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OGC Gateway™ Review 0 – Strategic Assessment

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Office of Government Commerce

Background

Aims of the programme:

The National Programme for Information Technology (National Programme) was established in October 2002 to implement projects vital to the NHS modernisation programme. The National Programme will implement modern, integrated IT infrastructure and systems for all NHS organisations in England by 2010. By providing for the safe and efficient transfer of information across the health care system, the National Programme is aimed firmly at improving care for patients and enhancing the working experience of clinicians and other NHS staff. It is an essential element in delivering The NHS Plan.

The National Programme will deliver a range of services including:

- An electronic NHS Care Records Service (CRS) to ensure clinicians and health care professionals can access patient information, whenever and wherever it is needed
- An electronic booking service, known as Choose and Book, to make it easier and faster for GPs and other primary care staff to offer a choice of services and book hospital appointments for patients.
- A system for the Electronic Transmission of Prescriptions
- IT infrastructure with sufficient connectivity and broadband capacity to meet NHS needs now and into the future through the implementation of a New National Network, known as N3
- Picture Archiving and Communications Systems (PACS) to provide facilities for the storage and distribution of all digital images across the NHS
- IT to support the new General Medical Services contract

When fully implemented, the NHS CRS will function across care settings and organisations and will support planned and emergency care.

- Patients will benefit because the NHS CRS will improve the quality and convenience of care by ensuring that the right information is available to the right people at the right time. It will also improve choice for patients and, in due course, will allow them easy, secure access to their NHS Care Record.
- Clinicians can benefit from being able to access patient information wherever it is needed. With less time spent chasing records and test results, clinicians will have more time to concentrate on providing quality care for patients.

- The NHS will benefit through better collection and analysis of information, enabling resources to be used more efficiently, and allowing the NHS to plan better for the future.

The NHS Care Records Service will provide a live, interactive patient record service accessible 24 hours a day, seven days a week, by health professionals whether they work in hospital, primary care or community services. It will enable clinicians to access patients' records securely, when and where they are needed, via a nationally maintained information repository.

Driving force for the programme:

The 1998 Department of Health strategy “Information for Health” committed the NHS to lifelong electronic health records for everyone, with round-the-clock, on-line access to patient records and information about best clinical practice for all NHS clinicians.

Following the development of the NHS Plan, a supporting document “Building the Information Core: Implementing the NHS Plan”, published in January 2001, outlined the information and IT systems needed to deliver the NHS Plan and support patient-centred care and services.

The Wanless Report, published in April 2002, had several key recommendations for IT in the NHS. These included a doubling and protecting of IT spend; stringent, centrally managed national standards for data and IT and the better management of IT implementation in the NHS, including a national programme.

In June 2002, the Department of Health published “Delivering 21st century IT, Support for the NHS”. This document outlined the strategy and the scope for the National Programme for IT in the NHS.

Programme objectives:

The National Programme specific objectives include:

- To deliver national information systems which provide or enable those services which need to operate beyond the boundaries of local Health Communities. These include integrated care records, electronic bookings and electronic transmission of prescriptions.

- To increase the NHS ability to deliver major projects.

- To deliver a range of IT systems and services within the funding provided.

- To mobilise and facilitate implementation activity.

- To set information data standards and architecture.
- To manage national procurements.

Key targets based on the general priorities driving the National Programme include:

- Make Choose and Book nationally available by the end of 2005. This aims to provide patients/GPs with a choice of four or five providers of first outpatient appointment.
- Implement the Electronic Transfer of Prescriptions (ETP) service from 2005. This aims to deliver 50% of a national prescriptions service by the end of 2005 and 100% by the end of 2007.
- Implement new NHS Care Record Service (Spine) systems starting early 2005. These will provide increasing functionality and geographic coverage over time. It is currently envisaged that the vast majority of the rollout of these systems will be completed by 2008, and be fully implemented by 2010.
- Implement GMS contract-required functionality within existing GP IT systems.

Procurement status:

To date the National Programme for IT has achieved all of its major milestones on time and to budget. These have included the tendering and awarding contracts for the provision of both national and local (cluster based) IT services and systems. These contracts, which cover periods between 5 and 10 years, have a whole life value of in excess of £6bn with a significant part of the risk being carried by the supplier.

