NHS England

Paper NHSE131114

BOARD PAPER - NHS ENGLAND

Title: Primary Care Support Services

Clearance:

Dame Barbara Hakin, Deputy Chief Executive and Chief Operating Officer

Jo-Anne Wass, National Director: Human Resources and Organisation Development

Purpose of paper:

- To update the Board on progress with programme to deliver transformed Primary Care Support (PCS) services, to give assurance of the robust oversight arrangements in place and to seek approval to go formal consultation.

Key issues and recommendations:

This paper provides an update on the programme and seeks Board approval for the commencement of a formal consultation process on 11 November 2013 on regional changes to the provision of PCS.

Actions required by Board Members:

The Board is asked to:

- note progress on the PCS transformation programme;
- approve the broad direction of travel for the programme; and,
- agree to launch formal consultation with staff.

Primary Care Support Services

Introduction

1. Primary Care Support services (PCS) are delivered by approximately 1,800 staff working in 37 locations. These services cover a range of critical functions for our patients and include managing GP medical records, breast and cervical cytology screening services and the payment of optical fees (table A below provides a full list of the services contained within the core specification). As of 1 April 2013, these staff transferred into NHS England. In addition, contracts are in place with NHS Shared Business Services, SERCO and ACE for the provision of PCS services.

Table A: PCS Core Service Specifications	
• Patient Registration • Maintenance of the Population Database • Medical Records • Cervical Screening • Breast Screening • Performer and Contractor Lists Administration	• Pharmacy Administration • Medical Payments • Ophthalmic Payments • Pharmacy Payments • Payments to Patients • Payments General Maintenance/Process • Contractor Supplies

2. It was essential to ensure that these important services transferred to NHS England safely and therefore no reduction in administration costs was made at transfer. This was important to ensure continuity of service. This meant, however, that it was necessary to identify efficiency and administration cost reductions during the course of 2013/2014 in line with NHS England's overall commitment to reduce administration costs by 40 per cent.

3. NHS England has established a programme with aim of securing the necessary cost reductions through the redesign of these services. The programme aims to:

   - achieve the safe transfer of current services and ensure consistency of standards and approach across NHS England;
   - future-proof services for the delivery of primary care services in line with our developing strategy for primary care; and
   - deliver a reduced annual cost of £60m to release funds for front-line care.

4. In addition, we have defined the following set of principles for the programme:

    - the workforce and their representatives being properly engaged and consulted on proposals throughout the life of the programme;
    - ensuring that the business needs of contractors are met consistently;
    - a common service specification for the whole country to the same standard;
    - an improved service which makes the maximum use of technology to ensure running costs are as low as possible consistent with providing a safe, quality service;
    - in-house services should be given time, not only to respond to changes in processes arising from the implementation of national projects, particularly regarding the use of technology, but to become 'match-fit' mature providers capable of responding to a future market-test; and,
    - consider NHS England's long-term role as a commissioner of these services and not a provider.

5. Discussions with the Board identified the original timeline of achieving savings by April 2014 as challenging and mindful of the lessons learned from the recent procurement of the NHS 111 service and the significant risks attached to this programme, the decision was made to extend the period to a point where safe continuation of quality services could be managed.

6. NHS England staffs in area teams, supported by regional teams, were asked to develop proposals which would deliver services safely and effectively, and delivered cost reductions as quickly as possible. Subsequently, in September 2013 the Executive Team recommended that the programme should be extended to allow for the modernisation and transformation of services and to explore options for a national procurement of PCS services.

7. The programme benefits from having senior management oversight and full programme management arrangements in place. Attached at annex one is a checklist assessment of these arrangements against the recommendations made by Peter Garland for the best management of projects by NHS England.

Current approach

8. Delivery of £40m savings will require a significant rationalisation of existing PCS offices and staff levels. Three large-scale regional options have been developed, using a common set of assumptions and a common service specification. Please note these are initial options and subject to further work and, importantly, to meaningful staff consultation. Table B below provides a summary of the regional options so far.

Table B: summary of possible regional options	
London / South	Joint solution for the 2 regions with a single structure and from 13 to 4 sites overall. Staff reductions proposed between May and September 2014
Midlands and East	Move from 7 to 2 sites taking until September 2014 to be realised.
North	Move from 17 to 6 bases with planned staff reductions post March 2014 but mostly by May 2014. No single management structure yet identified.

9. Successful delivery of these tactical options is predicated on several factors:

    - effective engagement and consultation with the workforce and other stakeholders given the likelihood of redundancies resulting from implementation of final options;
    - clarification of workforce policies and funding approval routes;
    - managing the in-year budget pressure arising from a re-phasing of savings into 2014/2015, access to transitional funds in 2014/2015 and access to capital funds; and,
    - delivering a number of national work-streams on information technology and procurement.

10. A preliminary assessment of the regional option appraisals indicates that the reduction of recurrent running costs can be achieved safely by September 2014. The ultimate viability of safely delivering current options will need to be consulted on, tested and assessed prior to a final business case being presented to the Board for approval.

