

COSLA/Scottish Government Public Health Reform Programme

Corporate Services Project – Proposal for In-House Services Public Health Scotland



Corporate Services Project – Recommendations to Programme Board on Corporate Services identified primarily for In-House Provision

1. Purpose

The purpose of this paper is to recommend to the Programme Board that eight of the thirteen Corporate Services Workstream groupings under the Corporate Services Project are formally agreed as not in scope for any significant level of shared service provision.

The benefits are that more work can proceed at pace to put in place effective arrangements for necessary processes of support and transformation from Day 1, enable more ‘twin tracking’ of work and facilitate the identification of interdependencies between shared and non-shared services at an earlier date, and also gain more certainty for more staff more quickly.

2. Recommendation

The Public Health Reform Programme Board are asked to reach a decision that:-

1. **Organisational Design & Quality; Strategic Planning, Performance & Risk; Information Governance; Governance & Executive Leadership; Knowledge & Research Services; and Support for Partnership** are developed as primarily ‘In House’ services.
2. These six add to **Admin Services** and **Communications, Engagement, Marketing and Digital** services, for which that assumption has already been made.
3. The nominated Design Leads will develop these eight Workstreams as fully costed service specifications, drawing on detailed analysis of resource currently expended on these services and on assessment of Future Need. While no Workstream is asked to rule out recommendations further down the line with regards to the outsourcing of certain aspects of that Workstream, there will be an overall working assumption that staff currently providing these services in PHI or HS are in scope for TUPE transfer to Public Health Scotland.
4. The remaining five services (**HR Services; IT; Finance & Legal; Procurement; and Operations Management**) are prioritised for detailed specification of Future State by the Corporate Services Project Core Team and related Corporate Services Workstream Design Leads, working fully alongside the respective Project Leads for each area. This will include detailed service specification based on PHS needs and assessments on the feasibility and definition as to how related services and processes should be split between any corporate services provider and PHS.

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The Programme Board have agreed that we do not expect Public Health Scotland to have been transformed on day 1. The organisation is likely to go through multiple design phases and change processes as the context changes, and strategy and culture are aligned. We expect the aspiration for common culture, values and strong organisational identity as the public health agency for Scotland to take some time to develop.

We believe that this will require a long term, planned, organised and integrated approach and that the services identified in this paper are best built into the fabric of the organisation to support this.

3. Background Summary

The aim of the Corporate Services Project is to identify all corporate services required by Public Health Scotland, whether provided in house or as a shared service arrangement, to produce detailed and robust baseline costs for these services and propose an approach that will support the operation of all corporate services, whether shared or in house.

The design of the Project is based on three core principles:

- Service design based on future needs of Public Health Scotland
- Service costs identified and assigned to Public Health Scotland
- Effective staff engagement to retain motivation, morale and good service design principles (including good, partnership-based design of any SLA approach to shared services) sustained throughout the creation of and into the establishment of Public Health Scotland.

The Corporate Services PID identified five main sets of services as being primarily in scope for shared services provision, where appropriate. These were HR and Payroll, Financial and Legal, Procurement, IT and Operations Management, including Accommodation.

Few services are currently provided to Health Scotland on a shared services basis (legal – CLO; payroll – NHS Ayrshire & Arran; procurement – SAS). From what is understood from the information available to date, PHI, as a strategic business unit of NSS, receives the majority of these five service areas from NSS corporate. The remaining eight service areas are a mixed model. There are also a number of service reviews underway in NSS and the Project has been linking in to these.

The Project is at a critical point along with other Public Health Reform Programme deliverables. The emerging Target Operating Model and values-based work coming from the WNBOD Commission have given some clear pointers about the business requirements of the services put in place to support Public Health Scotland to deliver its ambitions. The emergent Corporate Services Model, shared at the last Programme Board meeting, aimed to respond to those pointers. It was also very

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clear from the last Programme Board meeting that any decisions that can be made which will support detailed planning for staff TUPE transfer will be helpful.

4. Timing and Rationale

Approving the approach outlined in this paper will allow the focus of attention for detailed service specification over the next month to be on the five Corporate Services Workstreams groupings identified from the start from the Project PID as being target areas for detailed exploration of shared services arrangements.

