

Project Identification No: OGC 451 (LC)

TITLE OF PROJECT

Integrated Care Records Service: Local Services Provider – London Cluster

OGC Gateway review: Gateway 3 – Investment Decision

Status of report: Final

Senior Responsible Owner:

<Text Redacted>

Review Date: 14 - 17 October 2003

Review team:

<Text Redacted>



Office of Government Commerce

Background

1. The aims of the Integrated Care Records Service (ICRS) 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 ICRS 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, ICRS 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 ICRS Local Services Provider project for the London

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 Gateway 3 review was carried out from 14 - 17 October in Paddington and St Mary's Hospital. The team consisted of <Text Redacted>. This is largely the same team that carried out the reviews for the National Applications Service Provider Project last month and the first LSP project (the North East Cluster) last week. Accordingly we have taken into account the conclusions reached in those reviews and the recommendations made and we assume that actions are in train to resolve the various concerns in good time. In so far as completion of those actions has a bearing on the readiness for the next phase for this and the Wave 2 Local Service Provider Projects we have assumed that the actions concerned will be completed successfully in due course.

11. The final stages leading to award of the London Cluster LSP contract have been subject to late change (date of Best and Final Offers (BAFOs) deferred) and therefore the review is being conducted some weeks before the final award of contract and before the BAFOs have been received. As a result, we have a number of recommendations below, which are targeted for completion by award of contract as well as some for completion before the next Gateway review. The absence of BAFO information or even indicative prices has made it difficult to be certain about affordability and value for money but we are clear that these issues will be fully addressed by the Department in conjunction with the Treasury before award of contract.

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 schedule, and their rapid responses to our various requests. In addition we appreciated greatly the help and guidance given <Text Redacted>, and colleagues to the review team

members who visited St Mary's Hospital at very short notice.

Conclusions

13. The Review Team finds that:

- There is strong Ministerial and top management commitment to the success of the ICRS programme
- The London 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
- The cluster-centric/standard business process implementation strategy appears entirely appropriate to London because it is a dense and, geographically, comparatively small cluster
- The technical 'buildability' of bidders' solutions has been tested
- There is a strong commitment across the London community for a standard set of ICRS solutions.
- Arrangements for clinical involvement in the programme have been substantial, given the tight timetable.
- The project business case awaits completion and population with costs following receipt of final offers
- Activity and resource plans for the next stage are at an early stage of development
- Roles and responsibilities for the next phase remain to be clarified and communicated in many areas
- Change management in the next stage will be a major challenge as this, other LSP and the NASP projects are taken forward
- Tight discipline will be essential to the success of programme co-ordination arrangements

Overall, the review team finds that there is a good state of readiness to conclude the procurement process and award the contract, based on a very thorough and speedy process.

14. However, we believe that implementation post contract award is going to be harder and slower than might be expected.

- There are fewer staff in place in the Cluster team than we would expect at this stage. Recruitment has been delayed whilst funding issues are resolved.
- Preparations for the development of standard business processes do not appear to be as well developed as we had expected. The risk is that time taken to resource the teams/ advisory groups and then to get common agreement on processes may delay rollout significantly unless the scope is carefully controlled.
- Whilst the principles of programme governance have been agreed for some time, detailed arrangements in relation to the management of the

implementation are not yet clear or understood by all concerned. In a complex, dense cluster like London, if not fully resolved, this is likely to cause confusion and delay.

- The financing arrangements – what is local and what is central – have to be clear before a Trust can commit to an implementation; and this is not yet the case. Even when clear, it may take time for Trust approval of finance to be obtained, before implementation can begin.
- The current implementation plan, as expressed in Appendix 3 of Schedule 4.1, was for some Trusts a ‘finger in the air’ exercise. It will take some time for that to be worked through into a realistic schedule. This may be exacerbated by the impact of the contractual obligations (still under negotiation) in the LSP contract.

15. Exemplars of good practice used are:

The strategic thinking underlying the organisation and implementation plans for the London NHS community.

16. Status of Project is **AMBER**. However later in this report we emphasise the need for a decisive outcome to the London Programme Board's consideration of key issues of governance, roles/responsibilities, and resources at the end of this month. If those clear decisions are not taken at that point the status of the project would become **RED** because the completion of all necessary preparations before award of contract would become infeasible.

Summary of recommendations

17. The Review Team finds that the following recommendations are;

Critical before award of contract:

- i The results of this review should be presented to both outgoing and incoming Senior Responsible Owners.
- ii The next meeting of the London Cluster programme board should resolve uncertainties over governance and resources
- iii All post award roles, responsibilities, activities, and resources should be clearly identified for the next phase.
- iv The emerging national communications plan should be agreed and actioned without further delay and it should include local delegations
- v The effectiveness of the lines of communication between those responsible for the preparation of the business case should be reviewed

vi Guidance on precisely what will be funded from the Centre should be issued to Trusts.

vii Contract/service management processes and associated resource plans should be in place.

viii Vacancies in the Cluster implementation team should be filled as far as possible

ix If the same bidder is recommended for both the NASP and the London Cluster LSP, the evaluation report should state explicitly what work has been done to provide assurance that the recommended bidder has the capacity to successfully implement both contracts simultaneously.

