

NHS 24 Response to the Auditor General for Scotland's Section 22 Report "Update on management of an IT contract" October 2016

I would like to thank the Committee for the opportunity to respond to the Auditor General's report. NHS 24 has considered the very helpful report including its findings and agrees the content in full.

Through this response I will offer some further context to the revised approach being taken to ensure the successful, phased implementation of the new technology and give an update on the completion of Phase 1. I will also update the committee on the work over the past 12 months to redefine the NHS 24 strategy including the commencement of an organisational improvement programme. Both of these activities will help strengthen and confirm the important services NHS 24 provides to the people of Scotland and establish a solid foundation on which to build new services which in turn help to manage the system wide demand on out of hours and emergency care services.

Governance

NHS 24 has fundamentally reviewed and improved the governance approach to the implementation of the new technology. The technology implementation now forms part of a broader organisational improvement programme. This new programme will take all reasonable steps to mitigate the risk of further delay.

Improvements to the overall governance arrangements include engaging experienced external advisors and enhancing external and partner scrutiny through a number of additional assurance groups.

A Technical Assurance Group is in place to provide technical advice, support and assurance to the programme.

A Partner Assurance Group has been established to provide oversight of the plans to the implement the programme. The role of this group is to give assurance that the implementation plan has been appropriately developed to address the broader risks and concerns previously identified by our partners.

An Organisational Assurance Group will add to this by providing oversight to the organisational improvement programme and the aligned plan for technical staff readiness supporting the implementation of the new system.

Finally a national Advice and Assurance Group is in place to provide advice on the programme to the NHS 24 Executive Management Team and assurance to the Scottish Government.

These important interventions have helped and will continue to help deliver a more comprehensive and effective governance framework and have led to an increasing level of confidence in programme delivery both internally and externally.

Organisational Improvement Programme

Despite the previous challenges with the implementation of the new technology, NHS 24 and more specifically the NHS 24 staff have consistently delivered safe and effective services to the people of Scotland.

NHS 24 achieved against our national key performance targets during 2015/16; this included taking 1.5 million calls to the 111 service and 2.85 million contacts to our Health Information Services.

I believe this is a solid foundation on which to expand sustainable and relevant digital health and care services which meet the needs of both the public and our partners. In planning to reach this ambition, NHS 24 is embarking on an organisational improvement programme underpinned by the key priorities highlighted in the model below.



This improvement programme will involve a full review of efficiency and effectiveness across all our services. This will include working collaboratively to determine the role of NHS 24 in integrating with the range of local health and social care services and closer working and planning of service delivery with our key partner, the Scottish Ambulance Service.

Contractual Developments

NHS 24 has invested significantly in examining the contractual difficulties and challenges associated with the technology delivery. This review has delivered a new approach to the contractual construct supporting the programme and good progress is being made towards finalising revised contractual arrangements with both suppliers.

Given the historic weaknesses in the contractual position, the aim has been to ensure that the contracts, as now drafted, reflect and support an improved risk position for NHS 24 for the remaining duration of the 10 year contract terms. The intention is not to increase the overall cost over the remainder of the 10 years but to attempt to negotiate an improved position through rebalancing the current cost envelope with our planned operating model for service delivery.

Financial Implications

NHS 24 fully recognises that historical delays to the technology implementation have led to a considerable cost overrun particularly in relation to implementation. It is unlikely that these additional costs can be recovered.

The NHS 24 2016/17 budget has identified that expenditure of £10.1 million will be required to meet the implementation costs in-year. This is included in the overall 10 year cost profile of £131.2 million.

It is critical that the activities associated with the delivery of the phases relevant to 2016/17 are delivered within this financial allocation. The impact of funding the increase to costs in 2016/17 is significant however NHS 24 has sought to mitigate that impact by adjusting a number of financial planning assumptions, including adjustments to areas of discretionary spend. The core frontline budgets have not been impacted by any of this agreed mitigation.

Looking forward, NHS 24 is focusing on a new business case to support the revised implementation approach and the wider organisational improvement programme. This will drive maximum value from the new system capability and ensure that no further additional public money is incurred beyond the current overall 10 year cost profile. This will also importantly include using the organisational and system capability to deliver more for NHS Scotland and our other public sector partners.

Revised Implementation Approach

NHS 24 has worked over the past year to ensure a revised implementation approach to deliver the new system safely across all our partners. The programme will now be delivered in 3 phases. This commenced successfully with Phase 1 (Planned Care Services Telephony only) in September 2016. Benefits from the introduction of the new telephony service are already being delivered as part of this initial phase. These benefits include process efficiencies and importantly enhancements to patient safety as a result of integrating the full patient record with the telephony system. Phase 1 also included delivery of the baseline technology system and this was achieved.

Phase 2 (creation of test and learn environment and full system implementation with 1 Board) will complete by the end of March 2017 and the final roll-out to the rest of the service by December 2017.

NHS 24 has repositioned the new system implementation as part of a comprehensive organisational improvement programme. The delivery of the baseline technical system successfully at the end of September 2016 means that the remaining phases of implementation will be driven by the assessment of partner and staff readiness and operational preparedness in line with the objectives of the organisational improvement programme.

I trust you will find this response helpful.

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