Current position regarding OGC Gateway™ Reviews:

A Gateway 0 review of the National Programme was completed in June 2002 and the major projects are being reviewed in their own right.

Purposes of the OGC Gateway™ Review

The primary purposes of an OGC Gateway Review 0 are to review the outcomes and objectives for the programme (and the way they fit together) and confirm that they make the necessary contribution to Ministers' or the Department's overall strategy.

Appendix A gives the full purposes statement for an OGC Gateway Review 0.

Conduct of the OGC Gateway™ Review

This OGC Gateway Review 0 was carried out from 25/10/2004 to 29/10/2004 at Leeds and London. 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 would like to acknowledge the helpfulness and openness of all those who contributed to the review. In particular we would like to express our appreciation of the help provided by **<Text redacted>**
who worked tirelessly to set up and then to ensure that the programme of interviews ran smoothly.

Conclusions

The programme to procure and deploy IT for the NHS on a national basis was first reviewed by an OGC team in June 2002. The report from the earlier Gate 0 concluded that the programme required the capability to manage procurement and to manage change at local level that was on a scale unprecedented in DH and NHS history. A number of recommendations were drawn up that identified the issues that needed to be addressed and provided guidance on how best to proceed with the programme.

That earlier review concluded that overcoming the two major challenges of managing procurement and managing change was essential for programme success. This conclusion remains as relevant today as when it was drawn up two years ago.

This Gate 0 review finds great contrast in the progress and achievement in meeting these twin challenges.

For procurement the pace of progress has been unprecedented in the public sector. The specification, competitive selection and award of 10 major output based service contracts have been completed in a remarkably short timescale and these contracts embody innovative commercial provisions for payment, incentivisation and performance remediation. Although it is too early to judge the success of these very taut ground-breaking contracts they represent a major step forward in the creation of the sound bedrock of industrial participation essential for the success of the national programme.

Early IT development work has been completed in time to achieve high profile delivery milestones for Choose and Book in line with demanding targets that

were set when the programme was launched, which was well before the extent of the task to be addressed and the technical solution were understood fully. However, the programme is still at a very early stage and much more development, integration and system implementation remains to be completed. Despite these early successes we were aware of areas where delays were building up which is not surprising with a programme of such scale and complexity. Nevertheless, overall we were confident that good progress would be maintained although the planned roll-out levels for some functions will be not achieved in full by the target dates set for the programme.

What has been put in place already represents a significant success for the programme. To a large extent this achievement can be attributed to the personal expertise and the drive and leadership provided by Richard Granger. His team have worked extremely effectively by responding to the demanding timetables with ground-breaking solutions.

The second of the two challenges involves the implementation, acceptance and exploitation of the nationally procured IT throughout the decentralised organisations of the NHS. This extensive IT-enabled change programme could only ever follow on behind procurement although detailed planning and other build-up activities must be in place so that disruption is avoided and the potential benefits are realised quickly when the IT is delivered. These preparations include the obvious physical matters but of crucial importance is the need to secure the buy-in of the clinicians and managers who will use and exploit the systems when they arrive.

The importance of this aspect of the programme was recognised with the appointment of the Director General of Benefits Realisation, as a second SRO for the programme, to inform and engage the staff and to provide leadership to drive through the changes that are needed. Although a number of initiatives were launched, his recent departure has provided an opportunity to reassess the best way to address these aspects of the programme. The new Director of Service Implementation was appointed in September but it is still early days and although some parts of his strategy and the concept for a strengthened engagement organisation were explained to us, none was yet fully developed or in place. The Director General for IT (previously SRO for procurement management) has also now been nominated as the single SRO for the whole programme.

Deleted: earlier this year

The programme has reached a crucial stage: the suppliers are engaged and working hard and the pace of implementation will increase over the forthcoming months. There is widespread support for increased use of IT in the NHS but bad experiences with current systems and earlier failures have lead to suspicion and cynicism of the National Programme, which must be addressed. The recent adverse media attention will not have helped. For example there is an urgent need to adopt a more open approach and to

improve communications with the media and staff at all levels in order to address a number of their fears over the IT that is being procured.