There was also detailed discussion at the last Programme Board around the urgency in identifying processes and systems required for Public Health Scotland to be operational on Day 1. Work has now commenced on developing a detailed Action Plan for Day 1 Readiness. What is already apparent is that there will be a need to consider requirements from processes and systems from across all thirteen Corporate Services Workstreams, whether targeted for shared services arrangements or not.

For the eight Workstreams in scope for the primary recommendation in this paper, seven have no associated Corporate Project. The one that does, Communications, Engagement, Marketing and Digital, is already working on the assumption that these functions should be an In-House service at core (this does not preclude decisions that may be taken on a small scale e.g. out of hour's media provision).

The eight Corporate Services Workstreams in scope are well placed with senior staff from PHI, NSS and HS identified as Design Leads, who are already making plans to work with service providers and service users to develop the outline rationales described in the Objectives below.

Taking this approach will be helpful in spreading the workload. There will be many interdependencies across Workstreams. This approach will allow the core Project Leads to focus on the five Workstreams targeted for Shared Services, but also ensure that interdependent decisions are picked up relatively quickly (for example, how any planning service or model might impact on the ask of Finance & Legal, and Risk Services).

5. Progress against the PID

This paper represents progress and recommends how we should keep up the pace for further action across several objectives in the Corporate Services PID:

5.1 Objective 1 – Deliverable 2 – documentation outlining scope and opportunities for the provision of corporate services to support Public Health Scotland (PHS), identifying those services currently provided on a shared basis and any new corporate services to be provided on a shared basis

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Thirteen Corporate Services Workstreams have been commissioned to outline the scope and opportunities for the provision of corporate services.

5.2 Objective 2 – Deliverable 3 – outlining baseline costs for all services, including rationale for retaining specific services in-house

Baseline costs are emerging for all Corporate Service Workstreams, including the eight in scope for the primary recommendation in this paper. Costs have been challenging to obtain for some aspects. It is suggested that the detailed and accurate provision of costs is prioritised for the five identified as in scope for shared services.

5.3 Objective 3 – Deliverable 4 – Documentation outlining the feasibility and definition as to how related services and processes should be split between any corporate services provider and PHS

A primary principle of the Corporate Services Project is to start with the definition of what Public Health Scotland needs, based on the TOM and staff and stakeholder feedback from a number of sources including the OD Commission and current user research. The purpose of the Workstreams is to define the Future State. This is the first step in getting to the point that robust and risk-based decisions can be made on the feasibility and definition of split between the corporate services provider and Public Health Scotland.

Work has also started to develop the approach and timelines for assessing each Workstream for split between any corporate services provider and Public Health Scotland. Study visits are planned to several of the organisations represented on the Corporate Services Reference Group. Service level agreements and approaches are also being explored and collated.

5.4 Objective 3 - Deliverable 5 – Documentation describing the identified options, timescales, risks, benefits and costs associated with the provision of all new arrangements.

There are options, risks, benefits and costs associated with all the new arrangements whether shared or in-house. The Workstreams approach, alongside the expertise and experience drawn from the Corporate Services Reference Group, enables a wide range of evidence and perspectives to be explored in identifying all of these. The Pro Forma that have been used to commission the Workstreams, ask detailed questions around these aspects.

It is well understood that final decisions will need to be made on a number of factors, including costs.

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5.5 Objective 4 – Deliverable 6 – Related framework document(s)

A Corporate Services Framework has been created as the master document for the thirteen Workstreams and the repository for baseline costs and functions, as well as emerging criteria for each Workstream as they are developed. The outline rationale for the primary provision of the eight Workstreams to be In-House is extracted from that master document, along with costing information as we currently have it, in Appendix 1. The outline rationale and costs for the remaining Workstreams groupings is also attached for information, in Appendix 2.

6. Risks and Issues

The risks and issues associated with the scale of the Project and requirement for Day 1 Readiness have been well rehearsed, as have the interdependencies of several of the corporate projects on each other and on critical pathways such as staff consultation. The recommendations in this paper are designed to move on more work in a way that will facilitate decision making and interconnectedness.

