Money Down the Drain; Can Benefits Analysis Save the NHS?

1. The Hypothesis
In times of financial constraint all money should be spent wisely. When implementing the £24 billion National Program for IT (NPfIT) the Government, through the Department of Health, specified that benefits analysis was to be used for all NPfIT projects to achieve this aim. Benefits analysis had previously been used internationally to ensure that the most beneficial outcomes from complex IT project implementations were delivered, however there has been little or no research on its efficacy within health and the NHS.

2. Will This Work?
Benefits analysis is underpinned by a “what’s in it for me” philosophy, ensuring IT based projects produce the benefits that would be expected to be delivered, balanced against the financial investment in the project. Benefits analysis reports have been submitted to Strategic Health Authorities for the last four years, to justify investment in strategic NPfIT projects. By analysing reported benefits it should be easy to both quantify and qualify the benefits released, hence demonstrating that NPfIT projects can justify their cost of implementation.

3. The Outcomes
Initial analysis of four years of data has produced some interesting and bizarre benefits, for example:
- A £2M+ investment in a clinical system would produce a total saving of £3m in additional storage space
- Implementing electronic systems stopped records being misplaced
- Re-training staff adds £1.6M to the annual capital value of a trust

4. The Problem
Benefits analysis is a relatively immature process within the NHS. Benefits reporting has been inconsistently implemented:
- Templates were filled in inappropriately
- Forms were completed in different ways
- Significant variation occurred within local health communities
- Significant change was seen between years

5. Conclusions and Next Steps
Initial analysis of the data illustrates that although some local health communities are better than others at producing benefits plans, this is not the same as actually realising benefits. Reasons for this may include:
- Lack of awareness and recording of benefits
- Organisational immaturity relating to the benefits analysis process
- Significant failure of the underlying method

The next stage in my research will therefore be to:
- Further analyse the local data, to extract any similarities between organisations
- Use this similarity to establish a “consistency of reporting” with all organisations having a reporting “tool” (with illustrative examples), detailing all accrued benefits
- Investigate and establish the criteria for organisational maturity in benefits analysis within organisations
- Determine how this maturity affects the benefits analysis process

Ward and Daniel’s (2006) work on benefits analysis states that the 70% of projects with limited benefits should be culled. Applying this principle could potentially have saved the NHS up to £16.8 billion based on expected costs.

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