TITLE OF PROJECT

National Health Service – Integrated Care Records Services

OGC Gateway review: Gateway 1 - Business Justification

Status of report: Final Report

Senior Responsible Owner: <Text Redacted>

Review Date: 21st to 25th October 2002

Review team:

<Text Redacted>

OGC

Office of Government Commerce

NHS - Integrated Care Records Services
Gateway 1: 21st – 25th October 2002

Background

1.   The National Strategic IT Programme is designed to connect the capabilities of modern IT to the delivery of the NHS Plan. The core of the strategy is to take greater control of the specification, procurement, resource management, performance management and delivery of the information and IT agenda. There are 4 key elements to the Programme:
- Delivering the robust infrastructure, including the national approach to authentication, security and confidentiality;
- Delivering electronic booking of appointments;
- Delivering electronic transfer of prescriptions;
- Delivering the Integrated Care Records Services (ICRS)

2.   The ICRS must deliver a seamless continuum of care for an individual patient or service user, which is:
- Integrated across all health and social care settings ;
- Designed around the patient, and not around the individual institutions;
- Able to support the implementation of care pathways as part of National Service Frameworks.

3.   The size, nature and diversity of the NHS is such that the programme that is required to deliver this objective is huge, complex and likely to cost well in excess of £1BN.

4.   The driving force for the ICRS is the policy paper "Delivering 21st Century IT Support for the NHS" which focuses on a patient centric approach.

5.   A draft procurement strategy document for the National Strategic IT Programme has been drafted and is currently being refined for use in the various elements of the procurement process.

6.   No earlier Gateway reviews have been carried out on ICRS, however there has been a Gateway 0 on the National Implementation Programme (NIP). This Gateway 1 review follows up on some of the issues and recommendations made in the Gateway 0 that are relevant to the ICRS.

Purpose of the review

7.   The purpose of the review is to:

- Confirm that the business case is robust – that is, in principle it meets business need, is affordable, achievable, with appropriate options explored and likely to achieve value for money.
- Establish that the feasibility study has been completed satisfactorily and that there is a preferred way forward.
- Ensure that there is internal and external authority, if required, and support for the project.
- Ensure that the major risks have been identified and outline risk management plans have been developed.

- Establish that the project is likely to deliver its business goals and that it supports wider business change.
- Confirm that the scope and requirements specifications are realistic, clear and unambiguous.
- Ensure that the full scale, intended outcomes, timescales and impact of relevant external issues have been considered.
- Ensure that there are plans for the next stage.
- Confirm planning assumptions and that the project team can deliver the next stage.
- Confirm that overarching and internal business and technical strategies have been taken into account.
- Establish that quality plans for the project and its products are in place.

Conduct of the review

8.   The Gateway 1 review was carried out from 21st to 25th October at the OGC offices in Trevelyan House and in NHS/DoH offices in Richmond House, London. The Review Team consisted of:
    <Text Redacted>
The people interviewed are listed in the Appendix.

9.   The Review Team would like to thank all those who were interviewed for their support and openness, which contributed to our understanding of this complex programme. In particular we would like to thank <Text Redacted>for providing a comprehensive set of documents, in an easily transportable medium, and <Text Redacted>for arranging a very full programme of interviews.

Conclusion

10. The Review Team finds that there is widespread support, within the NHS, for the aims and objectives of the ICRS programme, although there are concerns about the method of implementation and the potential effect on existing systems. A small number of dedicated and thoroughly professional people have worked hard over a very short space of time to produce a considerable amount of documentation, much of which is aimed at enabling a procurement exercise to begin. Unfortunately, much of this work has not been conducted within a rigorous Project Management framework so it lacks a properly structured approach and there remain many important gaps to be filled. The proper hierarchy of over-arching programme, with supporting projects, has not been defined and the whole programme is seriously under resourced, to the extent that it will be impossible to complete all the necessary work within any reasonable timescale. Many of the concerns expressed in the Gateway 0 review of the NIP are directly relevant to the ICRS programme and remain to be resolved. In particular:

- Programme and Project Management structures and resources
- Simplification through an incremental approach
- Engagement and involvement through communications
- Change Management, enabled by IT programmes and projects
- More central involvement whilst achieving local implementation.

11. After very careful consideration the Review Team has concluded that the status of the ICRS programme is RED. However the Review Team noted that the recently appointed Director General has been in post for only two weeks.

Undoubtedly he will wish to review the National Implementation Programme and may decide to implement changes. It is for consideration that this review could have been delayed to allow this to happen. In the event this was not done, but it is to be hoped that this report will be seen as a useful external view of some of the challenges he now faces.

