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an Fowk Siccar**

HEALTH AND SOCIAL CARE REFORM

DHSSPS

Modernisation and Improvement Programme Board (MIPB)

STRATEGIC RELATIONSHIP BETWEEN THE BUSINESS SERVICE ORGANISATION (BSO) AND HSC BODIES (INCLUDING ARRANGEMENT FOR TRANSITION)

FEBRUARY 2009

MIPB 32/09

Introduction

This paper has been developed by the Business Services Organisation (“BSO”) and summarises the services that will be provided by the BSO as at 1 April 2009. It identifies the relationship that will exist between the BSO and other HSC Bodies and contains a high level Transformation plan for the transfer of these functions to the BSO.

It has been approved by the Modernisation and Improvement Programme Board and is now free for circulation to HSC staff and other relevant stakeholders. A copy of the paper will be placed on the Health and Social Care Reform section of the departmental website - www.dhsspsni.gov.uk/index/hss/rpa-home.htm

Further information on this document or the BSO project may be obtained from the Project Director, Peter Harvey Tel: 02890520715, E-mail address : PeterHarvey@DHSSPSNI.GOV.UK

Modernisation and Improvement Programme Board

Introduction

This paper has been developed by the Business Services Organisation (“BSO”) project. Its purpose is to provide assurances with regard to business continuity of services to be provided by BSO from 1 April 2009

Section 1 – Provides a background to the BSO

Section 2 - Detail the services to be provided by BSO in its first phase from 1 April 2009 to HSC organisations

Section 3 - Describe the relationships between BSO and HSC bodies and DHSSPS

Section 4 - Describe the transformation of Corporate Services for the Health and Social Care Board (HSCB), Regional Agency for Public Health (PHA) and the Patient and Client Council (PCC).

Section 1

1. Background to Business Services Organisation

- 1.1. The provision of Health and Social Care services rely upon the availability of corporate and other business related services. Some of these functions, for example, the recruitment of staff and the payment to third parties are provided within the bodies that make up Health and Social Care (HSC). Others, for example, procurement and legal services, are delivered to the HSC on a regional basis by the Central Services Agency (CSA).
- 1.2. In addition, the HSC system receives expert advice on strategy issues and practical operational assistance on information technology, systems design and support from the Directorate of Information

Systems (DIS) within the Department of Health, Social Services and Public Safety (DHSSPS).

- 1.3. The development of a Business Services Organisation (BSO) is in line with practice in the NHS in England, Scotland and Wales and within the wider public sector, and would draw together the functions referred to into one organisation with the objective of reducing costs, improving quality and improving services to patients and clients.

Section 2

2. Services provided by BSO

- 2.1. The services to be provided by the BSO in Phase 1 at 1 April 2009 will incorporate a mix of common services (e.g. Accounts Payable, HR) to designated HSC organisations and specialist services (e.g. Legal, Procurement) to all HSC bodies as listed below.

a) The Central Services Agency (CSA)

The Agency is an integral part of the Health and Social Services in Northern Ireland, providing support services to the DHSSPS, HSS Boards, Trusts and Agencies.

Employing over 600 staff from various sites throughout Northern Ireland, the Agency delivers its services through a number of business units. These are:

- i. Counter Fraud Unit (CFU)

CFU provides a central resource for carrying out patient exemption checks and investigations into potential fraud involving practitioners. The CFU also provides specialist advice to HSS Boards on anti-fraud measures, the identification of risk and on the conduct of investigations.