The development of specifications in the eight Workstreams will be less time critical with regards to staff consultation timelines if these recommendations are accepted. However, as in all the Workstreams, there are still detailed costings to be provided and that detail will be critical to decisions required before the resource allocation for Public Health Scotland is settled.

Cath Denholm, Co-Lead, Corporate Services Project

Appendix 1 – Summary Rationale and Baseline Costs of Workstreams 6 – 13

Appendix 2 – Summary Service Outline and Baseline Costs of Workstreams 1 – 5

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Appendix 1: Summary Rationale and Baseline Costs for Workstreams 6 – 13 **(In scope for this paper)**

Workstream 6: Administrative Services + General Running Costs (Directorate Support/International Travel etc.)

Outline rationale for workstream development						
<ul style="list-style-type: none">PHS will employ c1000 staff.Professional admin services will be a valued part of that staff base.Models of admin support vary considerably across current organisations and teams and there is an opportunity to achieve greater consistency where appropriate and pursue models of excellence and efficiency.						
Cost Assumptions (based on current costs as available)						
	NSS		PHI		HS	
Current Total Staffing Costs	-	WTE	-	WTE	£684,220	WTE 23.4
Current Total Running Costs	-		-		£94,000	
Total	-				£ 778,220	

Workstream 7: Organisational Design & Quality (Change Management, OD, Learning & Development, Service Improvement, Project Management)

Outline rationale for workstream development		
<ul style="list-style-type: none"> PHS will not be ‘transformed’ on Day 1. Experience elsewhere demonstrates that we are likely to go through multiple design phases and change processes in the coming years as we rewrite the context, align strategy and culture and deliver measurable benefits. Strong OD and improvement services located within the organisation are likely to be key. The way that Public Health Scotland’s staff are supported to develop is key to the success of the organisation and the focus of much of the development will be specific to the needs of this organisation (building public health competence; whole system collaboration and relationships etc). There is also real potential and gain in much of the workforce development being delivered across the whole public health system rather than closed to the organisation. There are traditions of service improvement and quality design in both organisations that should be built and nurtured. Generic project management skills do exist in both organisations and it is likely given the scale and scope of many programmes that an embedded approach will be helpful in some cases. The potential to buy in extra project support is also recognised. 		
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Cost Assumptions (based on current costs as available)						
	NSS		PHI		HS	
Current Total Staffing Costs	£222,000	WTE 4.5	-	WTE	£522,500	WTE 11.76
Current Total Running Costs	-		-		£81,065	
Total	-				£603,565	

Workstream 8: Strategic Planning, Performance Management & Risk

Outline rationale for workstream development						
<ul style="list-style-type: none">• The emerging TOM is clear that PHS, if not structured around outcomes, will be expected to plan and report against outcomes.• PHS will require a bespoke and long term corporate strategy that will take time to embed and align all staff and directorates alongside.• It will be important for PHS to be able to demonstrate effective performance and impact against both national and local outcomes and beyond traditional NHS terms of impact and performance.• Planning models, approaches and systems are likely to need to undergo considerable change for all staff.						
Cost Assumptions (based on current costs as available)						
	NSS		PHI		HS	
Current Total Staffing Costs	-	WTE	-	WTE	£174,500	WTE 4.35
Current Total Running Costs	-		-		£15,000	
Total	-				£189,500	

Workstream 9: Information Governance

Outline rationale for workstream development						
<ul style="list-style-type: none">• The data management and governance requirements of ISD suggest that information must be governed from within PHS and linked with other governance processes within the organisation.• The process of governance of information alongside other governance approaches needs to be considered.						
Cost Assumptions (based on current costs as available)						
	NSS		PHI		HS	
Current Total Staffing Costs	-	WTE	-	WTE	£26,250	WTE 0.7
Current Total Running Costs	-		-		£3,000	
Total			-		£29,250	

