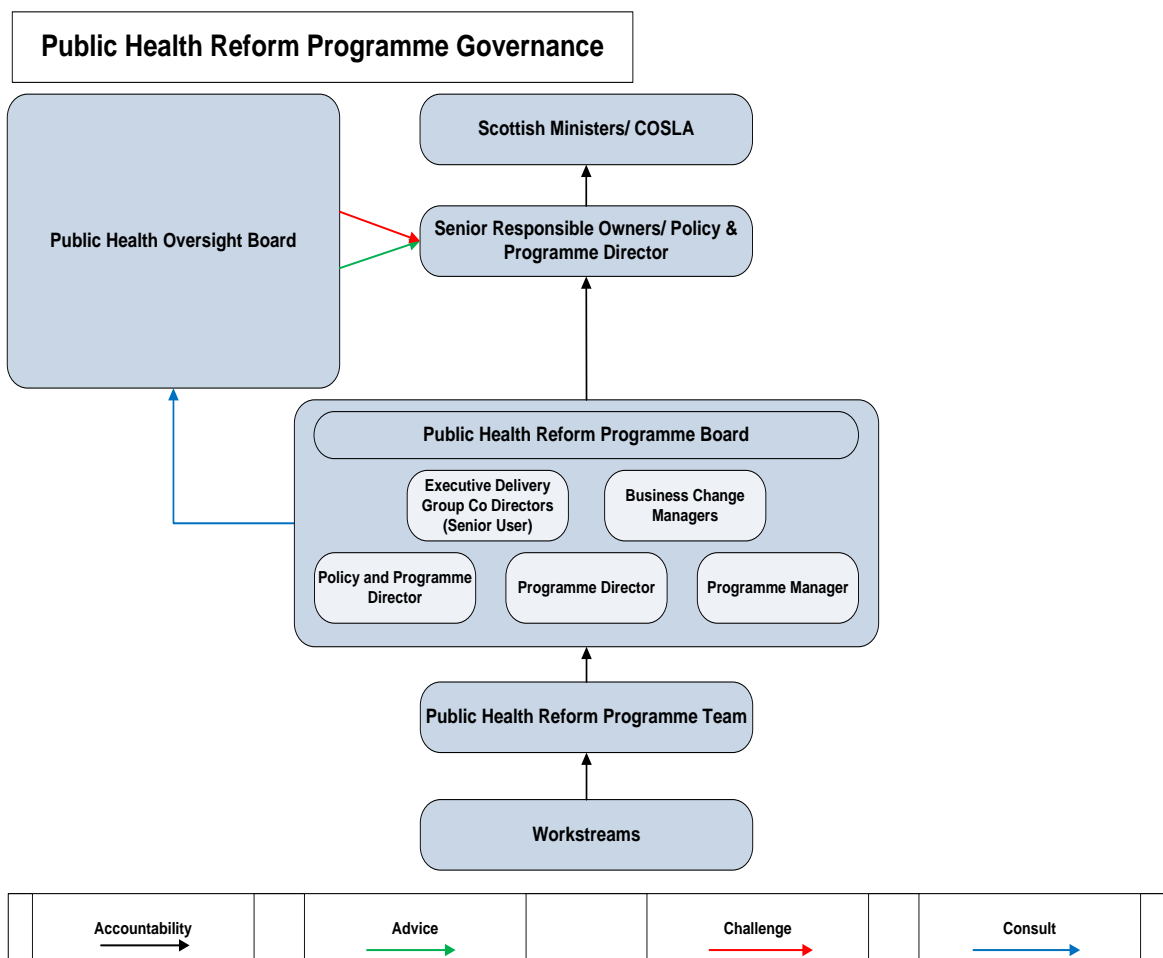
- The programme will deliver to the dates outlined by COSLA/Scottish Government
- Public Health Scotland will be established in 2019
- There will be sufficient resource available to undertake the work required
- The finance function of the new PH body will be delivered under a shared services approach
- The information will be made readily available by those organisations
- All stakeholders listed as in scope will actively engage in the programme.

2.3. Stakeholders

All key stakeholders will be managed in line with the PHR communications and engagement strategy.

2.4. Project Organisation Structure

This project forms part of the overall PHR Programme. The diagram below outlines the overall Programme Structure.



Members of the PHRPS Project Team are listed below:

- Robert Skey, Programme Director
- Amanda Trolland, Programme Manager
- Miriam Wallace, Project Manager
- Itsham Khan, Project Accountant
- David Reynolds, Head of Finance for PHI
- Health Scotland Associate Director of Finance

2.5. Risk Management Strategy

Risks will be managed in line with the PHR Programme risk management approach and reported to the Programme Board via the PHR Programme Team. The programme Risk Register, once created, will be regularly reviewed and updated by the Programme Team and SRO. Projects within the programme will have their own Risk Registers operating on the same basis and will be managed at project level in accordance with the agreed risk management approach, escalating to the programme where applicable.

2.6. Communication Strategy

Communications for the BFM project will be managed in line with the PHR communications and engagement strategy.

2.7. Project Quality Strategy

To ensure all project deliverables and outputs will meet the expected quality requirements; a number of quality measures will be put in place across the project. These include:

- Product description(s) being agreed with the PHR programme team
- Regular updates to the PHR programme board

2.8. Project Controls

The following project controls will be implemented to monitor progress and where necessary take remedial action should the project deviate from the agreed timescales or costs:

- Regular programme reports to the PHR programme team

3. Benefits

Work to identify programme and project benefits will be undertaken and a benefits management strategy produced.

4. Business Case

A Business Case will be developed for the programme with this project providing the financial elements in line with the dates outlined in this PID.

5. Project Plan

A timeline based on the project plan has been developed and is embedded below:

Public Health Reform Programme Budgets & Financial Management Project Timeline				
Workstream	Apr – Jun 2018	Jul – Sep 2018	Oct – Dec 2018	Jan 2019 – April 2019
Objective 1 – Finance Reporting	Develop finance report template to record costs for PHR Programme – June 2018	On-going regular report using template		
Objective 2a – Due Diligence PHI	Develop Report 1 - 2017/18 review – June 2018	Develop Report 2 - 2018/19 review – Sept 2018	Develop Report 3 - comparison report – Nov 2018	Deliver comparison report to Programme Board – Jan 2019
Objective 2b – Due Diligence Commissions	Develop Report 1 - 2017/18 review – June 2018	Develop Report 2 - 2018/19 review – Sept 2018	Develop 3 - comparison report – Nov 2018	Deliver comparison report to Programme Board – Jan 2019
Objective 3 – Finance Modelling				Workforce plans – Jan 2019 Sensitivity analysis – Apr 2019 5-year RAM planning – Jan 2019
Objective 4 – Finance Reports for new body	PHR Programme Team Reporting – June 2018			New Body reporting: • Annual accounts, cash flow reports, monthly management accounts, funding profile, dashboard reporting, VAT returns, SFIs – Jan 2019
Objective 5 – Business Case			Draft Financial Case – Oct 2018 Draft Commercial Case – Oct 2018	
Objective 6 – Funding Options Paper			Draft Options Paper – Dec 2018	

In addition to the plan, a number of reporting milestones have been identified for the project which will be included in the overall PHR Programme Milestone chart.

6. RISK LOG

Initial risks have been identified and will be recorded after assessment is completed.