- ii. Equality Unit

Delivers a range of services to the following clients: the Department of Health and Social Services and Public Safety, the Health Promotion Agency for NI, the NI Medical Physics Agency, the NI Guardian Ad Litem Agency, the NI Blood Transfusion Service, the NI Council for Postgraduate Medical

and Dental Education and the Mental Health Commission for NI.

iii. Family Practitioner Services

Family Practitioner Services provides a range of support functions on behalf of the HSS Boards, to Medical, Dental and Ophthalmic Practitioners and Pharmacists. These functions include; registration of patients, processing and payment of Dental and Ophthalmic claim forms; payment of Doctors fees and allowances; processing and payment of prescription items and providing information to Boards, the Professions and the HSS Executive.

iv. Corporate Services – Finance

The Finance Directorate provides a range of financial services directly to HSC organisations including payment of practitioners on behalf of HSS Boards and the operation of central banking arrangements for HSS Boards and Trusts. Financial support is provided to all business units within the CSA and to other HSC Agencies including costing, budgetary control and financial advice.

v. Corporate Services - Human Resources

The Human Resources Directorate's main role is the support and development of the Agency and its staff. HR also provide a service in many areas, including personnel, training and organisational change advice to other HSC organisations such as Regional Medical Physics Agency and Guardian Ad Litem.

vi. Legal Services

The Directorate of Legal Services provides a comprehensive and cost effective service to HSS Boards, Trusts and Agencies. These services cover four main areas of law: - Medical Negligence; Family Law; Employers and Public Liability and Employment Law.

vii. Regional Supplies Service (RSS)

RSS is an accredited public sector Centre of Procurement Expertise providing professional supplies services to the Northern Ireland HSC. Procurement (strategic and operational), Logistics, Capital Equipping and e-Commerce services are provided to HSS Boards, Trusts and Agencies.

viii. Research and Development

The Research and Development Office was established to promote, co-ordinate and support R and D within the NIHPSS. Its remit encompasses the research needs of the DHSSPS and all sectors of Health and Social Care within Northern Ireland. The R and D Office has a dual role of strategically providing a direction for HSC and, operationally, supporting initiatives from education and training to direct commissioning.

ix. Office for Research Ethic Committees for NI (OREC NI)

OREC NI was established to maintain a Research Ethics Service to protect the rights, dignity and welfare of research participants within the HSC System/NHS, and to protect the rights of researchers to perform ethical research and legitimate investigation.

b) Directorate of Information Services (DIS)

The Directorate of Information Systems (DIS) leads in the development and application of the ICT Strategy and ICT Programme, within the HSC. The summary functions are: -

- Ensuring that the HPSS ICT Strategic Programme is developed, implemented and adapted to reflect emerging changes and developments
- Leading and undertaking support roles in projects within the programme together with HSC colleagues
- Ensuring provision of on-going support services for operational HPSS ICT, and in particular those developed by DIS.
- Designing, developing and supporting the common HSC ICT technical infrastructure.

c) Internal Audit

The Internal Audit Services to the HSC is located within each HSS Board and provides a shared service to Trusts and other agencies in their respective areas.

d) Superannuation Branch

Superannuation Branch is an integral department of the DHSSPS. The function manages the HSC pension scheme, advises on policy,

provides interpretation of regulations, payments to past employees, advice to current employees and accounts for the expenditure incurred.

e) Health and Social Services Boards

The four Health and Social Services Boards., in addition to developing the strategic direction of the service, commissioning patient and client services and monitoring providers , also undertake the following functions; -

- i. Calculation of and probity checks on the payment of the Family Practitioner Service.
- ii. Information Technology and Information Management within these bodies.
- iii. Transactional financial services including payroll within these bodies.
- iv. Human Resources management function including guidance on Equality issues within these bodies.
- v. Facilities and premises management of their buildings

Some of the corporate functions identified in III - V are currently provided through Trusts.

3. Basis of Service Provision

- 3.1. The services to be provided from 1 April 2009 are provided currently through a mix of governance and monitoring arrangements. These range from formal mechanisms such as Service and Budget Agreements or Service Level Agreements to more informal arrangements based on historical delivery of services. There is variation also in the monitoring arrangements in place currently; in some cases Key Performance Indicators (KPIs) are used to evidence

and measure delivery of services to agreed specification while in others more reactive processes exist.

