

TITLE OF PROJECT

NHS Care Records Service: Local Services Provider – WM&NW Cluster

OGC Gateway review: Gateway 3 – Investment Decision

| **Status of report:** **Final**

Senior Responsible Owner:

<Text Redacted>

Review Date: 8 - 16 December 2003

Review team:

<Text Redacted>



Office of Government Commerce

Background

1. The aims of the NHS Care Records Service (NHSCRS) Programme are to give:
 - patients a modern IT-enabled NHS, which will directly impact on the care they receive;
 - frontline NHS staff access to safe, fast modern IT to support them in their work; and
 - managers, researchers and other professionals not involved in direct patient care access to high quality, confidential information.
2. Delivery will take place in three phases, by the end of 2004, 2006 and 2010 respectively.
3. Phase One will allow doctors to book outpatient appointments on line, send emails and browse the internet and view information relating to their patients. The latter will include laboratory and radiology results and some clinical correspondence, for instance GP referral letters. Phase One will offer simple functionality and make best use of existing and interim systems.
4. Phase Two will give doctors and health professionals access to a more detailed patient record, which will include specialist results, the GP prescribing record, and hospital discharge summaries. These services will be supported by telemedicine and digital imaging. Phase Two will also computerise all referral, requests and orders and all hospitals will have Picture Archiving and Communication Systems (PACS) support in place.
5. Phase Three will incorporate the advanced features necessary to fully integrate care across both health and social services. This will include decision support software, screening, community wide prescribing and clinical documentation, to include assessment and care planning
6. The NHSCRS programme together with the infrastructure programme, e-Bookings and the Electronic Transfer of Prescriptions comprise the National Programme for IT (NPfIT). The driving force for the programme is the policy paper "Delivering 21st Century IT Support for the NHS", which focuses on a patient centric approach. Ultimately, NHSCRS will replace the myriad of computer systems currently in use in the NHS with national applications supported by robust standards and implementation will be conducted through six projects. The first will provide a national infrastructure and the others will deliver application services in five regional clusters of Strategic Health Authorities (SHAs).
7. This is a Gateway 3 review carried out in respect of the prospective investment decision on the NHSCRS Local Services Provider (LSP) project for the West Midlands and North West (WM&NW) Cluster. The SRO for all elements of the procurement programme is <Text Redacted> until award of contract. However, because the results of this review and the recommendations we make are primarily concerned with the transition from procurement to implementation, at which point the SRO responsibility passes to the local Cluster (<Text Redacted>), we believe the report should be presented to both outgoing and incoming SROs.

We recommend accordingly.

8. The Gateway 1 report was delivered for the National Programme in October 2002, with the Gateway 2.5 report on June 6, 2003. The latter made a number of recommendations, which were reviewed by the Gate 3 review for the National Application Service Provider (NASP) and which have since been cleared.

Purpose and conduct

9. The purpose of this review is described in Appendix A.
10. The WM&NW Cluster review was carried out during 8 - 16 December in Redditch and Leeds as part of a combined review of all three clusters in Wave 2 of the NHSCRS LSP projects. The team consisted of <Text Redacted>. This is largely the same team that carried out the reviews for the National Applications Service Provider Project in September and the Wave 1 LSP projects (the North East and London Clusters) in October. Accordingly we have taken into account the conclusions reached in those reviews and the recommendations made and insofar as completion of the related actions has a bearing on the readiness for the next phase for the Wave 2 Local Service Provider Projects we have checked that the actions concerned have been completed or are on track to be completed.
11. This report covers our findings in respect of the WM&NW Cluster. Separate reports have been prepared for the other two clusters in Wave 2.
12. Those interviewed are listed in Appendix B at the back of the report. The review team would like to thank everyone involved for their support and openness, which contributed to the Review Team's understanding of the project and the outcome of this review. We are particularly grateful for the help and support of <Text Redacted>, for organising a demanding interview and visit schedule and for their rapid responses to our various requests.