Summary of recommendations

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

Critical before proceeding

Recommendation 1. A stakeholder analysis should be conducted in order to identify a comprehensive list of stakeholders for the ICRS programme. (Para 15)

Recommendation 2. The roles and responsibilities of stakeholders should be formally defined and agreed. (Para 16)

Recommendation 3. The overall programme and project structure, including the relationship between ICRS and the National Programme, should be identified and fully resourced to ensure that it is effectively managed. (Para 19)

Recommendation 5. A communications strategy should be developed as a matter of urgency and its implementation properly resourced. (Para 24)

Recommendation 8. The OBC for the ICRS programme should be drafted and approved so that the OBCs for the underlying projects can be derived from it. (Para 31)

Recommendation 10. A full analysis of the extent to which the ICRS programme should be delivered as a centrally driven programme with local involvement should be incorporated in the ICRS programme OBC. (Para 36)

Critical before next review

Recommendation 4. The ICRS programme and its constituent projects should adopt and implement the PRINCE 2 methodology. (Para 21)

Recommendation 6. A detailed programme plan, which should include a critical path analysis, as well as supporting plans, should be developed. (Para 25)

Recommendation 7. Change management should be set up as a separate project within the ICRS programme and resourced accordingly. (Para 27)

Recommendation 9. There must be a full analysis of the ICRS programme workload in order to determine the resource (particularly people) requirement. (Para 33)

Recommendation 11. A Risk Manager should be appointed to ensure that the principles and practice of Risk Management are adopted for this high value programme. (Para 38)

Recommendation 12. The Procurement Strategy should be re-visited once the full analysis of the options has been completed in the OBC for the ICRS programme. (Para 43)

Potential for success

<u>Stakeholders</u>

13. The starting point for this review was the need to gain a clear understanding of what is meant by ICRS. The presentations at the Planning Day (11 October 2002), together with an examination of the documentation that was provided on CD, enabled the Review Team to recognise that, essentially, ICRS is a programme that is designed to be delivered over the next 3 – 8 years to achieve a defined end state. Inevitably some of the design work will be an iterative process as things change over time but, ultimately, an **integrated** range of **services** must be provided to operate across the **care** continuum, to cover both health and social care, based on **records** related to the individual patient, to defined and agreed service levels and standards.

14. This is really a vision that the document "National Specification for Integrated Care Records Services" seeks to define in output terms. This is a good piece of work, which has been circulated for consultation, but we were concerned that it has been given insufficient priority in the process of defining the required output by those remote from the programme team. We were told that there had been some 186 responses (74 from the NHS, 62 from potential suppliers and 50 from others). Whilst we accept that the consultation process has other elements as well, we believe that there needs to be a more pro-active approach to gaining broad agreement to such a fundamental document and achieving formal "sign off".

15. In the course of our interviews it became clear that many senior people had neither seen nor read the document. Clearly, in an organisation the size of the NHS it is neither possible nor desirable to seek the views of everyone. However, an appropriate number of stakeholders must be identified and involved in such a way that they represent the views of the majority. This stakeholder involvement should operate as a formal, documented process so that the reasoning behind decisions is recorded and can form the basis of a communications strategy.

Recommendation 1. A stakeholder analysis should be conducted in order to identify a comprehensive list of stakeholders for the ICRS programme.

16. The selection of stakeholders should be seen as an essential pre-requisite for the eventual delivery of a successful programme. Throughout the life of the programme they help to set direction and ensure that the options selected at important decision points are the right ones. They should be involved with:
- the definition and approval of the high level output based specification,
- identification of business objectives,
- definition of scope, including timescale,
- feasibility studies and the selection of options,
- selection of critical success factors,
- business change requirements,
- the ongoing communications process, and
- any important decision point.

The stakeholders' roles and responsibilities must be formally defined and agreed if all this is to be achieved.

Recommendation 2. The roles and responsibilities of stakeholders should be formally defined and agreed.

Programme and Project Structures

17. In our early dealings with ICRS we noted that it was variously described by some as a project and by others as a programme. In a venture of this size and complexity the distinction is important, as the management tasks are different. We were pleased to note that much of the documentation does now refer to ICRS as a programme, although this is not a consistent approach at present. The Review Team concluded that ICRS is a programme that sits within the over arching National IT Programme, and consists of a number of supporting projects, some of which have yet to be defined.