In our view these deep-seated negative attitudes at grass roots level towards the National Programme represent a serious threat that could delay successful implementation or prevent the full realisation of benefits.

Although we welcome the appointment of the Director of Service Implementation we conclude that further refinements to the programme's management and governance structure are needed. In this respect we are concerned that the guidance represented by the NAO/OGC Common Causes of Failure is not being satisfied in full. A particular example of this concern is the extent to which the new SRO (the Director General for IT) has the responsibility, ability and authority to ensure that the business processes/change and business benefits are delivered. We concluded that the evolving management structure that was explained to us should better reflect the reality of how the programme will have to be managed as the emphasis moves from IT procurement to service implementation and benefit delivery.

Deleted: current

The Director of Service Implementation will have the authority from the DH Group Delivery Director to task the 5 Clusters on National Programme matters although IT implementation targets must also be integrated with the performance targets and priorities set for other initiatives. We concluded that a fully integrated and coordinated approach was needed involving the Director of Progress and Performance as well as the Director General for IT and the new Service Implementation Director. This is essential in order to avoid the damaging situation where Trust CEs could receive mixed messages regarding the importance and priority that the Department places on the implementation of the National Programme.

Because of the changes and disruption that have recently occurred in the Benefits Realisation organisation there is still a noticeable absence of a coherent and practical benefits strategy. This creates a serious risk of deferring benefits once the IT systems have been successfully delivered.

The creation of an Agency from the current National Programme team and some parts of the NHSIA is requiring management attention during a crucial period of the programme and we were aware of other examples where opportunities to increase the scope of the programme are being considered. We therefore strongly endorse the recent decision by the DMB to protect the agreed delivery programme and to refuse requests for the National Programme to absorb further projects that had either not been included within its original scope or were scheduled late in its ten year programme.

It is clear that at senior level in the DH many of the problems highlighted in this report have already been identified and the need to address them more proactively than has been the case in the past is clearly understood. A number of further changes are being planned but it was difficult for us to anticipate the effectiveness of new initiatives that were not yet sufficiently mature to review in any depth.

Due to the efforts of the programme team the National Programme has achieved a great deal in a short time and foundations have been laid for success. However this level of progress is not matched by the broader aspects of the change programme and urgent action is needed to start to address the hearts and minds and benefits realisation issues that remain a threat to the programme. Our recommendations highlight where we conclude that further action is urgently needed.

A summary of recommendations can be found in Appendix C.

There are a number of examples of good practice. Under inspirational leadership the efforts of a dedicated high performing team have driven through a rigorous competitive procurement activity within very demanding timescales. The innovative commercial terms of the National Programme contracts could potentially represent best models for wider adoption within the public sector if time shows that they are as robust as they are expected to be. Equally the monitoring and reporting regime that informs the Operational Management Team of the programme status and highlights problem area requiring attention is considered to be particularly clear and effective.

Status

Despite the good progress on procurement, the current lack of engagement with the hearts and minds of the staff within the NHS at all levels, the lack of a coherent benefits realisation strategy and the absence of clarity regarding the organisational structure that will address these problems means that the overall status of the National Programme is **Red** – to achieve success the programme should take action immediately**.**

Findings and recommendations

1: Policy and organisational context

When the National Programme was first conceived and its contextual foundations were being established, recognition was given to the fact that:

- There was an overwhelming need for a single, comprehensive and modern information infrastructure that spanned the complete organisation
- Given the general backcloth of successive public sector large scale IT project disappointments, coupled with the massive scale of the NHS itself, it could have proved counter-productive to attempt to engage the community of clinicians and other users of the proposed National Programme too early in the process.

A conscious decision was therefore taken that, counter to the generally accepted wisdom, the approach for the National Programme would be to procure and deliver the new IT infrastructure and only seek to engage the users who would need to be involved in its implementation when there was something specific to present them with and when delivery dates were firm. This approach has had two major consequences:

- Whilst clinicians were engaged in the drawing up of the requirements for the new system, the vast majority of the user community have yet to be properly engaged. There is therefore a massive challenge in engaging with this large and diverse community such that they are sufficiently prepared (informed and equipped) to implement the new services when they receive their systems.
- Whilst the system requirements were framed by a careful analysis of user need, the whole approach to benefits realisation has to follow as a consequence of system implementation rather than being its driving force.

