



THE SCOTTISH OFFICE

Department of Health

NHS Management Executive
St. Andrew's House
Edinburgh EH1 3DG

Dear Colleague

**MANAGEMENT OF SUPPORT SERVICES IN THE NHS
IN SCOTLAND: QUALITY AND VALUE**

Summary

1. The White Paper "Designed to Care" and, specifically, section 8: Team Work reflected a commitment to recognise the importance of the contribution that is made to the quality of patient care by those people working in the NHS who are not directly engaged in clinical care. The section reflected the Government belief that the "support services staff" needed to be regarded as an integral part of the patient care team. The guidance sets down in the attached annex how the service is expected to achieve the objective of managing support services in a manner that demonstrates a commitment to achieving quality and value. The guidance also confirms the establishment of the Best Practice Steering Group that is to help support, identify and disseminate best practice in the management of support services across the service.

Action

2. The guidance, which is effective at date of issue, is intended to inform considerations about achieving the right quality of service at the right cost in the provision of support services within the NHS in Scotland.

3. Health Boards and Trusts are asked to make arrangements to submit to the Management Executive their future plans for achieving quality and best value in accordance with paragraph 8 of the guidance. The information requested should be submitted no later than 31 October 1998.

Yours sincerely

GERRY MARR
Director of Human Resources

29th April 1998
Addressees

For action:
General Managers,
Health Boards

Chief Executives,
NHS Trusts

General Manager,
Common Services Agency

General Manager,
State Hospital

Enquiries to:

Mr I D Williamson
Directorate of Human Resources
NHS Management Executive
Room 263
St Andrew's House
EDINBURGH EH1 3DG

Tel: 0131-244 2435
Fax: 0131-244 3487

SCOTTISH HEALTH SERVICE	
GENERAL SERVICES AGENCY	
INFORMATION SERVICES LIBRARY	
Call	lex
Ref	R-11: 102442
Date	Price

MANAGEMENT OF SUPPORT SERVICES IN THE NHS IN SCOTLAND: QUALITY AND VALUE

Introduction

1. The White Paper "Designed to Care" emphasises quality, particularly in relation to clinical standards and outcomes. It also reflects the Government's belief that the achievement of quality across the Health Service in its broadest sense is critically dependent upon the quality of its support services.

2. This guidance founds on the view that the starting point for bringing about improvement in the quality of support services is a requirement for NHS Trust Boards⁽¹⁾ and Health Boards (for Directly Managed Units) to recognise fully the added value that effective support services can bring to patient care.

3. Value for money in the management of support services within the NHS in Scotland is, and must remain, a key priority. Value for money is not about providing services at the least cost irrespective of the quality of the service and without regard to the consequences for the terms and conditions enjoyed by staff. The objective for managers must be to achieve the right quality at the right cost. This objective can best be achieved where managers afford the following principles equal priority in considerations about efficiency in the delivery of support services:

- 3.1 quality of service recognised as important as bottom-line costs;
- 3.2 there is a mechanism for continuous improvement in the quality and cost effectiveness of the service;
- 3.3 where enlightened employment practice is seen as crucial to the quality of service delivery enabling staff to be:
 - informed;
 - skilled;
 - appropriately supported;
 - rewarded;
 - involved; and
 - flexible in working practices;
- 3.4 where options are being pursued that may result in services being provided by employers other than the NHS, then particular attention must be paid to terms and conditions issues in securing service agreements. In such circumstances, enlightened employment practices should also include:

⁽¹⁾ References in this guidance to Trust Boards should be regarded as covering Trust Boards and Health Boards for Directly Managed Units.

- providing for existing union recognition rights to be preserved for staff;
- considering the scope for ensuring that new contracts give NHS staff who move to the private sector broadly comparable pensions;
- recognising that best value in the management of support services does not mean presuming in favour of lower cost bids where the savings which are derived can be attributed, in whole or in part, to a diminution of nationally agreed terms and conditions of service.

Implementation of Improved Quality and Value

4. NHS Trusts have recently, to varying degrees of detail, reported to the Management Executive the current status of their support services. From this base, which should be comprehensive and covering all support services, Trust Boards will be expected to assess systematically the quality and value of their existing support services measuring their performance against that of other Trust Boards and comparable organisations.

5. Having assessed the quality and value achieved against other comparable service operations, Trust Boards will, in consultation with staff representatives, be free to consider the options for improvement. It is essential that this consultation be initiated at an early stage and that proposals are developed in an open and transparent manner. The momentum for seeking improvement may also be coming from other drivers for change including the duty to comply with the law (including EC Directives), and the imminence of contract renewal. The options which Trust Boards are invited to consider include:

- shared services eg, with other Trusts, Health Boards or local authorities;
- in-house partnerships;
- partnerships with the private sector; and
- market testing (including supporting in-house bids).

