West Yorkshire Urgent Care – lessons learned

Agenda Item 11
Reference: 10B.51

Board Meeting: 26 April 2010

NHS Direct

Summary	This report proposes action to be taken in response to the lessons learned from the process of bidding for, and subsequently mobilising the West Yorkshire Urgent Care Service: • Identification and central management of future major bids • Reviewing and strengthening project and programme management disciplines and reporting structures to the Chief Executive and the Board • Formalising a "Design Authority" to oversee any future proposed changes to the trust's patient-facing operational systems
Issues to be considered	Does the report identify the significant lessons that should be learned? Are the proposed actions sufficient?
Action required	To agree the recommended action plan.
Accountable Executive Director	Nick Chapman
Author of Paper	Nick Chapman
Date prepared	April 14 2010

West Yorkshire Urgent Care Contract

Lessons Learned – March 2010

1. Introduction

1.1 The Trust recognised in 2008 that there was an opportunity of strategic importance for NHS Direct to bid to run the first major "Single Point of Access" for patients to access urgent care in England. The Trust prepared a bid and was subsequently selected by the consortium of West Yorkshire Primary Care Trusts to run the service. The service began mobilisation in late 2008 and "went live" on 1 April 2009.

1.2 There were a number of major issues which arose during the mobilisation period, including the introduction of a new computer system to run GP assessment and face to face end of the service, and the transfer of a large number of staff from one provider to NHS Direct. The service went live as planned on 1st April 2009. However, the first few months of the new service were characterised by operational and clinical issues. Until the end of July 2009, NHS Direct failed to achieve the agreed level of performance against many of the key contractual performance indicators. This situation was remedied at the end of July 2009 and since then NHS Direct has largely achieved satisfactory levels of performance. However, painstaking work was required to ensure that the network of organisations involved worked effectively together to identify problems and issues, to agree solutions and implement these in a co-ordinated manner. It also became apparent that the cost of the new service was greater than the estimates that had been used during the bidding process.

2. Learning the lessons from the WYUC Experience

2.1 The Board carefully tracked the progress of the new service in West Yorkshire. As a result of this the Audit Committee commissioned an internal audit of the bidding process and subsequent mobilisation of the new service. The terms of reference of the audit report were to identify the lessons that the Trust needed to learn from the experience, and to recommend actions for the Trust to consider in order to reduce the chance of similar problems arising in the future. The Auditor's report has been circulated separately.

2.2 This paper sets out the management response to the recommendations in the report, and presents an action plan for the Board's approval.

2.3 The report makes 45 detailed recommendations. A response to each is contained in the action plan which is appendix A

2.4 In summary, the report recommends that

- A centrally managed function is created to oversee all significant bids for new services
- Roles in significant such projects are well defined and filled with appropriately skilled staff
- A programme management office is set up to oversee progress on all significant projects

- Each significant project is managed under a programme board using a proven methodology and composition
- Mobilisation and implementation activity is tightly managed
- Projects are evaluated and completion signed off
- That production of estimates and financial projections is tightly managed

3. Action Plan

3.1 The recommendations in the audit report are accepted as good practice and will be adopted within the trust. Some of the recommendations have direct resource consequences, and these are in process of being estimated. Once the resource consequences have been identified appropriate business cases will be raised for approval through to the Chief Executive. These will be within delegated limits and will not therefore require Board approval. However, details will be taken to the Finance Committee for scrutiny.

3.2 Specifically, the following actions will be completed within the next three months:

- All new bids will be managed under the direction of the Director of Strategy as part of the Service Development function. Specific criteria will be agreed to identify those bids judged to be major, and which will therefore be managed centrally. A review of the central capability and capacity to undertake this satisfactorily will be completed, and relevant action taken to strengthen the function will be taken.