These consequences themselves form an important context for much of the way the National Programme is managed today and its forward direction.

Post of Service Implementation Director

During the course of this review, and from our discussions with a wide variety of stakeholders, it became evident that the driving forward of a successful implementation plan and delivery of the expected benefits represents a major challenge, which is at least as great as delivering the actual IT component of the programme. This challenge is further increased by a number of factors:

- The turnover there has been in recent months of individuals leading this activity, with consequent changes in direction and short-term loss of momentum.

- The widespread cynicism that exists amongst the user community about new IT systems, given the patchy reputation of major public sector IT-based programmes in the past.
- The scale and diversity of the stakeholder community.
- The complexity of the line management structure.
- The narrow window of opportunity that exists for this activity, in having to follow the initial IT procurement phase yet deliver a user community ready and willing to receive and utilise the new systems by the time of their delivery and implementation.

We therefore fully support the positive decisions recently taken by the Departmental Management Board to address the management structure for the service implementation of National Programme services and delivery of the associated benefits. We also support the decision to appoint an individual to lead this task whose combination of credibility and proven experience should both improve the prospects for success and send a clear signal to the wider stakeholder community of the importance of this work.

At the same time we have two concerns with this appointment which, as currently implemented, will require that individual to continue to hold down other demanding jobs in parallel: first there may well be difficulty in providing this role with the capacity it demands, and secondly the otherwise positive signal to stakeholders will be diluted. Whilst we recognise the difficulty in filling this post on a full time basis with a suitably qualified appointee, we nonetheless believe that this is a key step in placing the Service Implementation function on a sound footing such that system delivery and operation in the short to medium term – which has the potential to threaten the success of the whole programme – is not placed under further risk.

Recommendation 1. **We recommend that efforts are made to ensure that the role of Service Implementation Director is carried out on a full time basis.**

Position of Senior Responsible Owner

For any programme, the role of SRO needs to be held by the individual within the organisation who not only is responsible for the business benefits but also has the authority to deliver them. This is an essential requirement to avoid one of the 8 NAO/OGC Common Causes of Failure. These conditions are not satisfied by the post of Director General IT which should in any event be allowed to concentrate on the demanding responsibility of procuring the IT systems. We recognise that the new top-level management structure is still being finalised, but in our view the role of SRO sits naturally with the Chair of the National Programme Board. This is the level at which all aspects of IT delivery and Service delivery come together and this is the level at which any tensions in the programme will need to be resolved. We do not believe that relieving the Director General IT of the SRO role will in any way undermine his authority in terms of delivering the IT component of the programme, but we do believe that placing the responsibility of SRO with the Department's Group

Director of Delivery will further strengthen the prospects for successful benefits realisation.

Recommendation 2: We recommend that the responsibility of SRO for the National Programme should be held by the DH Director of Health and Social Care Delivery and Chair of the National Programme Board.

Care Record Development Board

We encountered a number of differing perceptions about the status and intended role of the Care Record Development Board (CRDB). We understand that there had been a feeling of general uncertainty or a lack of clarity about the intended role of the Board since its inception earlier this year, but naturally any such perceptions will have been reinforced by the recent departure of the former Director General of Benefits Realisation. Given the key role that the CRDB can play in bringing together the diverse community of patients and service users, the public, and social and healthcare professionals, it is important that its intended mission, positioning and forward priorities are communicated widely to all relevant stakeholders before further misunderstandings arise.

Recommendation 3: We recommend that the role and positioning of the CRDB within the revised structure for service management are clarified and communicated to all stakeholders in order that its potential is fully exploited and it is fully integrated with other clinical networks.

Positioning of the National Programme

Now that major components of the procurement programme are successfully established, and the first deliveries are starting to come through, there may be merit in considering some form of 're-branding' of the National Programme to reinforce the emphasis that now needs to be given to the business change aspects. Whilst the National Programme is clearly much more than an IT programme, the acquisition phase is increasingly being seen as having broken fresh ground in terms of what is possible by way of IT procurement, and to change the name of the programme now might well be counterproductive. Similarly a re-branding might be perceived simply as window-dressing and therefore could be counterproductive. At the same time, the formation of an Agency from the National Programme team and some elements of the NHSIA does offer a clear opportunity to take stock and ensure that the National Programme is positioned for optimum effectiveness as the emphasis in the programme moves from IT procurement to service implementation and benefit delivery.