6. While market testing continues to be a method which Trust Boards may employ, they should not look to this before they have explored fully the other options for securing the right quality of service at the right price. For example, Trust Boards should not move to roll forward existing support services contracts beyond the agreed contract period until they have explored fully the other options and have sought prior approval from the Management Executive. The guidance is fundamentally concerned with developing innovative thinking about what the Trust Board should be aiming to achieve in securing delivery of support services and providing for continuous improvement in the quality of these services. It is acknowledged that cost, and in particular capital cost avoidance, will continue to be a major influence underpinning the considerations as to how Trust Boards can best achieve the objectives of quality and value. For some services, achievement of these twin objectives will mean looking to other Trust Boards with which to share the provision of services. In those circumstances (having gone through the considerations and processes set down in paragraph 5

above) where market testing emerges as the chosen method then the Trust Board must provide the necessary support to ensure the in-house bid is properly drawn together. This includes those circumstances where services are currently contracted out.

7. Examining the scope for improving quality and realising greater economies of scale through sharing of services and more collaborative working practices have been the driving principles behind the Chief Executives' Working Groups that have been looking at different support services. For some of these Groups, specifically those concerned with linen services, catering and sterile services, the responsibility for taking forward the task of implementation has been vested in a number of Regional Groups. It now falls to these Regional Groups to consider the relevance of the findings/recommendations of the respective Working Group Report in terms of applicability with the Regional Group area. It is for the Regional Groups to determine whether to move to implement all, part or none of the Report recommendations. Appendix 1 attached provides a more detailed framework for the considerations of the Regional Groups.

Implementation and Timing

8. Implementing the White Paper will be a major preoccupation for all Trusts to varying degrees over the coming months. It is therefore acknowledged that the White Paper considerations should be seen as a priority and, in some cases, as the forerunner to the systematic assessment of the existing support services that each Trust Board is now being asked to carry out. Accordingly, Trust Boards should regard 31 July 1998 as the target date for the completion of their preliminary assessment of the quality and value of these services with 31 October 1998 being the date by which we would expect Shadow Trust Boards to have considered and approved their outline plans for achieving best value in the delivery of support services over the coming 5 years. These plans should make explicit the current status of each of the services featured. The plans should be returned to the Management Executive and should be copied to your principal Health Board. It is proposed that these will become an integral part of the Trust Implementation Plans as a means of delivering relevant Health Improvement Programmes in an effective and efficient manner. Further guidance on this interface will be covered in the Priorities and Planning Guidance for 1999/2000 to 2003/04.

Best Practice

9. There are already examples of Trust Boards pursuing what may be described as best practice in terms of re-designing non-clinical support services, in an effort to provide greater integration of service whilst at the same time demonstrating enlightened employment practices. Some of these place an increased emphasis on the "generic" worker. Others involve agreements based on performance, quality, efficiency and flexibility with gain sharing arrangements realised on results. A Best Practice Steering Group is being established to help support, identify and disseminate best practice across the service. The membership includes representatives from the Management Executive, the Service and from

Trade Unions. The Group will also encourage Trust Boards to come forward with innovative proposals for developing support services in ways that are designed to deliver the right quality at the right cost. It is hoped that some of these will be adopted as pilots with support being provided where indicated. Further approaches on this matter will come from the Steering Group following its first meeting.

Directorate of Human Resources
April 1998

**FRAMEWORK FOR IMPLEMENTATION OF WORKING GROUP REPORTS
(covering Linen Services, Catering and Sterile Services)**

1. With the completion of the national Reports, the task of implementation now falls to the Regional Groups that have been established.
2. The Chairmen of the Regional Groups will:
 - 2.1 agree on the local membership, including union membership drawn from STUC nominations;
 - 2.2 determine and agree a timetable for implementation;
 - 2.3 ensure that the Group follow a course that delivers the fundamental tenets of the best value policy in the management of support services.
3. It is the function/responsibility of the Regional Groups to:
 - 3.1 consider the relevance of the findings/recommendations of the National Group Report in terms of applicability within the local Regional Group area (RGA). (It is open to the Regional Groups to decide upon whether to try and implement all, part or none of the Report);
 - 3.2 decide upon how to best engage Trust Chief Executives within the RGA;
 - 3.3 scope activity on the service within the RGA and keep the Management Executive informed about implementation plans (including proposed opt-outs);
 - 3.4 advise opt-out Trusts of the need for them to satisfy Management Executive direct of alternative means of delivering best value;
 - 3.5 submit brief outline business cases to the Management Executive about proposals for implementation within RGA and be prepared to meet with the Management Executive prior to committing to implementation.