Critical before the next review:

i Prior to final acceptance of the implementation plan, the London Cluster programme board should formally satisfy itself that the Authority can meet its contractual responsibilities.

ii The London Cluster programme board should satisfy itself that the business process development plans are realistic

iii The resources necessary for the management of change should be clearly identified before final commitment to the implementation plan.

iv The Cluster RID should engage with the MA to better define the role the MA can play and the specific resources the MA can commit to the London implementation.

v Attendance at data transfer workshops should be mandatory for those with related responsibilities.

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 ICRS 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. The London Cluster has done a huge amount of work to develop the concepts of an integrated care records service even before the National Programme was created. This strategic thinking played a major part not only in defining the National Programme and specifying the service requirements but also in forming a common body of opinion which has aided the acceptance of, and commitment to, the ICRS programme.
20. 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.
21. The pressures associated with the maintenance of a tight and demanding procurement timetable have until very recently precluded significant attention to the planning of resources and organisational changes in the project necessary to move from award of contract into development and implementation. We were surprised to learn that at this relatively late stage there continued to be a debate about the governance structure and the various key roles, responsibilities, accountabilities therein. Resolution in this and related areas is in progress and completion of the related planning and preparation in the remaining weeks before contract award is a feasible if challenging target.
22. We understand that there are key decisions in this respect to be taken at the next London Programme Board (at the end of this month) concerning governance and resources. These decisions are essential to more effective communication about roles and responsibilities and readiness for implementation. They must be taken without further delay if the Cluster is to be ready to proceed immediately after award of contract. We recommend accordingly. In addition we recommend that immediately prior to the award of the contract (now expected at the end of November at the earliest) a formal check is made to ensure that all post award roles, responsibilities, activities and resources are clearly identified for the next phase. This should focus

primarily on the relationships between Centre, NASP, Cluster, LSP, SHA, and Care Community Groups and provide confidence that all key posts have been filled with appropriately skilled personnel.

23. The draft implementation plans for roll out across the Cluster have been based on "bottom up" proposals from the individual Trusts. This creates a suitable starting point for the detailed planning and roll-out post contract award but it has been emphasised to us that for some Trusts at least the proposals are a "basis for negotiation" and that detailed work with the LSP will be needed in order to agree a credible and deliverable implementation plan. That detailed work should recognise the need for some flexibility if the contractual commitments for both parties are to remain achievable and we note that negotiations on Schedule 4.1 of the contract are usefully moving in that direction
24. In our review of the North East Cluster we drew attention to the low incidence of effective communication from the Centre and the high level of restriction of information. The same is evident in London. In the absence of a comprehensive central programme of communication and information sharing, rumours and negative perceptions will flourish and our review has uncovered evidence of this. Unless urgent action is taken to address this issue the National Programme will have a major problem to handle. We have also noted a very tightly controlled approach to the approval of local communications. We recommend that appropriate local delegations are included in the emerging national communications strategy which must be agreed and implemented without further delay.
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, management, education and training. These technical preparations are particularly important in the London Cluster given the target of "any to any" pan London capability.

Review of current phase

26. The London 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. Although still subject to negotiation, the contract is also likely to contain significant Authority responsibilities, many of which will have a cost if not delivered. We recommend that prior to final acceptance of the implementation plan (expected to be approved 30 working days after contract award) the London Cluster programme board formally satisfies itself that the Authority will be able

to meet its obligations under the contract.

27. The current procurement phase leading to the investment decision is being brought to conclusion within budget and broadly to time. Bid team representatives have expressed themselves (earlier in the NASP Gate 3 review) content with the way a challenging exercise has been managed by the procurement team. 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.
28. 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 development and implementation. We have noted in the past the work done in the creation of the National Clinical Advisory Board, which will reinforce the work of the Information Standards Board and other previous arrangements for clinical involvement. We have also noted research work in hand in conjunction with the Consumers Association to establish patient views of the ICRS proposals and to inform issues such as the prioritisation and phasing of implementation. At the London Cluster level there has been considerable engagement in all stages of the procurement to ensure that what emerges by way of development and implementation plans is realistic from all perspectives. Activities already underway to prepare for implementation include a series of "Leading Edge" conferences for Chief Executives and workshops to establish wider awareness of the emerging plans.