Recommendation 4. We recommend that the style and nature of the National Programme brand be reviewed as part of the preparations for the formation of the Agency.

2: Business Case

Throughout our interviews we encountered a consistent appreciation of the importance of the programme both in terms of the timing and in terms of the essential contribution which effective IT would make to enable the Health Service to meet its future objectives. There is widespread and deep commitment to the aims of the programme when expressed in these terms.

At the most senior levels in the centre, there is also a clear sense of how the IT deliverables are linked to the other major initiatives that are under way within the Service. This understanding is less well developed further out from the centre: there is still a perception that IT implementation is an additional task on top of an already full schedule of new initiatives.

The case for investment in the components of the National Programme is predominantly based on the idea of strategic enablement: providing a platform that delivers the essential components of a modern infrastructure (a wide bandwidth network; shared access to key information and patient records) and an initial set of basic applications (such as appointment booking). These are important in their own right, but are just the precursors to what should eventually be a growing range of business-led innovation and process changes which should deliver significant benefit over a sustained period.

We have seen evidence that there has been effective involvement of the user community in developing the initial specifications for the systems, and in subsequently refining the models through Best Practice groups, early adopter arrangements and testing. Nevertheless, even discounting the difficulties inherent in trying to secure effective representation from such a huge organisation, there is a marked incidence of significant parts of the user base expressing reservations about aspects of the planned system functionality. These range from a sense that the first releases contain insufficient early wins in the form of obvious hard benefits or improvements; a fear that the agenda has become politically rather than operationally driven (the ‘Choose’ element of Choose and Book); to a concern that complex issues (such as the Opt Out strategy on patient record sharing) may have been decided prematurely.

We have no view on whether these concerns are soundly based but we are clear that they are genuinely held. The opportunities for responding to them by changing the shape of the release schedule are now severely limited, and in any event this is undoubtedly a time for the programme to be managing change extremely tightly. This adds to the challenge of addressing the hearts and minds issues and we return to this in section 6 below.

Finance

Based on the information made available to us, the primary focus of financial management seems to be on two principal sets of issues: overall funding (ensuring that there is, somewhere, adequate financial provision for the

expenditure required, even if that expenditure will be borne by local Trusts) and a much closer management of the costs relating to the centrally-procured IT. There are some issues in this latter area relating to the accounting treatment of certain types of expenditure, which may present the programme with some short-term budgetary pressure, but we saw no reason to believe that there is any structural problem with the overall picture of programme finances.

There is no practical central mechanism to manage Trusts' expenditure on implementation and training activities and, while we understand this situation, we were surprised not to find some aggregate statement of total programme costs. In the absence of some visibility of the levels and rate of such expenditure we believe that it will be increasingly difficult to monitor and demonstrate overall Value for Money.

Recommendation 5: We recommend that a clear strategy be formulated to collect the data, which will be required to establish overall VfM taking account of the organisational structure within the NHS.

3: Review of the current phase

Much has been achieved by the Programme on the procurement challenge. The pace, rigour and innovative nature of the procurement process has been unprecedented in the public sector. By its very nature this process has created a sense of urgency and momentum, which has carried forward into the IT implementation phase. While it is too early to judge the long-term robustness of the contract provisions, early indications are positive.

Since completion of the procurement phase in January the National Programme team and its suppliers have successfully transitioned into delivery/implementation mode with a shared determination to solve problems and sustain momentum. We have seen evidence that the team has established effective working relationships with their suppliers and that the contractual issues that have arisen to date are being addressed effectively.

The programme has experienced a number of system problems during the summer, which have impacted on both the pace and the quality of the initial delivery. While a number of major problems have been resolved and the overall systems offering is now more resilient not all of the issues which emerged during the summer have been overcome fully and there is still considerable work to do. This has delayed key parts of the programme and there are real risks that later high profile targets, most notably at the end of December 2005, will not be achieved in full.