3.2. The current arrangements are reflective also of both historical organisational structures for service delivery and the associated financial arrangements where costs were either charged on a management fee basis (e.g. CSA services to HSC) or “top-sliced” (e.g. DIS services to HSC).

3.3. The basis of service provision for the services falls into 3 main categories:

(a) Services provided between provider and customer under a Service Level Agreement (SLA) plus Budget (Service and Budget Agreement – SBA).

In this model the range, quantity, quality and costs of services are determined and agreed in the SBA between provider and customer organisation with payment in monthly tranches (e.g. Legal, Procurement Services from CSA to HSC).

(b) Services provided between provider and customer under a Service Level Agreement (SLA)

In this model the range, quantity and quality of services are determined in the SLA between provider and customer organisation – but no payment exists (e.g. ICT services provided by DIS to HSC).

(c) Services provided between provider and customer with no formal SBA or SLA

An example here would be Superannuation services provided by DHSSPS to HSC organisations.

It is intended that the BSO will be funded through the establishment of new, and development of existing Service Level Agreements, for the provision of services to the HSC. These proposed arrangements will need to be staged over a transitional period from April 2009

Section 3

4. Relationships between BSO and existing and new HSC Bodies

- 4.1. The relationships between BSO and HSC bodies will be governed by the development of Service and Budget Agreements (SBAs) for the range, quantity and quality and costs of services provided. New provider/customer SBAs will build on existing SBAs and SLAs.
- 4.2. The SBAs will develop in accordance with the implementation of the BSO in three distinct phases.

Phase 1

In this initial stage, from the 1st April 2009, a number of services will be consolidated as follows:

- Services currently provided by the CSA, Note 1.
- Directorate of Information Systems (DIS), Note 2
- HSC Superannuation Branch,
- Some functions currently performed by the Family Practitioner Services in existing HSS Boards
- Miscellaneous elements of DHSSPS and HSS Board services (the latter including facilities management, registry).
- IT and Information Management, transactional financial services including payroll, Human Resources management function including guidance on Equality issues within these bodies. Note 3

Note 1: This excludes Research and Development which will transfer to the Public Health Agency

Note 2: the MIPB Information/ICT Workstream has work progressing on the respective ICT roles for HSCB and BSO; in general terms the ICT roles of the two organisations can be described as :

HSCB: “The HSCB will provide regional leadership and manage the regional ICT agenda, commissioning and performance managing the delivery of ICT on behalf of the DHSSPS. “

BSO: “To deliver the ICT agenda at a regional level as commissioned by the HSCB and to support Trusts, providing a centre of excellence for specialist ICT expertise.”

Note 3: the BSO will either provide these services directly or secure the continued provision of these services through the continuance of existing Service Level Agreements with third party providers

Phase 2

In Phase 2, and subject to business case approval, the BSO will develop a range of shared services functions to HSC Trusts and smaller Agencies. This transformation, which will be supported by

investment in new business processes and information technology, will offer services that are currently managed by Trusts and include:

- Recruitment of staff
- Staff training
- Equal opportunity monitoring
- Payment of salaries and wages
- Payment to suppliers
- A range of other HR and Finance Functions.

These developments will require substantial capital investment in systems and new accommodation. Given the need to undertake public consultation on the location of shared services centres phase 2, staffing transfers will not commence prior to 2010/11.

Phase 3

Finally it is intended that the BSO will also provide Information Technology, Information Management and small elements of Estate Services (about 5% of Trust services) to HSC Trusts and Agencies. This will require a further transfer of functions from Trusts and will only be undertaken following further consideration of the best way to provide these functions.

The core functions and services to be provided by BSO to current HSC organisations (Trusts, smaller agencies) and new organisations (HSCB, PHA and PCC) in Phase 1 at 1 April 2009 are summarised in Table 1 below.

The services/functions to be delivered to HSC Trusts and smaller Agencies will, at Phase 1, be a continuation of those services currently provided from a regional provider (CSA, DIS, and DHSSPS Superannuation Branch).

