House of Commons

Public Accounts Committee

The National Programme for IT in the NHS: Progress since 2006

Second Report of Session 2008–09

HC 153

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Report, together with formal minutes, oral and written evidence

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The Public Accounts Committee

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The current staff of the Committee is Mark Etherton (Clerk), Lorna Horton (Senior Committee Assistant), Pam Morris (Committee Assistant), Jane Lauder (Committee Assistant) and Alex Paterson (Media Officer).

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Summary

The National Programme for IT is designed to reform the way the NHS in England uses information, and hence to improve services and the quality of patient care. The Programme's aims are ambitious, and its scale and complexity make delivery more challenging than similar projects elsewhere in the world. The Programme requires substantial organisational and cultural change to be successful and it is dependent on the deployment of systems in an increasingly devolved NHS.

The Programme is managed at national level by NHS Connecting for Health, part of the Department of Health, and the Chief Executive of the NHS is the Senior Responsible Owner for the Programme. Responsibility for delivery is shared with the local NHS, with the Chief Executives of the ten Strategic Health Authorities responsible for implementation and the realisation of benefits in their part of the NHS.

Some systems are being deployed across the NHS. The Care Records Service, however, is at least four years behind schedule, with the Department's latest forecasts putting completion at 2014–15. At 31 August 2008, new care records systems had been deployed in 133 of the 380 Trusts. Trusts in the North, Midlands and East have been receiving an interim system and will have to go through a further deployment in due course to implement Lorenzo, the care records software for the North, Midlands and East, which has suffered major delays. By the end of 2008, Lorenzo had not been deployed throughout any Acute Trust and in only one Primary Care Trust.

The Programme started with four Local Service Providers—the main suppliers responsible for implementing systems at local level—covering the whole of England, but two have left the Programme. Only two remain, both carrying the responsibility for major components of the Programme. The Programme's high dependence on just two major suppliers has implications for the Programme's capacity and capability, and for the Department's leverage.

Fujitsu's contract covering the South of England was terminated in May 2008. Negotiations to reset the contract had failed because the two sides were unable to agree on the price and commercial terms. The future arrangements for the South remain under discussion, but the Department's intention is allow those Trusts which have not yet implemented a new care records system to choose between those offered by the two remaining Local Service Providers, BT and CSC.

The estimated cost of the Programme is £12.7 billion, including £3.6 billion of local costs, although this figure remains uncertain. In the event that Trusts decide not to deploy the Programme's systems, the Department is nonetheless obliged to make payments to the suppliers concerned. While the Department can direct NHS Trusts and Primary Care Trusts to take the systems, it has no such power over Foundation Trusts.

The Programme is intended to generate substantial benefits for patients and the NHS. The aim is for the care records software to be delivered in a series of releases with increasing functionality. Delivering the clinical functionality will be key to convincing NHS staff of the benefits of the Programme because what has been provided to date has not met their

expectations.

Keeping patient data secure is crucial to the reputation and success of the Programme, and the Department is confident that the mechanisms it is putting in place will provide a high level of security. Access to the Care Records Service will be controlled through Smartcards and passcodes, and access will be auditable. The security of the IT systems themselves is the responsibility of suppliers, with NHS organisations and their staff responsible for keeping secure the data they access. The Department is notified of serious security breaches, but less serious incidents are handled at local level.

The Committee first reported on the Programme in March 2007.[1] On the basis of a further report by the Comptroller and Auditor General,[2] we took evidence from the Department of Health and Fujitsu on the progress being made in delivering the Programme, including the termination of Fujitsu's contract as the Local Service Provider for the South.

1 Committee of Public Accounts, Twentieth Report of Session 2006–07, *Department of Health: The National Programme for IT in the NHS,* HC 390

2 C&AG's Report, *The National Programme for IT in the NHS: Progress since 2006,* HC (Session 2007–08) 484–I

Conclusions and recommendations

1. **Recent progress in deploying the new care records systems has been very disappointing, with just six deployments in total during the first five months of 2008–09.** The completion date of 2014–15, four years later than originally planned, was forecast before the termination of Fujitsu's contract and must now be in doubt. The arrangements for the South have still not been resolved. The Department and the NHS are working with suppliers and should update the deployment timetables. Given the level of interest in the Programme, the Department should publish an annual report of progress against the timetables and revised forecasts. The report should include updates on actions to resolve the major technical problems with care records systems that are causing serious operational difficulties for Trusts.

2. **By the end of 2008 the Lorenzo care records software had still not gone live throughout a single Acute Trust.** Given the continuing delays and history of missed deadlines, there must be grounds for serious concern as to whether Lorenzo can be deployed in a reasonable timescale and in a form that brings demonstrable benefits to users and patients. Even so, pushing ahead with the implementation of Lorenzo before Trusts or the system are ready would only serve to damage the Programme. Future plans for deployment across the North, Midlands and East should therefore only follow successful deployment and testing in the three early adopter Trusts. This will mean that lessons can be learned before any decision is taken to begin a general roll-out.