Conclusions

13. The Review Team finds that:

- There is strong Ministerial and top management commitment to the success of the NHSCRS programme
- The WM&NW Cluster LSP procurement project has been aggressively managed to very tight timescales, reflecting use of senior expert practitioners in all key roles and commendable commitment by all
- Arrangements for clinical involvement in the procurement programme have been as substantial as possible, given the tight timetable.
- An active Cluster Programme Board has established strong commitment from SHA CEOs and CIOs. A supporting board of SHA Chairmen has also been established.
- The Cluster core team is coming together and vacancies are being filled
- RID responsibilities will be divided between two posts to ensure adequate attention to management of change
- Strong emphasis is being placed on the value of a close partnership with the LSP
- The technical 'buildability' of bidders' solutions has been tested

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- There is a strong commitment across the WM&NW community for a standard set of NHSCRS solutions.
- Roles and responsibilities for the next phase are clearly identified and recruitment is in train to fill gaps as required
- Delegation of local/cluster communications authorities continues to present difficulties
- Implementation of comprehensive arrangements for contract and service management is well advanced.

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Overall, the review team finds that there is a good state of readiness to conclude the procurement process and award the contract, building on the experience of the Wave 1 procurements.

14. We have noted that, unlike traditional single system or service procurements, this award of contract does not create detailed delivery commitments against which the customer's readiness can be reviewed in all respects. Those commitments will be established through a detailed planning process for which the contract provides a period of 60 days from the effective date of the contract. Preparations to conduct and complete that process are in hand in all respects in anticipation of the final selection of the LSP. Nevertheless we believe that this exercise is going to be particularly demanding and challenging. This is because there is a multiplicity of factors which will influence the overall feasibility of the final implementation plan for Phase 1 (to end 2004) as discussed in paragraph 22 below. The combination suggests a difficult and complex exercise requiring careful specification/initiation and close monitoring throughout.

15. We have discussed this concern with the SRO and he believes that in order to confirm the realism and completeness of the results of the detailed planning exercise, it will be appropriate for him to commission a further, suitably abridged, Gate 3 review (concerned with the readiness to commit to the implementation plan) from OGC at the end of the 60 day implementation period. We recommend that this approach is taken to ensuring that the project proceeds to implementation on a sound basis. We note that such an approach is not inconsistent with the conclusions reached about the need for flexibility in gate review timing in the recent Gateway Refresh project.

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16. Status of Project is **AMBER**.

Summary of recommendations

17. The Review Team finds that the following recommendations are:-

Critical before commitment to Phase 1 implementation plan:

- I. The results of this review should be presented to both outgoing and incoming Senior Responsible Owners.
- II. At the end of the implementation planning period, the Cluster Programme Board should satisfy itself as to the realism of the plan in all respects,

including the implications for local funding, contractual obligations, business process development, benefit realisation plans, contract/ service management, supplier management, the management of change, and the detailed involvement of Service Modernisation directors.

- III. A further, suitably abridged, Gate 3 review should be conducted at that point by OGC to provide independent advice to the Cluster Programme Board about their readiness to proceed.
- IV. Appropriate local delegations should be detailed in the National Programme communications strategy and agreed with the SRO before commitment to the implementation plan.
- V. Recruitment of the further resources required at SHA and Trust level should be commenced now
- VI. The Cluster Programme Board should interpret the overall SMART objectives so as to provide a strategic direction to the implementation planning exercise, ensuring that the plan is based on an agreed strategy rather than reducing to a series of unrelated IT replacements. That interpretation should be articulated to all those involved in preparing the plan.
- VII. Detailed guidance on local project funding should be promulgated soon. Deleted: G

Critical before the Gate 4 review:

- I. The potential value of a National Clinical Lead role to ensure the consistent development of best practice should be decided as soon as possible.
- II. Subsequently, arrangements should be put in place to facilitate a dialogue between National Clinical Advisory Board (NCAB) and local clinicians, taking full account of the views of the Patient Advisory Group.
- III. The planned review of the role of the NHSIA should be completed urgently.
- IV. The Modernisation Agency (MA) should become more directly engaged with the National Programme.
- V. The Cluster Chief Executive should engage further with the MA to define the role the MA can play and the specific resources the MA can commit to the WM&NW implementation. Deleted: Subsequently
- VI. The Cluster RID, together with service modernisation colleagues, should carry out a thorough discussion of process harmonisation: what is essential, what is desirable, and what is too difficult at this stage. The outcome should also be reviewed with Professor Hutton or NCAB representatives and the Patient Advisory Group.