11. The revised timeline means that the need for a significant proportion of the transitional and redundancy funding will be in the first half of 2014/2015 financial year. The potential moving of this funding to 2014/2015 and the consequent cost pressure impact of this delay are being examined as part of the wider NHS England budget setting process.

12. For the longer-term provision of services, we will need to look at further efficiencies from the best use of technologies.

Formal consultation with staff

13. These changes will be difficult for some of the staff currently employed in these services. We are committed to ensuring that we deal with these issues openly and honestly, and to providing support to the staff involved.

14. Work is progressing with the trade unions to support the PCS reorganisation programme with a ‘single approach’ to HR implementation. The aim is to simplify the impact on staff of a very complex set of organisational changes that could include TUPE transfer to external providers, matching and slotting in to new structures and services in new locations, in addition to redundancies.

15. A first class internal and external communications plan will be absolutely essential for the 1,800 staff.

16. As part of the consultation process, staff and their representatives will be given access to the detail of the options under development locally and across the regions to reorganise the services and will be given opportunities to provide feedback and comment on these. There must be sufficient time to take account of this feedback and adjust plans where this is possible to do so, all with the aim of mitigating and minimising redundancies.

17. There will be a national approach to the consultation ensuring a comprehensive and well planned set of discussions occur at every level in the PCS services.

18. There are a number of principles that will be explicitly set out in the consultation documents including:

    - NHS England is committed to partnership working as outlined in the ‘Organisational Change Policy’ and is committed to early and meaningful consultation with employees and their representatives;
    - staff will be made aware of proposed changes at an early stage and their involvement will be supported and encouraged throughout the consultation and reorganisation;
    - NHS England will consult and discuss the proposals with its recognised trade unions through the NHS England PCS partnership forum sub-group in line with their agreed terms of reference and the national partnership forum terms of reference;
    - formal consultation will begin in November 2013 and will last for a minimum period of 45 days;
    - the purpose of consultation is to provide an opportunity for staff and trade unions to influence decision- making processes and for all parties to give full consideration to the issues that arise; and,
    - all staff in posts affected by change will be fully consulted at the earliest opportunity in order that the change process is as sensitively and openly managed as possible.

19. Statutory consultation requires us to provide a minimum set of data to staff and trade unions and these are set out in annex two of this paper. This will include information on the redundancies that might occur as a consequence of the options under development for reorganising the services and reducing costs

Recommendation

20. The Board is asked to:

- note progress on the PCS transformation programme;
- approve the broad direction of travel for the programme; and,
- agree to launch formal consultation with staff.

Dame Barbara Hakin
Deputy Chief Executive and Chief Operating Officer
October 2013

Jo-Anne Wass
National Director: Human Resources and Organisation Development
October 2013

NHS England

Annex one: 'Garland' checklist

Following best practice

- Project management processes follow recommended practice.
- The programme is to be subject to the major policies review process of NHS England.

Learning lessons

- Options are being independently evaluated and will inform a business case for consideration by the Board. In particular, Regions are being asked to provide evidence that options have been tested for viability and that there are robust delivery plans in place.
- At key delivery points, reviews will be carried out by the programme team to assess progress and evaluate outcomes.

Availability of external, expert advice

- The programme team has access to procurement expertise that is provided by the NHS Business Services Authority.

Robust quality and capacity assurance

- The viability of the delivery plans will be examined by the programme team against key success criteria.

Adopting a phased approach

- The programme timeline has been extended to ensure an approach which places the emphasis on business continuity and a safe transition of services.

Escalating risks

- The programme maintains a risk register that is considered by the programme board each month. These risks are reported each month as part of the major projects oversight process of NHS England.

Investing VSM and clinician time

- The Director of Commissioning (corporate) chairs a monthly programme board that includes clinical and VSM representatives. As part of the major projects oversight the programme is regularly reviewed by the executive team and risk management group.

Supporting and challenging commissioners

- The core service specifications have been designed through a commissioner-led process co-ordinated nationally.
- Each region has been given help in the form of business planning guidance and project team support as well as local funding to support local project infrastructures.

Engaging with frontline staff

- PCS staff have advised of both the service specification redesign and the tactical changes being proposed in 2013/14 and 2014/15.
- Clients of the PCS services in the form of GPs, opticians, dentists and pharmacists will be invited to comment on service proposals and feedback is used to examine service issues

Annex two: statutory requirements for consultation

Statutory consultation requires us to provide a minimum set of data to staff and trade unions on

- The reasons for the proposed dismissals determined by relevant business cases.
- The numbers and descriptions of employees whom it is proposed to dismiss as redundant (posts and job titles not named individuals).
- The total number of employees of any such description employed by the employer at the establishment in question.
- The proposed method of selecting employees who may be dismissed.
- The proposed method of carrying out the dismissals, with due regard to any agreed procedure, including the period over which the dismissals are to take effect.
- The proposed method of calculating the amount of any redundancy payments to be made (over and above the statutory redundancy payment) to employees who may be dismissed.
- The number of agency workers working temporarily for and under the supervision and direction of the employer; the parts of the employer's undertaking in which those agency workers are working; and the type of work those agency workers are carrying out.
- A copy of form HR1 which is used for giving the Secretary of State advance notice of collective redundancies.