In addition to managing these system problems the programme team has successfully taken on board a significant number of related projects, which lay outside the original scope of the National Programme, for example the new

GMS contract, the CONTACT supplier replacement, the ambulance service communications and the creation of the new Agency. The delivery and implementation of the IT systems is entering a crucial period, we therefore strongly endorse the recent decision by the DMB to protect the agreed delivery programme and to refuse requests for National Programme to absorb further projects that had either not been included within its original scope or were scheduled late in its ten year programme.

The second crucial challenge for the National Programme is the change management activity that will create acceptance of the programme across all segments of the NHS by capturing the hearts and minds of all staff, drive its implementation and exploitation and ensure that all the benefits are captured. To date the programme has not succeeded in delivering hearts and minds in this area in any consistent, rigorous or coordinated manner with either clinicians or managers even though it is now well recognised that any failure within the programme is more likely to be due to poor user acceptance than poor procurement.

We have seen examples of the scepticism and doubts that exist amongst some clinicians, driven largely by previous IT failures. Amongst these concerns are that the IT will be delivered late or may fail to work correctly when it does arrive or that it will be a poorer system than they already have. There is also some disenchantment because of delays in Choose and Book and other planned delivery dates and a feeling that this is being done to them without adequate consultation.

There is widespread support for the vision that underpins the programme and we have seen examples of strong clinical engagement notably in the Clinical Advisory Groups in some the Clusters and SHAs, in the involvement in the original design outputs, in the Early Adopters, and in the London and Southern Cluster Best Practice Teams. Nonetheless, this specific aspect of the Programme is, overall, behind schedule. There is now a significant risk of the IT systems being delivered before the PCTS, Trusts and GP practices are willing or able to embrace them.

Interdependency

Despite the programme and its individual projects having delivery plans we have seen no plan which captures formally the interdependencies between the National Programme and the large number of other DH initiatives and programmes. This is a requirement highlighted by the NAO/OGC Common Causes of Failure.

Recommendation 6 – We recommend that an interdependency plan for the National Programme and other DH programmes should be developed.

4: Management of intended outcomes

Much of our discussion with external stakeholders and the management team during the Review addressed the serious challenges faced by Trust Chief Executives in balancing competing demands and the consequences for the success of the National Programme. Whilst there were a number of differences of emphasis, the general view amongst the CEs we spoke to was:

- They were strongly supportive of the need to implement the National Programme
- There were many more demands on their resources (funding to management time) and delivery objectives than they had the capacity to meet
- In trying to give the National Programme sufficient priority and attention alongside the competing demands of key performance targets, and in the context of an increasingly performance-driven management regime, they recognised that there would be no easy solutions

Prioritisation

Whilst there will be some CEs who appreciate that National Programme implementation far from being merely another imposed burden is rather a key enabler of, and even a solution to, successfully meeting a range of performance targets, not all are yet thus enlightened. Simply mandating the National Programme would not represent the whole answer, given (as one senior stakeholder put it) 'the National Programme might be mandatory but so are 6 other Targets and they are higher priority'. The key will be to establish, through the twin arms of the performance management regime and the service implementation directorate, with absolute clarity that:

- All Trusts need to ensure that they give the National Programme sufficient priority and resource to ensure that it is successfully implemented.
- Successful implementation of the National Programme is a key enabler to achievement of other priority targets.

Recommendation 7: We recommend that instructions and incentives be explicitly integrated and coordinated from both the performance management regime and the Service Implementation Directorate to make the importance of the National Programme quite clear to Trust CEs to ensure it receives appropriate priority.

5: Risk management

The programme has adopted a highly structured and professional approach to the identification, categorisation and management of risk. Senior management routinely reviews the most significant risks, and our discussions with a wide range of individuals revealed a good level of awareness of both the nature and the status of the key items. Reports were initially produced at monthly intervals, but recently the frequency has been increased to provide a weekly summary. With the ever-increasing complexity of cross-project dependencies, we strongly support the enhanced visibility that this provides.

Formal scrutiny by internal groups such as Internal Audit, and external groups such as OGC and NAO is an established part of the control environment, and we found solid evidence that the recommendations arising from these reviews were being actioned and tracked.