Potential for success

18. The National Programme for IT is a vital element in the Government's strategy for modernising the National Health Service. The NHSCRS programme, within which the Local Service Provider (LSP) Projects sit, is clearly seen by all those involved as mission critical. The programme has strong Ministerial and top management support and this is evident amongst all those that we have interviewed. There is a strong drive for success and enormous enthusiasm from staff across the Cluster.
19. There is confidence among stakeholders, including Clinical and Department of Health representatives, that the solution described in the Output Based Specification (OBS), will meet the business need. There is a good degree of collaboration across the Cluster particularly at senior levels and a clear commitment to the principles of a common set of solutions and business processes.
20. In our earlier reviews we noted the potential value of the NCAB in overseeing the development of consistent best practice in clinical business process. NCAB is now up and running with several subgroups already in place to consider key areas, eg Cancer, Medicines Management and GP to GP. However, currently, there appears to be no direct mechanism for enabling a dialogue between NCAB and local clinical groups to ensure the early capture of local ideas and innovation, to take full account of the views of the Patient Advisory Group and to ensure direct promulgation of NCAB advice and guidance. We understand that discussions are in train as to the potential value of a National Clinical lead role reporting to the National Programme Board and acting as a bridge between NCAB and clinicians. We recommend that this be decided as a matter of urgency.
21. The pressures associated with the maintenance of a tight and demanding procurement timetable have until recently limited the attention given to the planning of resources and organisational changes in the project necessary to move from award of contract into development and implementation. This is particularly true in relation to the pressure on the RID's time. Nevertheless, substantial progress has been made in recent weeks and preparations are accelerating as the procurement process comes to an end. Activities are in hand to ensure the Cluster is ready in all respects necessary to complete the implementation planning process in the required timescales.
22. That said, the post-contract planning exercise is a dauntingly complex prospect. Realistic plans will need to reflect an appropriate balance between a whole raft of factors, some of which conflict with each other. In our brief review, we have noted the need to take account of:
 - National targets/objectives
 - Local business priorities
 - Local funding
 - Local resource for training/management of change where new processes are being introduced

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- Clinician capacity for participation in new process development
- SHA/Trust management resources
- Necessary early replacement of obsolete systems
- Local awareness of contractual obligations

We note that the key players are gearing up for this challenge. Nevertheless the exercise remains inherently risky because of the need to meet a tight timescale and the shift from centralised to distributed management arrangements. In addition it will be important that the natural enthusiasm for the implementation of new systems is tempered with the realism of the availability of resources to achieve success. Following discussion with the SRO we have recommended (paragraph 15 above) an approach to assuring the quality of the outcomes of this exercise.

23. One particular aspect of the preparations for implementation has featured in our previous reports, ie the need for clarification as to the roles of the NHSIA and the MA. We understand that a review of the future role of the NHSIA is about to begin and we see this as an opportunity to rationalise the deployment of NHSIA resources in line with the priorities of the National Programme. We recommend that this review be completed urgently so that the results can be fed into the detailed planning exercise for each Cluster. In addition we recommend that the MA becomes more directly engaged with the National Programme at a strategic level to ensure the provision of consistent advice to Cluster management about support for management of change and integration with other modernisation initiatives.

24. In our earlier review of the North East Cluster we drew attention to perceptions of the low incidence of effective communication from the Centre and the high level of restriction of information. Whilst there were continuing general concerns in these areas, we believed that a comprehensive central communications strategy was emerging. But we have now noted that a very tightly controlled approach to the approval of local communications continues to be applied. In the circumstances, there is now an emerging risk to the effectiveness of upcoming implementation projects in the absence of timely, fully informed local communications streams. This has the potential to undermine the SRO's ability to deliver successfully. We recommend that appropriate local delegations are detailed in the emerging national communications strategy and agreed by the SRO at the time of our recommended further Gate 3 review.

25. We noted and were encouraged by the work done over the last few months to establish proof of technical concepts, so as to test the technical capability of bidders' possible solutions. We believe this will contribute significantly to the assurance with which the rollout of LSP services may be undertaken in due course, subject, of course, to similar attention being paid to related planning, education, training and management of change.