The services/functions to be delivered to HSCB, PHA and PCC are those determined in the Health and Social Care (Reform) legislation and reflect also the Tier 2 and Tier 3 structures for the new HSC organisations (BSO, HSCB, PHA and PCC).

The functions/services provided by BSO in Table 1 to HSC bodies will incorporate the guiding principles of:

- Efficiency and effectiveness maximising economies of scale and avoiding repetition and duplication
- Provision of specialist services not available elsewhere within HSC (e.g. Legal, Procurement and Internal Audit).
- Modernisation – subject to investment in and deployment of replacement Business ICT systems
- Reflective of the needs of the HSC
- Responsiveness to clients
- Embedding and strengthening good governance

Table 1

RBSO Service/Function	HSC Trusts	HSCB	PHA	PCC	Agencies	DHSSPS
Procurement/Logistics	Yes	Yes	Yes	Yes	Yes	N/A
Legal Services	Yes	Yes	Yes	Yes	Yes	N/A
Family Practitioner Services	N/A	Yes	N/A	N/A	N/A	N/A
Financial Management	No	No	No (HSCB)	Yes	Yes	N/A
Accounts Payable	Later Phase	Yes	Yes	Yes	Yes	N/A
Payroll	Later Phase	Yes	Yes	Yes	Yes	N/A Note 1
HR (full scope)	No	Yes	Yes	Yes	Yes	N/A
HR (transactional services)	Later Phase	Yes	Yes	Yes	Yes	N/A
Equality	No	Yes	Yes	Yes	Yes	N/A
Counter Fraud (previously provided by CSA/DHSSPS)	N/A	Yes	N/A	N/A	N/A	Yes
Internal Audit	Yes	Yes	Yes	Yes	Yes	N/A
Corporate Services	No	Yes	Yes	Yes	No	N/A
ICT/Information Management (previously provided by DIS/ CSA/ Boards)	Yes in part plus later phase	Yes	Yes	Yes	Yes	N/A
Superannuation	Yes	Yes	Yes	Yes	Yes	N/A
OREC NI	Yes	Yes	Yes	Yes	Yes	N/A
Facilities Management	No	Yes	Yes	Ongoing	Ongoing	N/A
Estate Management	No	Ongoing	Ongoing	Ongoing	Ongoing	N/A

Note 1: the BSO will continue to provide payment of Bursaries to students on behalf of the DHSSPS.

5. Relationship between BSO and DHSSPS

- 5.1. The relationship between the BSO and the DHSSPS will reflect that of the BSO as a Non-Departmental Public Body (NDPB).
- 5.2. In accordance with Health and Social Care (Reform) legislation it is the duty of the BSO to put in place arrangements for providing or securing the provision of support services which:

- a) secure those services that are provided in the most economic, efficient and effective way; and
- b) are approved by the Department.

5.3. In addition the BSO shall provide the Department with the following:-

- Business Plan
- Statement on Controls Assurance Standards
- Statement on Internal Control
- Accountability Reviews
- Standards of Public Administration.

Section 4

6. Transitional Plan for the Provision of Corporate Services to the HSCB, PHA and PCC

- 6.1. The attached plan identifies how the Corporate Functions will be provided post April 2009. These plans are at a high level and will be developed further between the organisations as the relevant managers are appointed.
- 6.2. The Interim plan will in the main represent a status quo position. This is considered necessary to ensure that their essential services continue to be provided during this period of transition. In the medium term, the Business Service Organisation would intend, with partner organisations, to revisit these services to ensure that they represent best value to the HSC and fulfil the requirements of the new organisations.
- 6.3. This plan – as outlined in Table 2 below – has been produced in conjunction with key stakeholders and is being submitted for consideration and approval by the MIPB at its February 2009 meeting.
- 6.4. The plan addresses the interim needs of the new HSC organisations prior to 1 April 2009 and immediately thereafter subject to further

discussions once senior officers in the new organisations are appointed. The guiding principles in the approach have been:

- Business continuity of service
- Minimum disruption of staff pending further work on BSO locations
- Recognition of work carried out by other workstreams
- Provision of services in most efficient and effective manner

Table 2

FUNCTION	TRANSITIONAL ARRANGEMENTS
1) Secretarial Support to Chairs and Chief Executives of HSC,PHA,, BSO and PCC	Discussion with Chief Executives to determine what secretarial staff may be required to support them up to 31st March 2009. Recruit permanent staff to support Chief Executive, Chairs and any identified Senior Managers to begin as soon as practical Each of the new bodies are developing plans etc for first Public meeting of Boards in April 2009.
2) Registry Function - including Records Management	Current staff will transfer to BSO and will be deployed to HQs/CSUs. At CSU level they will be coordinated by an identified officer of the HSCB and provide an integrated service to LCG/PHA/BSO.
3) HR Functions (full scope and transactional services)	The BSO will identify two Senior HR Professional staff to be embedded on an interim basis in PHA and HSCB with effect from February 2009. (Note – these posts will be open to competition in the long term) An HR Manager within the BSO will be identified as first point of contact for PCC.
4) Payroll Services	Payroll offices and functions will remain as is for the interim. Agreements for the payment of staff transferring to HSCB, PHA and PCC by CSA and Trusts will be rolled forward.
5) Financial Services	Finance Staff and functions will remain as is for the interim. Agreements for the payment of traders etcetera in respect of the HSCB, PHA and PCC by CSA and Trusts will be rolled forward
6) Financial Management	Existing Arrangements for the provision of this function by the CSA will roll forward
7) IT Services	The IT staff in HSS Boards providing services to GMS and HSS Board functions will remain in locations as is in the interim but will transfer to BSO, pending development

	of ICT service model by IT Work stream.
8) Legal Services	Legal Services will continue to be provided by BSO. Current contract arrangements continue.
9) Facilities Management: Reception Mailroom Portering Security Cleaning Catering	<p>These services are currently provided through direct employment of staff, service level agreements with Trusts and third party providers.</p> <p>Staff currently employed directly by HSS Boards /HPA/HSS Councils will be transferred to the BSO.</p> <p>In each CSU, these functions will be co-ordinated on a day to day basis by an identified officer employed by the HSCB. The officer will also manage the group of BSO staff deployed in CSUs.</p> <p>Day to day management of these staff will be agreed through local negotiations.</p> <p>SLA's and contracts with Third Party Providers will be transferred to the BSO and rolled forward in the interim.</p> <p>The Headquarters of the Agency will be located on an interim basis within NICS property at Stoney Road. This is a services building but Reception facilities will be surveyed for appropriateness.</p> <p>PCC arrangements have yet to be determined.</p>
10)Estate Management of Facilities	<p>Day to day maintenance of existing HSS Board facilities are currently carried out through SLA's with local Trusts. These arrangements will be rolled forward</p> <p>At the HQ level the Board and Agency will identify a 'first contact' within their organisation who will manage their contracts with Trusts and a Senior Manager who will take responsibility for Health and Safety arrangements within the facilities.</p> <p>In each CSU these functions will be co-ordinated on a day to day basis by an identified senior manager employed by the HSCB.</p> <p>PCC arrangements have yet to be determined.</p>
11)Equality and Human Rights	These staff will transfer to the BSO which will provide services to the PHA HSCB and PCC.
12)Superannuation	These staff will transfer to the BSO which will provide services to the HSC
13)Procurement/Logistics	These staff will transfer to the BSO which will provide services to the HSC
14)Counter Fraud	These staff will transfer to the BSO which will provide services to the HSCB and DHSSPS. Following the introduction of free prescriptions the work of the Counter Fraud unit will be reviewed
15)Internal audit	These staff will transfer to the BSO which will provide services to the HSC
16)DIS services	These staff will transfer to the BSO which will provide services to the HSC (See previous Note 2 Page 9)

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