Managing expectations

Two specific aspects of risk management are worth singling out for comment. The first, well recognised by the programme, is that some targets (especially those which were set before adequate bottom-up planning had been carried out) are now assessed as being at risk. To take the example of the Choose and Book service, the delays which have already been experienced on a number of the development projects together with the additional work which will probably be required to secure effective deployment and implementation make it unlikely that the 2005 targets will be met in full. There is a high probability that penetration and take-up will reach respectable levels which would still represent a significant achievement, but unless expectations are adjusted at the appropriate time, there is a strong possibility that what ought to be seen as a genuine success will be perceived as a failure.

Recommendation 8: We recommend that a strategy is developed for managing expectations in the light of realistic assessments of the likelihood of meeting the programme's high profile targets.

Policy implications

The second relates to the aggregate burden of change, which the Health community is undergoing. The programme is now at a stage in its development where its products and plans, and its demands on operational staff are becoming defined and new demands, policies and initiatives will have the potential to cause significant disruption and further delay. In particular we draw attention to the advice in DAO letter 03/04.

Recommendation 9: We recommend that the impact on the National Programme needs to be fully established as part of the process of carrying out feasibility assessments of any new policy or initiative.

Common Causes of Failure

We understand that individual projects in the National Programme have been assured against the NAO/OGC list of Common Causes of Failure. The evidence we examined indicated that a similarly rigorous assessment has not yet been carried out for the programme as a whole. In our view this is a significant omission in the approach to risk management and we believe that, as well as the need to meet this formal requirement, the team would derive considerable benefit from conducting this exercise with senior management engagement. In particular the new arrangements being proposed for service delivery and the revised overall governance framework should be tested against the NAO/OGC document.

Recommendation 10: We recommend that a rigorous review is conducted of the programme as a whole against the NAO/OGC Common Causes of Failure.

6: Readiness for next phase

The programme is at a crucial stage as it approaches the point where IT systems of proven quality become available from the suppliers for roll out across the Service. The management emphasis in the programme as a whole must now change from systems delivery mode to service delivery mode.

Service delivery itself has two clear strands:

- Achieving acceptance and exploitation of the IT systems
- Identifying, planning for and capturing the benefits

A critical next step is the need to capture the hearts and minds of clinicians and managers, and through them the wider population in the NHS. This is recognised to be a major challenge.

We were aware of a widely held belief that little can be done to engage clinicians in any meaningful way until proven systems are to hand that can be demonstrated on real tasks and that once such demonstrations are made hearts and minds will be captured and an environment of acceptance will quickly develop. While we would not question this view there is a risk that securing hearts and minds will be more challenging than is being assumed. With all of the other changes being introduced into the NHS and with the pressures of performance management, the delivered IT systems may act as a ‘lightning rod’ and attract negative reactions that will undermine successful adoption for some considerable period. This will only serve to increase the magnitude of the challenge.

There will be a natural tension between the need to provide information to a wide spectrum of different audiences in the NHS, and the risks that exposing such information could generate outside of the organisation. Capturing the hearts and minds of all staff and giving managers and lead clinicians the information they need will require a much more open approach to communications than has existed in the Programme to date. Recognising this, we endorse the recent decision to review and approve a new and more open communication strategy for the Programme.

Benefit realisation

A second critical next step is focussing on and engaging the organisation in the need to plan for, identify and capture all the benefits the IT systems will release. We have seen some evidence from within a Cluster of initial steps being taken down this road but efforts to date generally have been patchy and have lacked cohesion. Evidence also suggests that there are sections of the organisation awaiting practical advice and guidance from the Benefits Realisation team but little has as yet been delivered. The changes and disruption that have recently occurred in the Benefits Realisation organisation have resulted in the programme falling well behind in promulgating a coherent benefits strategy and there is serious risk of deferring or even losing anticipated benefits once the IT systems have been successfully delivered.

Recommendation 11: We recommend that the promulgation of a coherent and practical strategy for benefit realisation that can underpin the next local planning round is made a priority for the newly appointed Director of Service Implementation.

Next OGC Review

We believe that a programme of this scale and complexity will benefit from regular external review. A further OGC Gateway™ Gate 0 Review should be considered in 18 - 24 months.