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26. We noted the paucity of project management resources at trust level. It was repeatedly emphasised to us during the review that limited capacity of clinical engagement time and project management/ project administration resource were critical success factors. In order not to lose momentum, it will be essential for Trusts and SHAs which are in the first wave of implementation to be resourcing

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up immediately. We are aware that some SHAs are already engaging project administration resource; project management staff with local knowledge are equally essential. We recommend that recruitment of the necessary further resources at SHA and Trust level should be commenced now.

27. At the SHA/Trust level, the review team found a variable level of understanding about the strategy to be adopted for finalising the implementation plan. The programme is so large that there is a risk that the plan will become by default one long series of system replacement projects. It is important that the Programme Board and those more intimately connected in the drawing up of the plan in the next 60 days have discussed and articulated what the tactics are to meet the SMART objectives. For example, concerns were expressed locally that urgent replacement of systems should not dominate the plan. Many views were expressed on what those tactics should be, such as to focus on integration for the patient, thus prioritising uploading of patient data across SHAs; or to prioritise the earliest achievement of patient benefits like early results of tests; or to prioritise easing clinician inefficiencies and achieving immediate clinical improvements. Clearly it will be some balance of these. We recommend that the implementation tactics be discussed, articulated and communicated by the Programme Board as a matter of urgency.

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Review of current phase

28. The WM&NW Cluster LSP project is part of a major, complex procurement programme, which has been run to a very aggressive and demanding timetable. The end result will be a very tight and robust contract. The contract contains significant Authority responsibilities, many of which will have a cost if not delivered. We recommend that prior to final acceptance of the implementation plan the Cluster Programme Board formally satisfies itself that the Authority will be able to meet its obligations under the contract.
29. The current procurement phase leading to the investment decision is being brought to conclusion within budget and broadly to time. This outcome clearly reflects commendable commitment from all concerned and close management of all aspects of the process. A standardised methodology has been employed supported by quality assured documentation in all respects.
30. We are satisfied that the processes during the procurement phase have taken account of a range of stakeholders. Arrangements are in place for a wider degree of involvement with clinicians and other stakeholders as the project moves into detailed planning, development and implementation. We have also noted research work in hand in conjunction with the Consumers Association to establish patient views of the NHSCRS proposals and to inform issues such as the prioritisation and phasing of implementation. At the Cluster level there has built up considerable engagement to ensure that what emerges by way of development and implementation plans is realistic from all perspectives.

Business Case

31. The original business case covered the whole NHSCRS programme. In the period since then separate business cases have been developed in respect of the NASP project and each of five LSP projects. The approach has involved the development of a framework consistent with OGC guidance and key stakeholders, e.g. Treasury, have been kept informed. Following receipt of final offers, each business case has been formulated and formally submitted to DoH/HMT.
32. The WM&NW Cluster business case has been built around the National Investment Objectives. The Cluster has developed these objectives into a more detailed and 'SMART' compliant set of specific improvements in patient care and related areas. This sets the overall strategic direction for benefits management. Benefits from the implementation of the NHSCRS programme encompass both quantitative and qualitative benefits. We understand that a formal methodology will be adopted to ensure that the realisation of benefits is closely managed and monitored at the Cluster level drawing on the outputs from benefits management at project level.

Risk management

33. The risk management process is comprehensive, with a systematic approach to monitoring and managing risks and issues. Risk and issue registers are up to date and actively reviewed.

Readiness for next phase – implementation planning and readiness for service

34. The NHSCRS programme implementation will take place in three phases over the periods to end 2004, end 2006 and end 2010. Phase one and the bulk of phase two are concerned primarily with the national infrastructure and the common core applications and this implementation work will cover most of the remaining period covered by SR 2002. Central funding is confirmed within the National programme budget for the implementation of these projects. Additional catalogue services (to be called off locally as and when required) will be funded from local resources. Based on the outcome of final price negotiations for NASP and Wave 1 LSP, an overall analysis of the affordability of the National Programme, including LSP projects, has been approved by DoH/HMT. The Programme is affordable within established baselines subject to appropriate flexibility between individual years.
35. In due course, SHAs and Trusts will need clarity on the detailed rules surrounding the funding of each project in the implementation plan. Such guidance is not yet in place. We recommend that detailed guidance is communicated across the Cluster in good time to enable related input to the implementation planning.
36. Substantial time and resource has been invested during the later stages of the procurement to develop, in conjunction with LSP bidders, realistic outline implementation plans for phases one and two and indicative plans for phase three, based on local priorities within the national framework of phases and

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releases. Guidance on the assessment of local Trust readiness has been issued and surveys of local infrastructures have been undertaken.

