

## FINAL REPORT

Programme Title: New National Network (N3)

OGC Gateway™ Number: 339

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### **OGC Gateway™ Review 4 – Readiness for service**

Version number: Final Report

Date of issue to SRO: 25/8/2005

Department: DoH

Agency or NDPB: CfH

OGC Gateway™ Review dates 22/8/2005 to 25/8/2005

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OGC Gateway™ Review Team Leader: <Text Redacted>

OGC Gateway™ Review Team Members:

<Text Redacted>

Version 2.1 (Issued)

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### Background

There were formerly two national framework contracts with BT and Cable and Wireless which deliver the NHSNet Wide Area IP Network throughout the NHS in England. These contracts were let in 1992.

Over the period of the contracts NHSNet grew to a position where it underpinned a number of important business functions within almost all NHS organisations. Over 10,000 connections were set up.

The nature of the technology has advanced considerably in the last ten years and the framework arrangements increasingly failed to keep pace with these changes or to offer continued value for money (VFM) in the light of Telco changes and the reduced cost of bandwidth. This led to an increase in local procurement of services outside the national framework contracts.

The BT and Cable and Wireless contracts expired in September 2004 though contracts called off from either framework can continue for up to three years beyond the date the framework expires.

The National Network for the NHS (N3) will provide IT infrastructure, network services and broadband connectivity to meet the needs of the National Programme now and into the future. It will provide support for NHS Care Records Service, Booking and Choice, Electronic Transmission of Prescriptions, Picture Archiving and Communication s Systems and GP IT Support Programmes.

It will link all NHS organisations in England, enabling data to be exchanged reliably and securely. N3 will provide continuity of service from the existing NHSNet and satisfy the current and future wide area networking requirements of the National Programme.

The original driving force for the project was a requirement to update the NHS Network infrastructure in support of some key government initiatives including implementing the NHS Plan through the Information strategy for the NHS 'Information for Health', the E-Government initiative and the Broadband Aggregation Project.

A review following Gateway principles was carried out at the equivalent stage to a Gateway 1 and a formal OGC Gateway 2 review was completed in April/May 2003.

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### **Current position regarding OGC Gateway™ Reviews:**

A Gate 3 Review was carried out in January 2004 before award of contract to N3SP, a subsidiary of BT established for the purpose, producing a RAG assessment of Green. The Gate 4 review has been postponed because of difficulties with suppliers, but it is now believed that the project has reached a stage where a review is appropriate. The protracted nature of the implementation means that more than one Gate 4 review may be needed.

### **Purposes and conduct of the OGC Gateway™ Review**

#### Purposes of the OGC Gateway™ Review

The primary purposes of an OGC Gateway Review 4 are to confirm that contractual arrangements are up to date, that necessary testing has been done to the client's satisfaction and that the client is ready to approve implementation.

Appendix A gives the full purposes statement for an OGC Gateway Review 4.

#### **Conduct of the OGC Gateway™ Review**

This OGC Gateway Review 4 was carried out from 22/8/2005 to 25/8/2005 at NHS Leeds offices in Princes Exchange. The team members are listed on the front cover.

The people interviewed are listed in Appendix B.

Appendix D shows a list of documents reviewed.

The review team are extremely grateful to the members of the N3 team and staff of the NHS CfH and N3SP organisations for their welcoming attitude, open and honest contributions to discussions and helpful approach to the completion of this review.

### **Conclusion**

This project is a vital component of the National programme for upgrading NHS computing. The approach to procurement as outlined in the previous report was intended to achieve good value for money in network service provision, while transferring the commercial and technical risks involved in the

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management of the service to the external contractor. The review team finds that the project will deliver the required services with a few adjustments to current practices, but that the demonstration of achievement of good value for money is made more difficult by the demise of the broadband aggregation programme, and that not all risks can be transferred to the contractor. Some examples of shared risk will feature in the report.

The review team found significant examples of good governance structures in the establishment and operation of a suitable structure of boards and committees, together with a professional approach to the management of risk within the project.

A summary of recommendations can be found in Appendix C.

### **Status**

The overall status of the Project is **Amber** - as defined below.

**Red – To achieve success the project should take action immediately.**

**Amber – The project should go forward with actions on recommendations to be carried out before the next OGC Gateway Review of the project or by an earlier specified date, if the time to OGC Gateway Review 5 is protracted.**

**Green – The project is on target to succeed but may benefit from the uptake of recommendations.**

Eight out of ten recommendations from the Gate 3 report have been implemented. The definition of the complete WAN requirements for the NHS has not been carried out because they are seen as outside the scope of the project. While a Draft Benefits realisation plan was prepared in April 2004, it has not been revised since, as the view of the project team is that no external change has rendered such a revision necessary. However, the review team believes that the status of the report should be updated to “final”.

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### **Findings and recommendations**

#### **1: Business case and stakeholders**

The Project SRO has changed since the previous report because of organisational changes. The present incumbent of the post sees himself as a temporary appointment.