- All major bids and projects with significant cross-functional implications will be managed as properly constituted projects, with project boards reporting to one of our established programme Boards:
    - Delivering Today (Ronnette Lucraft and Roger Rawlinson)
    - Future Services (Ruth Rankine)
    - Corporate Performance (Trevor Smith)

- These programme Boards will report formally in writing on a monthly basis to the Chief Executive's meeting, and monthly written performance reports detailing the progress and status of all major bids and projects will be made to the Board.

- All significant projects will be staffed with dedicated project managers. A review of all existing project management arrangements will be completed by the project sponsors for each, and where necessary project management arrangements will modified. New projects will only be commenced once satisfactory project management arrangements are in place.

- A "Design Authority" will be formalised. This Design Authority will be a single multi-disciplinary group with responsibility for ensuring that the design of all new patient-facing services, and developments or modifications to existing services can be safely and effectively incorporated into the operating environment of the Trust. This function is currently carried out by a variety of groups.

Nick Chapman
Chief Executive

Appendix A – Summary of Actions Recommended in the Internal Audit Report

Roles and Responsibilities

Future Actions for Consideration

1. A suitable body (bid management office) should be set-up to consider all bids.
2. A scoring mechanism should be devised to identify those bids considered strategic for putting forward to the Chief Executives Meeting for review.
3. Where confirmed as strategic, the bid management office (or similar) should be tasked with determining the amount of, and correct resourcing, to ensure that bids are properly supported.
4. The internal impact of allocating those resources to it should be considered and, where necessary, alternative resources procured. (This does not preclude making provision for capability transfer).
5. All roles and responsibilities in bidding should be clearly defined.
6. The cost impact of bidding should be properly estimated and accounted for in time recording systems to allow it be recovered or written off as an investment/overhead.

Response: These suggested actions (1 to 6) are all accepted. A central capability will be created to carry out the function of overseeing all significant bids for new contracts, under the direction of the Director of Strategy and Planning.

Future Actions for Consideration

7. The responsibilities of each role should be clearly defined. (RACI matrix or alternative)
8. Only individuals with relevant skill sets should be placed into post and, where these are not available internally (either due to capacity and/or capability), they should be sourced externally. This exercise should be documented and retained.
9. Consideration should be given as to whether it would be economic to create suitable depth at national level to support key posts in programme and project management that could be utilised when necessary. (We understand this was considered as part of the May 2009 CP1 requirement but that decisions about CP1 were deferred by the Trust Board in July 2009)
10. Where internal resources are used to staff programme and project management roles on an infrequent basis, then the internal impact of allocating those resources to them should be considered and, where necessary, alternative resources procured so as not to detract individuals from their project role effectiveness. This should be properly planned and evidenced.

Response: These actions (7 to 10) are all accepted. Project and Programme management roles in strategic bids and implementations will be filled in the future, wherever possible, by full time dedicated project managers rather than staff with an existing "day job".

Future Actions for Consideration

11. NHS Direct should consider setting up a Programme Management Office.
12. If established, the Programme Management Office should provide an oversight of all major and /or significant programmes and projects above a threshold to be set.
13. Irrespective of setting up a Programme Management Office that may be held out as a centre of excellence, subsequent programmes / projects that have been undertaken more successfully should have the lessons learnt taken from them for replication elsewhere.

Response: These actions (11 to 13) are all accepted. A programme Management Office will be set up under the direction of the Director of Strategy and Planning to monitor strategic programmes.

Future Actions for Consideration

14. All programmes across NHS Direct should be set-up with a Programme Board, the degree to which they are directly supported by corporate / external resources should be considered in the prioritisation of each one and by reference to the internal capability available. (Where the programme consists of projects, Project Boards should also be separately established)
15. A lead owner / client should be designated (to represent the interests of NHS Direct as the owner).
16. A lead user should be designated (to represent the user group where applicable).
17. All projects across NHS Direct should be set-up with a Project Board, the degree to which they are directly supported by corporate / external resources should be considered in the prioritisation of each one and by reference to the internal capability available. (Where a project forms part of programme, a Programme Board should also be separately established)
18. A project sponsor should be designated (to represent the interests of NHS Direct as the owner)
19. A senior user should be designated (to represent the user group where applicable)

Response: All strategic programmes will be managed by a Programme Board constituted using the Prince 2 methodology.