37. The benefits which will arise from the adoption of standard business processes are appreciated across the WM&NW community. Gains from economies of scale and the facilitation of cross-community patient and staff movements will be significant. We are concerned, however, at the challenge this represents and the potential for delay. Standard solutions are notoriously easy to agree in principle and then to find that the common solution is elusive. It is easy to waste months trying to close on the agreed best practice. We recommend that the cluster RID, together with service modernisation colleagues, work out the different types of process change and process harmonisation that will be practicable for the first 12 to 24 months. For example, standardisation may be possible around admin systems but not around clinical pathways. We recommend that they should carry out a thorough such review and use that as their guidance for the first implementation period.

38. In addition, early creation of effective channels between NCAB and local clinicians will be important for setting out harmonisation that might be achievable nationally. In the context of early implementation targets and insofar as those are dependent on related business process developments, we recommend that Professor Peter Hutton or one of his colleagues visit the cluster towards the end of the 60 day period, to review the implementation plan and the outcome of the harmonisation review. Above all, it is vital that in the early stages of implementation both parties to the contract remain able to deliver according to the agreed timetable.

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39. It is also important that appropriate resources, processes and procedures are in place to ensure effective contract/service/supplier management. A comprehensive approach to contract / service management is being designed and resourced as we report. A major National Service Centre is being implemented working in conjunction with local Cluster managers. Central and local responsibilities are being agreed to ensure all are well prepared to interrelate with the chosen LSP following award of contract. The resources identified to carry out this function need to be available as soon as possible after contract award and we recommend accordingly.

40. We have also noted that responsibility for adequate attention to the proper management of business change (through appropriate awareness, education, training and support) rests clearly with the Cluster and the SHAs. Given the current pressures on local resources, there is a risk of under investment in the management of change and we recommend that the necessary resources are clearly identified and allocated before final commitment to related implementation plans. We also recommend that Service Modernisation directors are placed in a key role in the management of the programme at SHA level, so that the plan is driven directly by both health management and RID.

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41. In addition, Trust and SHA staff acknowledge there to be a useful role for the Modernisation Agency, primarily to support and facilitate local change and improvement in processes and to ensure consistency with other modernisation initiatives. However, the MA seems not to be present on the ground nor in the

emerging trust or SHA programme management structures. In light of the outcome of our recommendation in paragraph 23, we recommend that the Cluster RID engage further with the MA to define the role they can play and the specific resources that the MA can put on the ground.

42. The next OGC Gateway review for the WM&NW Cluster LSP project is recommended to be an abridged Gate 3 review at the end of the implementation planning period, some 60 days after the start of the contract. That review should recommend as to the timing of a Gate 4 review in due course.

Purpose of Gateway 3: Investment decision

- Confirm the business case and benefits plan now that the bid information has been confirmed.
- Check that all the necessary statutory and procedural requirements were followed throughout the procurement process.
- Confirm that the recommended contract decision, if properly executed within a standard lawful agreement, is likely to deliver the specified outputs/outcomes on time, within budget and will provide value for money.
- Ensure that management controls are in place to manage the project through to completion.
- Ensure there is continuing support for the project.
- Confirm that the approved procurement strategy has been followed.
- Confirm that the development and implementation plans of both the client and the supplier or partner are sound and achievable.
- Check that the business has prepared for the development (where there are new processes), implementation, transition and operation of new services/facilities.
- Confirm that there are plans for risk management issue management and change management (technical and business) and that these plans are shared with suppliers.
- Confirm that the technical implications, such as 'buildability' for construction projects and (for IT-related projects) impact of e-government frameworks such as e-GIF, e-business and external infrastructure have been addressed.

WEST MIDLANDS AND NORTH WEST CLUSTER OGC GATEWAY 3 REVIEW
LIST OF INTERVIEWEES

8th December – 16th September

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* = Interview conducted by telephone