**The review team recommend that the appointment of a permanent SRO should be made as soon as possible.**

There exists a national user group, which has met three times and is becoming effective. However, the review team found no evidence of up to date definition of the project stakeholders, nor any documentation of a plan for a systematic approach to dealing with them. The N3 project team offered the view that responsibility for provision of such tools lay with the contractor, N3SP. This seemed to us an example of lack of clarity as to management of risk, in that failure to define stakeholders and manage relationships with them is likely to prejudice the N3 project's chances of success.

**The review team recommend that a document showing the project stakeholders be prepared, together with a plan for managing relations with them.**

The contract projects savings of some £150 million over three years on NHS voice telephony costs. They are not being delivered. The review team understands that discussions with the "Supply chain excellence" programme in DoH procurement are under way to expedite the realisation of voice cost reductions through the use of N3SP consultancy.

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### **2: Review of current phase**

The Review Team heard differing views on the likely end point of the project.

N3SP are working to improve the end user experience of the connection process. Comments received show how necessary this work is.

The Review Team saw evidence that CfH N3 relations with N3SP management are improving and leading to improved performance.

There are serious problems concerning the data (NACS, CRM and All Orders report) used by N3SP to manage the network. The review Team saw evidence of work to improve the quality of data, which currently affects the installation programme and N3SP's ability to provide acceptable invoices.

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### **3: Risk management**

The Review Team saw examples of activity that seemed to work against the intention to transfer risk to N3SP. They included reviewing contractor staff appointments, intervening in customer relations and offering advice on service management.

Many interviewees spoke of the existence of a substantial number of commercial issues, some hanging over from the settlement in February 2005, others of more recent arrival. There was no consensus on the magnitude of the costs involved, nor on where responsibility for resolving them lies. All interviewees who mentioned this topic spoke of the need to achieve clarity on what is involved, ensure the accuracy of claims being made and achieve resolution as soon as possible. Interviewees said that dealing with these issues and not resolving them is becoming a major drain on management resources for N3 and N3SP. As a result, we detected a strong collective intention to resolve these issues.

**The review team recommend that the necessary effort to identify, clarify and resolve the outstanding commercial issues be dedicated to that purpose once the N3SP position becomes clear.**

N3SP have not yet presented an invoice that is fit to be paid, so that all N3SP network costs are being accrued. This inability to pay could prejudice financial management and the rational justification of future budgets.

**The review team recommends that work be put in hand to enable payment of the uncontested portions of existing and future invoices.**

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### 4: Readiness for next phase – benefits evaluation

20% of connections to be made in the N3 project as planned will be made via COINS. There are considerable opportunities to reduce the overall cost of NHS networking by using the N3 funding as a base, with additional local contribution to make network provision in areas served by COINS more modern and more resilient. The N3 team and N3SP recognise this and are working with local managements to plan for better service provision in COINS areas. However, such provision needs to be made via specifically tailored solutions, to a large extent, not normally via standard catalogue provision. Resolution of COINS networking also falls formally outside N3's scope of work. Work is ongoing to amend the contract to permit provision via tailored solutions, not always catalogue services, and the N3 team is working to increase the number of COINS to be serviced within the timescale of the project.

**Additional services such as building blocks to support locally funded COINS where they are agreed as offering vfm for the public purse should be brought clearly within the N3 scope of work.**

**The review team recommend that clear plans be developed by N3SP for upgrading COINS network provision as an adjunct to the N3 programme, with additional locally provided funding as needed being sought from the relevant Trusts and COINS partners.**

The Review Team learnt the streaming of radio programmes is currently the second largest contributor to Internet network traffic. Increasing network loadings at key connection points will cause traffic of this sort to prejudice network performance. The N3 team is of the view that banning such traffic, when it becomes desirable to do so to ease constraints on network capacity and ability to serve the NHS's business needs, is outside their authority.

**The Review Team recommend that the authority to ban classes of traffic that are seen to inhibit the ability of the network to meet the business needs of the Health Service be established within CfH.**

In Section 2, mention was made of the lack of clarity concerning the project's end date and its evolving scope. There is a clear intention to transfer responsibility for management of the installed network to the Service Management Group in the first or second quarter of 2006, but no clarity as yet concerning the further responsibilities of the N3 team or the duration of their "project".

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**The Review Team recommends that the current plan to define the terms of the transfer of operational responsibility for management of the installed base to Service Management be extended to cover planning for the further targets, tasks and resources of the N3 team.**

As a consequence of the transfer to Service Management, the Review Team would expect to see a reduction in current difficulties in resolving complex problems perceived by end users of national services that have possible causes in the application, hardware performance or the network.