18. The ICRS programme is of enormous complexity scope and cost. Very large programmes are prone to delay, cost over-runs and failure and experience in both the public and private sectors shows that there is a greater chance of a successful outcome if the programme is broken down into discrete increments (projects).

19. It is important that this work is done so that the overall structure is identified, developed, resourced and managed in an appropriate manner.

Recommendation 3. The overall programme and project structure, including the relationship between ICRS and the National Programme, should be identified and fully resourced to ensure that it is effectively managed.

20. We recognised from the outset that much of the work in what is described as Phase 0 of ICRS is being conducted within an interim framework, including the appointment of the current Programme Director. Furthermore we noted that the National Programme is being carried forward in 13 work streams (of which ICRS is one) co-ordinated by the National Programme support office. The ICRS Programme Director is reliant on outputs from these work streams to deliver his programme, yet he has no direct control over them. This is particularly apparent in procurement, which appears as a work stream in the National Programme and also appears, perhaps mistakenly, to be a major part of ICRS.

21. Although a lot of work is being done at this stage on documentation, it lacks structure and coherence related to a clearly defined Programme Plan. In some ways it seemed to the Review Team that the "Grand Vision" had been defined in conceptual terms and then a number of enthusiastic people had immediately set to work to contribute to their understanding of the concept without the requirement being fully defined and agreed. The analogy to a group of specialist car builders who are separately providing the wheels, the body, the engine and the transmission for a car that does not have an agreed design, is probably relevant. It is precisely to guard against this approach that current best practice advises that a formal programme and project management methodology should be used. Whilst it was noted that reference is made to PRINCE 2 in some of the documents, there was little evidence to show that the disciplines and techniques contained within this methodology are being properly applied.

Recommendation 4. The ICRS programme and its constituent projects should adopt and implement the PRINCE 2 methodology.

Communication and Engagement

22. The Review Team observed that a Communications Strategy has not yet been developed. As previously mentioned, the support of stakeholders is vital to the success of the ICRS programme. But it goes well beyond this. The NHS is a large, widely distributed organisation with a huge range of systems, supporting a multitude of different applications. These vary from relatively standard administrative applications to complex, specialist applications, some of which are essential to patient care, even to the life of patients. We detected a nervousness among some of those interviewed that the nature and scale of the requirement is not fully understood "by the centre".

23. To achieve effective buy-in to the programme it is essential there is a wide understanding of the proposed way forward and its implications. A communications strategy is required setting out, not only the ICRS programme, but also the implications of future changes on organisations and individuals in the NHS. This needs to be done in a more proactive manner than simply issuing documents for consultation. In effect, an education campaign is needed to enable the full range of NHS staff, especially clinicians and senior management, to understand ICRS and its ramifications. This itself can be seen as a precursor to the wider change process. It will require dedicated staff who will need to visit all parts of the NHS, both to gain further information and to explain the proposals.

24. It is for consideration that such a group would initially be part of the communications process. Over time, they would contribute to the planning process and, ultimately, through their previous involvement with the StHAs and the Trusts, they would become a central resource to assist the process of implementation.

Recommendation 5. A communications strategy should be developed as a matter of urgency and its implementation properly resourced.

Programme Planning

25. The Review Team noted that most of the programme planning completed to date seemed to rely mainly on the listing of milestones and key dates. This is not a realistic basis for planning a programme of this magnitude and complexity. Programme and project teams must work up a full analysis of the programme and projects into a properly constructed plan that includes time-lines, dependencies and resources and enables a critical path to be defined. Unless this is done, work will be undertaken in a random manner that is unlikely to contribute to a successful outcome. In addition to this, the planning task must also take account of the need for specific plans such as: Quality Plans, Transition Plans, Migration Plans, Financial Plans and Training Plans.

Recommendation 6. A detailed programme plan, which should include a critical path analysis, as well as supporting plans, should be developed.

Business Change

26. The successful delivery of ICRS will require a substantial element of business and cultural change which, in turn, will be supported by the IT programme. Whilst it was clear that those directly involved with the programme are well aware of this, the Review Team were concerned that the size, scope and implications of the necessary changes are not widely appreciated. There is much talk of what the IT programme will achieve, but little recognition of the potential impact of this on current practices, procedures and systems, both technical and organisational. The changes will reach right out into all areas of the NHS, directly affecting clinicians, health care specialists and support staff.

27. Consequently, change management is a fundamental part of the ICRS programme, which justifies its selection as a project in its own right. We believe that the extent and type of contribution that the Modernisation Agency can contribute to this project still needs to be determined. We would even question whether responsibility for the delivery of the ICRS programme is correctly located within the NHSIA.