Workstream 10: Communications, Engagement, Marketing & Digital

Outline rationale for workstream development						
<ul style="list-style-type: none">Communications, marketing and public affairs in order to effectively advocate and influence policy are core public health delivery functionsPublic Health Scotland will have the usual corporate communications functions including internal staff communications, media management and so on. There may be some scope for a shared service provision (e.g. media monitoring, out of hours media management) but the majority of services will sit within PHS.Services will reflect wide ranging and different professional needs across all the domains of public health.The organisation will operate on a principle of Digital First.The organisation needs to be effective in engaging effectively and in language and a style that works for all sectors and partners.HS brings in a large professional resource in digital design and print buying. There are options for PHS to provide services on a Once for Scotland basis.						
Cost Assumptions (based on current costs as available)						
	NSS		PHI		HS	
Current Total Staffing Costs	£161,589	WTE 3.3	-	WTE	£2,540,000	WTE 58.5
Current Total Running Costs	-		-		£2,159,390	
Total	£161,589				£4,699,390	

Workstream 11: Governance & Executive Leadership

Outline rationale for workstream development						
<ul style="list-style-type: none">PHS will be expected to work fully within all the principles of NHS Governance StructuresPHS will be accountable to national and local government.Development of the Board and Board Committee structures and processes in line with NHS Board governance requirements and governance standards will be required in advance of Vesting DayCulturally, HS is a small corporate entity and many staff are well versed in corporate governance. Generally speaking, corporate governance processes are less familiar within the day to day operations of PHI and therefore of its staff.						
Cost Assumptions (based on current costs as available)						
	NSS		PHI		HS	
Current Total Staffing Costs	-	WTE	-	WTE	£177,000	WTE 4.2
Current Total Running Costs	£111,979		-		£123,000	
Total	£111,979				£300,000	

Workstream 12: Knowledge, Research & Innovation Services

Outline rationale for workstream development						
<ul style="list-style-type: none">• There is significant ambition for PHS to add to the quality and depth of public health knowledge and research services across the whole system.• Innovation in research and knowledge provision and sharing (and innovation in general) is a core ambition of the public health reform programme.• In particular, the far fuller integration of experiential knowledge into the system is an important opportunity.						
Cost Assumptions (based on current costs as available)						
	NSS		PHI		HS	
Current Total Staffing Costs	-	WTE	-	WTE	£317,000	WTE 6.16
Current Total Running Costs	-		-		£46,000	
Total	-				£363,000	

Workstream 13: Support for Partnership

Outline rationale for workstream development						
<ul style="list-style-type: none">• The partnership working model and facilities times' agreement are a statutory function of an NHS board.• PHS will however, operate across the whole system and be mutually accountable in some way to CoSLA and to the NHS.• There are opportunities to explore how staff (in and out with the organisation) are supported to fully embrace the NHS partnership model and for the model to drive optimum engagement and involvement of all staff in decisions that affect them.						
Cost Assumptions (based on current costs as available)						
	NSS		PHI		HS	
Current Total Facilities Time as Staff	-	WTE	-	WTE	£143,000	WTE 2.8
Current Total Running Costs	-		-		-	
Total	-				£143,000	

Appendix 2: Summary Rationale and Baseline Costs for Workstreams 1 – 5 **(Not in scope for this paper)**

Workstream 1: Finance & Legal

Outline rationale for workstream development					
<ul style="list-style-type: none"> Public Health Scotland will have an operating budget of £ c £60m The majority of its funding will come from Scottish Government Current funding models of PHI and HS are very different. This will be reflected in a complex system of funding streams. It is assumed that governance of the finance, audit and financial strategy will be the role of Public Health Scotland's Board and that there will be at least minimal senior financial representation within PHS to support this. It is assumed that consideration will need to be given to how PHS is supported to operate within a dual accountability model to CoSLA and the Scottish Government. It is assumed that financial services will be required to support an outcomes based model of planning and reporting, in line with the emergent TOM. There is a starting assumption that some level of Finance service will be provided through a shared services arrangement, with NSS the preferred provider of those services on Day 1. 					
Cost Assumptions (based on current costs as available)					
	NSS		PHI	HS	
Current Total Staffing Costs	£324,000	WTE 6.2	-	£236,000	WTE 4.0
Current Total Running Costs	-		-	£76,000	
	£324,000			£312,000	