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**The next OGC Gateway™ Review is expected in March or April 2006, to review preparations for the transfer of operational responsibility to Service Management.**

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### **APPENDIX A**

#### **Purpose of OGC Gateway™ Review 4: Readiness for Service**

- Check that the current phase of the contract is properly completed and documentation completed.
- Ensure that the contractual arrangements are up-to-date.
- Check that the business case is still valid and unaffected by internal and external events or changes.
- Check that the original projected business benefit is likely to be achieved.
- Ensure that there are processes and procedures to ensure long-term success of the project.
- Confirm that all necessary testing is done (e.g. commissioning of buildings, business integration and user acceptance testing) to the client's satisfaction and that the client is ready to approve implementation.
- Check that there are feasible and tested contingency and reversion arrangements.
- Ensure that all ongoing risks and issues are being managed effectively and do not threaten implementation.
- Evaluate the risk of proceeding with the implementation where there are any unresolved issues.
- Confirm the business has the necessary resources and that it is ready to implement the services and the business change.
- Confirm that the client and supplier implementation plans are still achievable.
- Confirm that there are management and organisational controls to manage the project through implementation and operation.
- Confirm that all parties have agreed plans for training, communication, roll-out, production release and support as required.
- Confirm that all parties have agreed plans for managing risk.

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- Confirm that there are client-side plans for managing the working relationship, with reporting arrangements at appropriate levels in the organisation, reciprocated on the supplier side.
- Confirm information assurance accreditation/certification.
- Confirm that defects or incomplete works are identified and recorded.
- Check that lessons for future projects are identified and recorded.

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### APPENDIX B

#### Interviewees

<Text Redacted>

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### APPENDIX C

#### Summary of recommendations

Red – Take action immediately.

Amber – Take action by the next OGC Gateway Review.

Green – Take action as required.

		Status
Ref. No.	Recommendation	R/A/G
1.	The review team recommend that a permanent appointment of an SRO should be made as soon as possible.	A
2.	The review team recommend that a document showing the project stakeholders be prepared, together with a plan for managing relations with them.	G
3.	The review team recommend that the necessary effort to identify, clarify and resolve the outstanding commercial issues be dedicated to that purpose once the N3SP position becomes clear.	A
4.	The review team recommends that work be put in hand to enable payment of the uncontested portions of existing and future invoices.	A
5.	Additional services such as building blocks to support locally funded COINS where they are agreed as offering vfm for the public purse should be brought clearly within the N3 scope of work.	A
6.	The review team recommend that clear plans be developed by N3SP for upgrading COINS network provision as an adjunct to the N3 programme, with additional locally provided funding as needed being sought from the relevant Trusts and COINS partners.	A

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7.	<b>The Review Team recommend that the authority to ban classes of traffic that are seen to inhibit the ability of the network to meet the business needs of the Health Service be established within CfH.</b>	<b>A</b>
8.	<b>The Review Team recommends that the current plan to define the terms of the transfer of operational responsibility for management of the installed base to Service Management be extended to cover planning for the further targets, tasks and resources of the N3 team.</b>	<b>A</b>

**NB: Full R/A/G definitions can be found in the status section.**

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## APPENDIX D

### Documents reviewed

The list below indicates (where applicable) the documents consulted over the course of this review.

#### **Key Documentation**

[OGC Gateway 3 recommendations report](#)

[Full Business Case](#) (signed by HMT Feb 2004) [Appendices](#)

[Project Initiation Document \(PID\)](#) (Issued November 2003)

[Risk & Issue Log](#) (Updated August 9th 2005)

[Project Agreement – Terms and Conditions](#)

[Project Agreement – Call Option Deed](#)

[Project Agreement – Schedules](#)

[Contract Change Documents](#) (Document folder includes all side letters, appendices, etc)

CCN [Settlement agreement](#)

CCN [Acceleration Agreement](#) (also referred to as Extended Rollout)

Project Board

Minutes - [June 2005 \(Agenda\)](#) [July 2005 \(Agenda\)](#)

[List of attendees](#)

[Future Meeting Dates](#)

Contract Board

[Terms of Reference](#)

Minutes - [June 2005](#) [July 2005](#)

[List of attendees](#)

[Future Meeting Dates](#)

Development Board

[Terms of Reference](#)

Minutes - [June 2005](#) [July 2005](#)

[List of attendees](#)

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Service Board

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[Terms of Reference](#)

Minutes - [June 2005](#) [July 2005](#)

[List of attendees](#)

[Future Meeting Dates](#)

Operational Service Review

[Standing Agenda](#)

Minutes - [June 2005](#) [July 2005](#) ([Agenda](#))

[List of attendees](#)

[Future Meeting Dates](#)

User Group

[Terms of Reference](#)

Minutes - [January 2005](#) [April 2005](#)

[List of attendees](#)

[Future Meeting Dates](#)

Programme Delivery Board (CFH / Supplier Meeting)

Minutes - [Tues 26 July 2005](#) ([Agenda](#)) [Thur 28 July 2005](#) ([Agenda](#))

N3 Monthly Programme report - [June 2005](#) [July 2005](#)

[National Opinion Poll Report of User Issues](#)

N3 Project Organisation Charts - [Authority](#) (N3SP to submit organisational structure diagram w/c 15 August)

[Commercial Issues Report \(N3SP relationship with its sub-contractors/VFM\)](#)

[Project Budget Tracking Report](#)

COINS Area to Circuit mapping

IT usage policy

Draft Benefits Realisation plan 04/04

Cumbria and Lancashire COIN Risks and issues register

Cumbria and Lancashire Highlight Report