Future Actions for Consideration

20. Implementation work should not commence until after contracts are signed.
21. NHS Direct should consider 'what good looks like' as specified in the recently published 'General Practice Out-of-Hours Services Project to consider and assess current arrangements' where it is stated, "Any procurement of the service is professionally run and allows adequate time for a robust process (it is advisable that this should be a minimum of 9 months for procurement and a further 6 months for the new service to mobilise).
22. Should it be considered necessary to start implementation prior to contract, then work should only commence on appropriate approval being obtained and documented.
23. Appropriate approval levels should be set by reference to defined criteria / thresholds and be documented in NHS Direct policies and procedures.
24. Where appropriate approval is sought, then clearly defined limits should be set and documented at the time of approval beyond which no further work will take place without further authorisation being sought.
25. All changes pre-contract should only be accepted through the Head of the Bid Team.
26. All changes post contract should only be accepted through a named person in the contract and in a contractually specified form (i.e., change request form to Programme Manager / Project Manager as appropriate)
27. All changes should be fully costed and signed off as correct prior to seeking approval to commit further 'investment'.
28. Financial /other thresholds should be defined beyond which all costed changes should be referred to an appropriate approval level for authority to commit further expenditure.

Response: All of these actions (20 to 28) are accepted.

Future Actions for Consideration

29. If established, the Programme Management Office should be set up as a centre of excellence responsible for publishing policies and procedures relating to programme and project management and providing advice and guidance.
30. Post project reviews should be undertaken in a timely manner and discussion of lessons learned and realisation of benefits identified at the planning stage be assessed.
31. Client satisfaction surveys should be completed where applicable.
32. A Project Sign off Sheet (Review) stage should be completed for every project and programme.

Response: All of these actions (29 to 32) are accepted

Future Actions for Consideration

33. Go live dates that leave insufficient time between signing definitive contracts and user testing new software should not be accepted unless there is a contractual waiver of performance expectations.
34. Sufficient time should be built in to performance expectations post contract to allow for 'TUPEing' staff to be trained in new procedures unless they are relatively simplistic and the risk can be adequately borne in the interim period.
35. The consequences of hard launching should be understood and, where new innovative services are being launched, the impact upon performance should be risk assessed and contractually mitigated away where possible.
36. The consequences of launching into peak demand times should be understood and, where new innovative services are being launched, the impact upon performance should be risk assessed and contractually mitigated away where possible.

Response: All of these actions (33 to 36 are accepted)

Future Actions for Consideration

37. Contract monitoring reports should be given sufficient priority to enable them to be completed on time and for billing to take place to protect NHS Direct's cash flow position.

Response: Agreed.

Future Actions for Consideration

38. NHS Direct should isolate and review actual service call data to build its own estimating tables for future. Where new services are being delivered, then test case scenarios should be devised and compared to the nearest similar call data.
39. Where call data and estimates are obtained from external organisations, the basis on which they have been calculated should be clearly understood.
40. Staff actual utilisation rates should be properly identified and by each location.
41. Once the data is collected, it should be subject to continual periodic review against changing performance expectations and actuals as a result of NHS Direct's strategic improvement programmes to ensure that it remains competitive.
42. Once actual data has been accurately collected, collated and analysed, an agreed costing methodology should be devised.
43. All bid calculations should be appropriately checked and signed off by central finance. (We understand this is now the case)
44. All bids should be stress tested against the organisations ability to accommodate adverse variations.
45. Any deviation from the costing model, including under recovery of overheads, should be signed off by CEM and only after receiving the advice of central finance as to the sustainability of it and the impact on the stress model is understood.

Response: All of these actions (38 to 45) are accepted.