



THE SCOTTISH OFFICE

National Health Service in Scotland
Management Executive

St. Andrew's House
Edinburgh EH1 3DG

Dear Colleague

**RESOURCE MANAGEMENT : THE BENEFITS
MANAGEMENT PROCESS**

Summary

1. This letter explains the need for the development of a benefits management approach to the evaluation of Resource Management (RM) in the Acute Sector in Scotland. It outlines the process and identifies future work required at RM sites in this area.

Action

2. All existing RM sites are asked to ensure that potential benefits associated with its introduction are anticipated and realised, and to comply with reporting and monitoring arrangements laid out in this letter.
3. All prospective RM sites are asked to comply with this letter in establishing projects, to ensure an integrated benefits management approach, and to comply with the reporting and monitoring arrangements.
4. This letter is being copied directly to Unit General Managers for their information/action.

26 November 1992

Addressees

For Action:

General Managers,
Health Boards

Chief Executives
and Chief Executive
Designate
NHS Trusts

For Information:

General Manager,
Common Services Agency

General Manager
State Hospital

General Manager
Health Education Board
for Scotland

Enquiries to:

Mrs D Stewart
Directorate of
Information Services
HSD
Keith House
2 Redheughs Rigg
South Gyle
Edinburgh EH12 9DQ
Tel : 031 317 7577
Tel : 031 317 7467

Background

5. Investment in information technology offers a means of improving the quality of patient care, providing operational support for staff and achieving efficiency improvements in the provision of patient services. The realisation of these improvements cannot be left to chance but must be actively pursued. The Health Service can only justify large investments in information technology if it can be demonstrated clearly that identified benefits are realised.
6. The process must be managed and requires the support and commitment of senior managers.

Benefits Management

7. The benefits management approach to the evaluation of RM :-
 - demonstrates the commitment of the NHS in Scotland to value for money and the principle of on-going investment appraisal;
 - underpin the allocation of central funds and the development of the central resource management team resources;
 - provides Units with a framework within which they may support their case for existing and on-going investment in improving the management of resources; and
 - provides UGMs/Chief Executives with important information to support their on-going commitment to organisational development and the management of change within their particular Units/Trusts.
8. A Project Consultant within HSD has specific responsibility for benefits realisation at National, Unit and sub-project level. The remit is to develop the benefits process as follows :-
 - to develop the strategic objectives for RM into locally meaningful objectives.
 - to identify the benefits which will be realised in achieving the objectives.
 - to identify the activities and management processes which may need to be introduced to enable the benefits to be realised.
 - to develop the criteria which will be used to monitor the benefits realisation process.
 - to establish the monitoring schedule taking account of the evolving nature of the work and the timescale for realising benefits.

9. Benefits management will not be a separate project to be added to an already complex structure. It is simply a strengthening of the present framework to take account of the steps involved in identifying, realising and monitoring benefits. It must be an integral part of all aspects of the RM projects.
10. The process will encompass both quantitative and qualitative benefits and will cover, in particular, the development of the organisation and the ways in which information is used to support decision making at clinical, operational and strategic level.
11. At the termination of the central funding, many of the potential benefits will be only partially achieved. In order to obtain maximal return on investment the Unit should be working towards integration of RM with the normal working of the Unit/Trust and the benefits management approach should be retained.

Current Situation

12. All sites undertake an extensive project definition phase during which the Unit General Manager (UGM) or Chief Executive (in the case of NHS Trusts) along with senior management and clinical colleagues, develop the National objectives into a meaningful set of local objectives.
13. During this definition phase UGMs/Chief Executives and their teams are asked to identify broadly the benefits they expect to gain from the resource management process. In particular they are encouraged to look at the benefits that they would expect in relation to patients, clinicians, managers and support staff.
14. As part of the sub-project definition process each sub-project should identify the potential benefits of their specific objectives and tasks. The risks which might hinder or prevent the attainment of beneficial changes should be identified and a plan prepared to ensure that such risks are minimised.

National Monitoring

15. The benefits management process at national level will be monitored by a multi-professional body chaired by the Director of Information Services. Representatives will be drawn from General Management in Acute Units and NHS Trusts, medical and nursing professions, financial management and professional bodies. The terms of reference for this group are attached at Annex A.
16. Monitoring at a national level will include :-

A project definition report which will include an identification of broad benefits expected from the project and the most likely reasons why benefits might not be achieved (risks).

Sub-project definitions which will identify the benefits arising from sub-project with objectives and indicative timescales for the realisation of these benefits.


The Project Manager's plan identifying methods for collecting evidence of planned and unplanned benefits and a mechanism for reporting and reviewing the benefits with the Project Board at regular intervals.

An annual report, produced by the Project Board, detailing benefits achieved and providing substantiating evidence.

An annual review of project benefits by representatives of the national monitoring group during years 2,3 and 4 of the project.

17. As many of the potential benefits will be realised after completion of the 3 year central funding, the Unit/Trust will be required to ensure that there is a mechanism for continuing to capture, report and review benefits associated with resource management.
18. The final annual review by the national monitoring group will take place at the end of year 4, i.e. a year after completion of the project. This year 4 review will mark the end of formal benefits reporting.
19. The benefits realisation and monitoring process is shown schematically in Annex B.
20. Further guidance on processes for realising and reporting on benefits will be supplied to RM projects directly from the HSD central team.

Yours sincerely



C B Knox
Director of Information Services

NATIONAL MONITORING GROUP

TERMS OF REFERENCE

To establish the criteria against which the RM sites should be monitored.

To monitor progress within individual Units/Trusts against their stated local objectives for the implementation of RM.

To monitor the benefits realisation targets and achievements of individual Units/Trusts.

To monitor on-going commitment to RM in sites once central support has been removed.

To advise DIS on how well the resource management process has met its stated objectives.

To identify from the successful implementation of RM at particular sites any areas of "Good Practice" which should be communicated more widely.

To identify areas where wider national support is required to enable sites to achieve potential benefits.

Identification of objectives/broad benefits