3. **The planned approach to deploy elements of the clinical functionality of Lorenzo (release 1) ahead of the patient administration system (release 2) is untested, and therefore poses a higher risk than previous deployments under the Programme.** The Department and the NHS should undertake a thorough assessment of whether this approach to deployment will work in practice. No Trust other than the three early adopters should be invited to take the first release of Lorenzo until it is certain that release 1 and release 2 will work effectively together.

4. **Of the four original Local Service Providers, two have left the Programme, and just two remain, both carrying large commitments.** CSC is responsible for deploying care records systems to the whole of the North, Midlands and East after taking over Accenture's contracts. As well as deploying systems in London, BT is responsible for the N3 broadband network and the Spine. In the light of the experience of Accenture's and Fujitsu's departures from the Programme, it is vitally important that the Department assesses BT's and CSC's capacity and capability to continue to meet their substantial commitments. The assessment should consider the impact on the strength of the Department's position of having only two suppliers responsible for the Programme's major components.

5. **The termination of Fujitsu's contract has caused uncertainty among Trusts in the South and new deployments have stopped.** One option being considered for new deployments is for Trusts to have a choice of either Lorenzo provided through CSC or the Millennium system provided through BT. There are, however, considerable problems with existing deployments of Millennium and serious concerns about the

prospects for future deployments of Lorenzo. Before the new arrangements for the South are finalised, the Department should assess whether it would be wise for Trusts in the South to adopt these systems. Should either of the Local Service Providers take on additional commitments relating to the South, the Department should take particular care to assess the implications of the extra workload for the quality of services to Trusts in the Local Service Providers' existing areas of responsibility.

6. **The Programme is not providing value for money at present because there have been few successful deployments of the Millennium system and none of Lorenzo in any Acute Trust.** Trusts cannot be expected to take on the burden of deploying care records systems that do not work effectively. Unless the position on care records system deployments improves appreciably in the very near future (i.e. within the next six months), the Department should assess the financial case for allowing Trusts to put forward applications for central funding for alternative systems compatible with the objectives of the Programme.

7. **Despite our previous recommendation, the estimate of £3.6 billion for the Programme's local costs remains unreliable.** The Department intends to collect some better data as part of the process of producing the next benefits statement for the Programme. In the light of that exercise, the Department should publish a revised, more accurate estimate for local costs and, thereby, for the cost of the Programme as a whole.

8. **The Department hopes that the Programme will deliver benefits in the form of both financial savings and improvements in patient care and safety.** In March 2008, the Department published the first benefits statement for the Programme, for 2006–07, predicting total benefits over 10 years of over £1 billion. There is, however, a lot of work to do within the NHS to realise and measure the benefits. Convincing NHS staff of the benefits will be key to securing their support for the Programme, and the credibility of the figures in the benefits statement would be considerably enhanced if they were audited. We consider future benefits statements should be subject to audit by the Comptroller and Auditor General. The Department should also review achievements under the Programme so that lessons can be identified and shared where products and services are working well.

9. **Little clinical functionality has been deployed to date, with the result that the expectations of clinical staff have not been met.** Deploying systems that offer good clinical functionality and clear benefits is essential if the support of NHS staff is to be secured. For all care records systems offered under the Programme, the Department and the NHS should set out clearly to NHS staff which elements of clinical functionality are included in existing releases of the software, which ones will be incorporated in the next planned releases and by what date, and which will be delivered over a longer timescale.

10. **The Department has taken action to engage clinicians and other NHS staff but there remains some way to go in securing their support for the Programme.** To assess and demonstrate the impact of its efforts to secure support for the

Programme, the Department should repeat its surveys of NHS staff at regular intervals (at least every year) and publish the results.

11. **Patients and doctors have understandable concerns about data security.** However extensive the Care Record Guarantee and other security provisions being put in place are, ultimately data security and confidentiality rely on the actions of individual members of NHS staff in handling care records and other patient data. To help provide assurance, the Department and the NHS should set out clearly the disciplinary sanctions that will apply in the event that staff breach security procedures, and they should report on their enforcement of them.

12. **The Department does not have a full picture of data security across the NHS as Trusts and Strategic Health Authorities are required to report only the most serious incidents to the Department.** The Department's view is that it is not practical for it to collect details of all security breaches but at present it can offer little reassurance about the nature and extent of lower-level breaches that may be taking place. Given the importance of data security to the success and reputation of the Programme, the Department should consider how greater assurance might be provided through regular reporting. The Department should also report annually on the level of 'serious untoward incidents', on any penalties that have been imposed on suppliers for security breaches, and on the steps being taken to keep patient data secure.

13. **Confidentiality agreements that the Department made with CSC in respect of two reviews of the delivery arrangements for Lorenzo are unacceptable because they obstruct parliamentary scrutiny of the Department's expenditure.** The Department made open-ended confidentiality agreements in respect of these reviews, with the result that information will not be disclosed even after commercial confidentiality has lapsed with the passage of time. We believe this is improper. The Department should desist from entering into agreements of this kind.