Recommendation 7. Change management should be set up as a separate project within the ICRS programme and resourced accordingly.

Review of current phase

Business Case

28. An overall formal business case for spending approximately £3BN on the National Implementation Programme has yet to be made, but we have been informed that the business justification document is being written. Some problems will inevitably occur as existing and prospective projects and programmes have to be taken into account in this work. This is an essential piece of work that should cascade down to the ICRS business case.

29. There is some confusion over the purpose and content of the draft National ICRS Outline Business Case (OBC). Notwithstanding its title, the main focus of the ICRS OBC is not a business case for the programme but a business case for the procurement project that is part of the ICRS programme. This is declared at the beginning of the document where it is stated that "the primary purpose of the business case is to seek DOH and HMT approval to the setting up of a National Service framework with 3 – 5 Primary Service Providers (PSPs) in accordance with the procurement strategy". This was further confirmed in the course of our interviews when we were told categorically that the OBC was specifically to gain approval for the procurement of the PSPs. Although the implications of setting up framework arrangements with 5 suppliers could be far reaching, the process itself requires limited expenditure and it is difficult to understand why such a complex OBC is required for this task.

30. In fact we believe that there is a more fundamental problem which relates to the structure of the OBC, in which the proposal to use PSPs seems to be an assumption without any further justification. Our examination of the OBC, including the revised version presented to us during the review, led us to conclude that there is a lack of clear direction to those who are working on it. If it is to be the OBC for the ICRS programme there needs to be a much fuller analysis of the options available for implementation and the reasons behind the selection of a particular

option. If it is to be the OBC to gain approval for a procurement process then it must follow on from the ICRS programme OBC. There should be no doubt that an ICRS programme OBC is required and priority should be given to developing it as soon as possible. It must address, inter alia:

- Business objectives for the programme
- Identification of benefits and the means of measuring them
- Scope
- Identification of all the options for delivering the programme objectives
- Options appraisal
- Relationship between business change and IT developments
- Funding
- Value for money.
- Affordability

31. It is only when this work has been completed and agreed that there can be a firm foundation for the business cases for the underlying projects.

Recommendation 8. The OBC for the ICRS programme should be drafted and approved so that the OBCs for the underlying projects can be derived from it.

Resources

> *Programmes and projects fail because of a reluctance or inability*
> *to devote sufficient resources to them from the outset.*

32. The Review Team was concerned to find that the ICRS programme (worth well over £1 billion) is seriously under resourced. The programme team is a loosely coupled set of skilled individuals who are devoting only part of their time to the ICRS programme. We did not see a full resource plan during the review although some early and outline work is included in the OBC, but even this seems to grossly under estimate the likely requirement. We understand that plans are in place to find a full time Programme Director, but many more experienced and skilled staff are required to address a number of deficiencies listed elsewhere in this report; e.g. additional projects, communications, quality plans and improved documentation.

33. The full resource bill can only be determined by a careful analysis of the size, scope and time-scale of the work to be undertaken, followed by the allocation of "troops to tasks", which is part of the programme management process. It is hard to understand why such a large and important programme is so under resourced with people, but we were concerned that this may stem from a misconception about the way in which the proposed PSPs will operate. This is covered further in paragraphs 40 - 43.

Recommendation 9. There must be a full analysis of the ICRS programme workload in order to determine the resource (particularly people) requirement.

Central Direction v Local Control

34. It was clear from our interviews that many people in the NHS welcome the idea of much greater central direction, management and co-ordination of IM and T. Indeed it was clear that this was the intention of the National Implementation Programme and we support this view.

35. There is a concern however that the central team will not play a full or adequate role in subsequent stages leading to implementation and beyond. The idea of passing full responsibility for all of the implementation of ICRS to the PSP via the StHA CIO seems to us to be flawed. We would expect to see a higher level of disaggregation of the programme, and therefore control, in a programme of this magnitude. As we have indicated elsewhere in the report, a number of the locally proposed processes need to be simplified including; business cases, framework arrangements with suppliers and contracts.

36. It is noted that e-Bookings and Transfer of Prescriptions are planned for delivery through national developments. Given that this applies to communications infrastructure and the Health Records Infrastructure (HRI) as well, it would seem logical to include other facilities to form a "thicker infrastructure". Indeed we believe the start point should be to determine just how much can reasonably be delivered on a national basis, which would have the advantage that it should reduce the workload, complexity, risk and inevitable tendency to "re-invent the wheel" if it is all left to local implementation. A full analysis of issues such as this should be contained within the options appraisal work of the ICRS programme OBC. This would then form the foundation for further work, including procurement.