APPENDIX A

Purpose of OGC Gateway™ Review 0: Strategic assessment

- Review the outcomes and objectives for the programme (and the way they fit together) and confirm that they make the necessary contribution to Ministers' or the department's overall strategy.
- Ensure that the programme is supported by key stakeholders.
- Confirm that the programme's potential to succeed has been considered in the wider context of the department's delivery plans and change programmes.
- Review the arrangements for leading, managing and monitoring the programme as a whole and the links to individual parts of it (e.g. to any existing projects in the programme's portfolio).
- Review the arrangements for identifying and managing the main programme risks (and individual project risks), including external risks such as changing business priorities.
- Check that financial provision has been made for the programme (initially identified at programme initiation and committed later) and that plans for the work to be done through to the next stage are realistic, properly resourced with sufficient people of appropriate experience, and authorised.
- After the initial review, check progress against plans and the expected achievement of outcomes.
- Check that there is engagement with the market on the feasibility of achieving the required outcome.

APPENDIX B

Interviewees

<Text redacted>

APPENDIX C

Summary of recommendations

Red – Take action immediately.

Amber – Take action before further key decisions are taken

Green – Take action as required.

		Status
Ref. No.	**Recommendation**	**R/A/G**
1.	**Recommendation 1. We recommend that efforts are made to ensure that the role of Service Implementation Director is carried out on a full time basis.**	**Red**
2.	**Recommendation 2: We recommend that the responsibility of SRO for the National Programme should be held by the DH Director of Health and Social Care Delivery and Chair of the National Programme Board.**	**Red**
3.	**Recommendation 3: We recommend that the role and positioning of the CRDB within the revised structure for service management are clarified and communicated to all stakeholders in order that its potential is fully exploited and it is fully integrated with other clinical networks.**	**Red**
4.	**Recommendation 4. We recommend that the style and nature of the National Programme brand be reviewed as part of the preparations for the formation of the Agency.**	**Green**
5.	**Recommendation 5: We recommend that a clear strategy be formulated to collect the data, which will be required to establish overall VfM taking account of the organisational structure within the NHS.**	**Amber**

6.	**Recommendation 6 – We recommend that an interdependency plan for the National Programme and other DH programmes should be developed.**	**Red**
7.	**Recommendation 7: We recommend that instructions and incentives be explicitly integrated and coordinated from both the performance management regime and the Service Implementation Directorate to make the importance of the National Programme quite clear to Trust CEs to ensure it receives appropriate priority.**	**Amber**
8.	**Recommendation 8: We recommend that a strategy is developed for managing expectations in the light of realistic assessments of the likelihood of meeting the programme's high profile targets.**	**Amber**
9.	**Recommendation 9: We recommend that the impact on the National Programme needs to be fully established as part of the process of carrying out feasibility assessments of any new policy or initiative.**	**Amber**
10.	**Recommendation 10: We recommend that a rigorous review is conducted of the programme as a whole against the NAO/OGC Common Causes of Failure.**	**Red**
11.	**Recommendation 11: We recommend that the promulgation of a coherent and practical strategy for benefit realisation that can underpin the next local planning round is made a priority for the newly appointed Director of Service Implementation.**	**Red**

APPENDIX D

Documents reviewed

The list below indicates the documents consulted over the course of this review.

Information for Health 1998
Delivering 21st Century IT Support for the NHS
The NHS Improvement Plan – June 2004
Submission for the Strategic Review
NATIONAL PROGRAMME Programme Business Justification
PID
National Programme Implementation Guide
Public and Patient Engagement team plan
Stakeholder engagement team plan
Stakeholder Groups and Definitions
ATP2 Business Case for NE
ATP2 Business Case for Southern Cluster
Financial Control Presentation
Issues and Risk Framework
Monthly report Feb 04
Monthly report Aug 04
Monthly report Sept 04
Weekly report weekending 8 October 04
Milestone Overview chart.
Programme Board Financial Report
Programme Board Minutes
NATIONAL PROGRAMME Suppliers Guide
Delivering Benefit from the National Programme
Benefits management information
Programme Assurance Report Sept 2004
NAO Report e booking