Workstream 2: HR Services

Outline rationale for workstream development

- Public Health Scotland will employ c1000 staff
- It will have the status of a special health board and all staff will be on NHS terms and conditions
- The NHS Staff Governance Standard and the NHS Partnership Working Agreement will apply, but it is legitimate to explore what more or how in particular these can be applied in the context of this unique organisation.
- It has been described as critically important that the organisation does not ‘look or feel like an NHS body’. There are also a variety of cultural and values based ways of working, identified through the TOM and WNBOD that policies and approaches should actively support.
- The business of public health is whole system. Staff need to engage with and understand themselves accountable to a wider public service. The business aims of Public Health Scotland need to drive workforce strategy and planning.
- There is a starting assumption that some level of HR service will be provided through a shared services arrangement, with NSS the preferred provider of those services on Day 1.

Cost Assumptions (based on current costs as available)

	NSS		PHI		HS	
Current Total Staffing Costs	£77,000	WTE 1.5	-	-	£264,000	WTE 6.71
Current Total Running Costs	-		-		£110,600	
Total	£77,000 (1.5 WTE)				£374,600 (6.71 WTE)	

Workstream 3: IT Services

Outline rationale for workstream development						
<ul style="list-style-type: none">PHS will operate on a principle of Digital First. There is an ambition for this to be more than ‘name only’PHS must be positioned to play an effective and strategic partnering role with NES Digital and other national IT programmes and be seen to be the leader in public health IT solutions for ScotlandMuch of the collaboration and innovation ambitions will be supported by IT platforms, approaches and strategiesStaff and partners must be supported to work agilely and flexibly to maximise staff engagement and collaborationThere is a starting assumption that some level of HR service will be provided through a shared services arrangement, with NSS the preferred provider of those services on Day 1.						
Cost Assumptions (based on current costs as available)						
	NSS		PHI		HS	
Current Total Staffing Costs	£5,495,000	WTE 79.7	-	WTE -	£407,000	WTE 9.0
Current Total Running Costs	-		-		£467,660	
Total	£5,495,000 (to be disaggregated)				£874,660	

Workstream 4: Procurement Services

Outline rationale for workstream development						
<ul style="list-style-type: none">PHS will procure a range of services, including research and products to support its ambitions for innovation.PHS will be a partner across the whole system, and procurement processes should actively support collaboration and strong evidence of social impactThere is a starting assumption that some level of Procurement service will be provided through a shared services arrangement, with NSS the preferred provider of those services on Day 1. Early attention will need paid to the existing shared service arrangement which HS has in place with the SAS procurement service.						
Cost Assumptions (based on current costs as available)						
	NSS		PHI		HS	
Current Total Staffing Costs	£4,076,000	WTE 14.6	-	WTE	-	WTE
Current Total Running Costs	-		-		£80,000	
Total	£4,076,000 (to be disaggregated)				£80,000	

Workstream 5: Operations Management (Accommodation, Facilities, Office Services, Business Continuity & Resilience, Health & Safety)

Outline rationale for workstream development

- PHS will employ c1000 staff
- PHS has an ambition to be a very collaborative organisation and to support its staff work effectively across the whole system, which is likely to lead to flexible and shared locations.
- Current office accommodation is likely to be used on Day 1, but this may change.
- Identity of staff from Day 1 with PHS will be important.
- Staff and partners must be supported to work agilely and flexibly to maximise staff engagement and collaboration
- There is a starting assumption that some level of Estates and Facilities service will be provided through a shared services arrangement, with NSS the preferred provider of those services on Day 1.

Cost Assumptions (based on current costs as available)

	NSS		PHI		HS	
Current Total Staffing Costs	-	WTE	-	WTE	£204,250	WTE 4.56
Current Total Running Costs	-				£1,051,000	
Total	-				£ 1,255,250	

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Approvals

This document requires the following approvals. A signed copy should be placed in the project files.

Name	Signature	Title	Date of Signature
Cath Denholm	<i>C Denholm</i>	Director of Strategy, NHS Health Scotland	
Billy Murray	<i>B Murray</i>	Procurement Development Manager, Scotland Excel	

Distribution

This document has been distributed to:

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