Recommendation 10. A full analysis of the extent to which the ICRS programme should be delivered as a centrally driven programme with local involvement should be incorporated in the ICRS programme OBC.

Finance

37. Although final decisions have yet to be reached, the Review Team was informed that funding would be available from SR2002 to meet the currently perceived ICRS programme needs. However, the affordability and value for money cases will have to be made in the ICRS programme OBC.

Risk management

38. Work has begun on the construction of a risk register, listed in both the latest PID and OBC. However, a significant number of the risk entries in the register have yet to be fully populated with the relevant information. In particular, owners have yet to be assigned to many of the risks and mitigation plans are immature. It is important that the risks are assigned to both programmes and projects and seen to be actively managed, not just listed. Risks that occur should be transferred to an issues log for subsequent action. It is good practice to ensure that the top ten risks are highlighted at the beginning of the risk log. A review of the major risks should be a standing agenda item at each meeting of the Programme Board to enable the Board to discharge their responsibility for monitoring the progress of risk management. In a programme of this scale we would expect to see the appointment of a Risk Manager.

Recommendation 11. A Risk Manager should be appointed to ensure that the principles and practice of Risk Management are adopted for this high value programme.

39. The Review Team noted that some potentially significant risks did not seem to be included in the documentation. The following should be considered for incorporation:

- The acceptance of the concept of ICRS on the ground within the NHS.
- The ability to deliver ICRS on a comprehensive basis could be compromised by the stance of GP's wishing to continue to own their systems, currently subsumed in the re-negotiation of the GMS contract.
- Ensuring the ICRS specification is modified over time as clinical practise and patient needs change, presumably through the Design Authority linking with stakeholder groups.
- Agreement to Transition / Migration plans - (extending the early work indicated in draft programme documents).
- Ensuring that other work in the NHS on electronic record developments (such as Mental Health) is kept in step with and contributes to, the development of the overall specification of the ICRS.

Readiness for next phase – Procurement strategy

40. The Review Team was impressed with the quantity and quality of the work that has been done on the Procurement Strategy and the development of the Outline PSP Requirements. As mentioned earlier, much of this has been done by people taking a pro-active approach to the programme and recognising that they need to contribute to its success. It is unfortunate that some of this effort and enthusiasm has been committed before some of the key drivers for the programme have been properly identified and agreed.

41. There is widespread concern, both within the NHS and the supplier community, about the concept and role of the PSP. Whilst it is agreed that the involvement of the suppliers will be essential to the delivery of the ICRS programme, there is less enthusiasm for the concept of the PSP, which is not generally recognised. There is a real danger that any competition to select PSPs would not attract the right suppliers, or even may not attract enough for a meaningful competition. There is also considerable debate about the contracting method and who will be the contracting authority. Notwithstanding the complex organisational structure of the NHS and the need for individual responsibility, the procurement and contracting arrangements need to be made as clear and simple as is practically and legally possible.

42. The Review team noted that alternatives, including the use of Prime Contractors or conventional Frameworks, are identified in new sections of the OBC (dated 22 October 2002) but they are apparently still "under discussion". The Review Team suggests that it would be appropriate at least to consider the appointment of Prime Contractors and/or Frameworks who would hold all the underlying sub contracts. StHAs would contract with one of the Primes for the delivery of the components of ICRS within their Health Authority. This would have the advantage of considerably reducing the amount of work to let and manage contracts, but it is recognised that there are a number of possible legal as well as

practical problems to be resolved. Such a system would also require a very clear and understandable performance management system that could be used throughout the Trusts to ensure that service delivery standards are met.

43. Overall we believe that considerable effort will need to be expended on organisation, management and resource issues for the ICRS programme before it is ready to progress to the next stage. Issues such as these are so fundamental to the progress and direction of the programme, to the resources available to the StHAs and to the relationship between the StHAs and their Trusts that they must be resolved before a Procurement Strategy can be agreed. This reinforces the need for an OBC for the ICRS programme that examines all of these options and sets the direction for the underlying projects to follow.

Recommendation 12. The Procurement Strategy should be re-visited once the full analysis of the options has been completed in the OBC for the ICRS programme.

<u>APPENDIX TO NHS – ICRS PROGRAMME – GATEWAY 1 REVIEW</u>

<u>LIST OF INTERVIEWEES</u>

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