Business Case

29. The original business case covered the whole ICRS programme. In the period since then separate business cases have been / are being 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. On receipt of final offers, each business case is being formulated and formally submitted. The business case for the London Cluster LSP is in preparation and those involved are hopeful that it will be ready for population when final bid prices are available towards the end of this month. Some concerns have been expressed about the effectiveness of the lines of communication to and from those responsible for drawing all the inputs together and we recommend that those involved review urgently the openness and effectiveness of these lines.
30. The London Cluster business case is being 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. Benefits from the implementation of the ICRS programme were estimated for the original (ATP1) business case and the results of that exercise encompassed 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.

Risk management

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

Readiness for next phase – readiness for service

32. The ICRS 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. Much of the resource required to fund these projects will flow from savings arising from the replacement of existing systems during phases one and two.
33. Trusts will need clarity on the detailed rules surrounding the funding of each project. Such guidance is not yet in place, though we understand that a draft is currently circulating. We recommend that the guidance be available and communicated across the Cluster by the time of contract award. In addition, we noted within our earlier review of the Northeast Cluster that there was uncertainty over the freedom that local SHAs would have to retain the savings arising from the adoption of ICRS services. We recommended removal of this uncertainty at an early stage in order not to impede the incentivisation of local Cluster progress towards full ICRS implementation.
34. Substantial time and resource is being invested during the later stages of the procurement to develop, in conjunction with LSP bidders, realistic implementation plans for phases one and two and indicative plans for phase three, based on local priorities within the national framework of phases and releases. Guidance on the assessment of local Trust readiness is to be issued shortly. Nevertheless, it is clear that there will need to be substantial work post award of contract to turn Schedule 4.1 into a practicable document.
35. We also appreciate the benefits which will arise from the adoption of standard business processes across the London community. Clinicians and managers to whom we spoke also gave enthusiastic support to this approach. 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. The Cluster seems to be at a very early stage in this process, with only one person in position in the Cluster team and a plan for two more. We suggest that the Cluster agree on certain processes to be first for standard solutions and that relevant teams be brought together immediately after contract award. We suggest that the other processes be taken on a slower timetable in parallel with implementations, even if these do not use common solutions. In the context of early implementation targets and insofar as those are dependent on related business process developments, we recommend that there is a final check on the realism of those plans before commitment. That check should take full account of the then degree of uncertainty over the timing of any planned additional, locally funded, services. It is vital in the following early stages of implementation that both parties to the contract remain able to deliver according to the agreed timetable.

36. We have noted the comprehensive surveys which have been carried out across the London NHS "estate" to establish the current status of local IT infrastructures and application contracts. This will provide a solid foundation for detailed implementation planning in due course. We have also noted that workshops are in train to give all concerned an opportunity to understand the potential difficulties of data transfer to the National Spine. Data cleansing and data migration are complex issues that have the potential to delay implementation. We recommend that attendance at one of these workshops is made mandatory for those with the responsibility for planning/implementation of these activities.
37. It will also be important that prior to award of contract appropriate processes and procedures are in place to ensure effective contract / service management. Such arrangements are not yet in place, though we are encouraged that experienced consultants have been working for some weeks now to develop a comprehensive approach to contract / service management. This work should ensure that those responsible both centrally and locally are well prepared to interrelate with the chosen LSP following award of contract. We recommend that the agreed contract / service management processes and the associated resources be in place before contract award.
38. 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. Given the current uncertainties over 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 project plans. 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 seem not to be present on the ground or in the emerging programme management structures. We recommend that the Cluster RID engage with the MA to better define the role they can play and the specific resources that the MA can put on the ground.

39. The Cluster implementation organisation has more gaps in it than filled positions. We are concerned that the delay, which we understand is due to lack of financing, will impede ramping up after contract award. This is particularly important for this Cluster because of the centralised nature of the rollout and standard solution approach. We have recommended that the financing is approved by the London Programme Board as soon as possible and we further recommend that the bulk of the positions are filled before contract award.

40. The bidders for the London Cluster are also the bidders for the National Spine work. We have no information on which to judge whether both the bidders have the capacity for full implementation of the National spine and the London Cluster at the same time. We are thinking particularly of the requirements of prime consortium management and programme management. Whilst both bidders are substantial organisations, the two contracts are both large, demanding programmes that will run exactly simultaneously. If the same bidder is recommended for both the NASP and the London Cluster LSP, we recommend that the final evaluation report explicitly covers the work done to provide assurance that the recommended bidder has the capacity to successfully deliver both contracts.

41. The next OGC Gateway review for the London Cluster LSP project is expected in June 2004.

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.

APPENDIX B

ICRS LONDON CLUSTER OGC GATEWAY 3 REVIEW
LIST OF INTERVIEWEES
14th October – 17th October

<Text Redacted>