



DEVELOPMENT OF BACK OFFICE SHARED SERVICE

There is a great deal of debate as to what services are contained within the rather broad and overarching term of 'back office functions' and to a large extent this is something that can be determined by each NHS organisation. However, as a part of the national QIPP workstream the Department of Health defined the following functions as 'Back Office':

- Finance
- Human Resources (HR)
- Information Management and Technology (IM & T)
- Procurement
- Estates Management
- Payroll
- Governance and Risk

This guide intends to focus upon the development of shared HR and Payroll services, although in some cases (such as the tendering process in the North Mersey area) there are a number of services including finance that have been combined to form a joint back office function.

THE BACK OFFICE FUNCTIONS AGENDA

The Government has reaffirmed the need to place quality of care at the heart of the NHS. The White Paper, Equity and Excellence:

Liberating the NHS (July 2010) makes it clear that quality cannot be delivered through top down targets but by focusing on outcomes, giving real power to patients and devolving power and accountability to the frontline.

Despite the recent good funding settlement for health, the NHS needs to make savings because of growing demand. With factors such as an ageing population putting the NHS under increasing pressure, it is not possible to go on as before.

Now, more than ever before, the NHS has to achieve value for money and the best possible quality so that patients get the greatest benefit.

QIPP

The Quality, Innovation, Productivity and Prevention (QIPP) programme is all about ensuring that each pound spent is used to bring maximum benefit and quality of care to patients.

The NHS needs to achieve up to £20 billion of efficiency savings by 2015 through a focus on quality, innovation, productivity and prevention. Every saving made will be reinvested in patient care by supporting frontline staff, funding innovative treatments and giving patients more choice.

The eWIN portal offers a great deal of detail regarding how the NHS is planning to meet this challenge, however it is inevitable that given the size of the challenge that ways of working will have to change significantly. Furthermore, with a massive proportion of recurrent expenditure in the NHS being attributable to workforce costs, it stands to reason that workforce changes will also have a massive part to play.

For more info see the eWIN [QIPP Hot Topic](#)





2011/12 Workstream Work Programme

As well as the national approach taken to address the QIPP challenges (detailed through the above link), the NHS in the North West has developed a number of workstreams, one of which covers initiatives related specifically to workforce and Leadership issues.

As a part of this workstream a number of specific initiatives were identified by the HR footprint leads as areas which could significantly contribute to the agenda and these are contained within the 2011/12 Workstream Work Programme:

As can be seen from the work programme, one of the key areas that NHS Organisations in the North West may want to consider addressing is reviewing back office functions, which is aligned with the national Back office efficiency and management optimisation workstream. It is anticipated that nationwide the national workstream will be able to deliver £600 million worth of efficiency savings.

For more information follow this link to the [DH Back office efficiencies web page](#)

[2011/12 Workstream Work Programme](#)

[QIPP National Workstream-Back Office Optimisation Guide](#)

CONSIDERATIONS BEFORE DEVELOPING A SHARED SERVICE

Decision Trees

[Decision Trees – IES – Peter Reilly](#)

Legal Considerations

NHS organisations who are contemplating setting up shared services vehicles (SSV) in order to obtain the benefits of collaboration and scale need to consider a number of procurement laws and other legal issues. For more information on this download:

[Shared Service Briefing – Beachcroft LLP](#) (only accessible to eWIN members)

SHARED SERVICE GUIDANCE

[Good Practice for Shared Services in HR – West Midlands](#)

[Shared Services & the Re-alignment of HR - IES](#)

[Capital Ambition Report -Implementing Shared Professionals - IES](#)

Expert Guides are also available on the [Public Sector People Management Website](#), but you need to be a member of that website to access these guides.

SHARED SERVICE CASE STUDIES

There have been numerous pieces of research undertaken into the potential business benefits that can be delivered through the development of shared back office (and HR) services and a number of these are contained on this page in this document in the form of case studies. However, when evaluating the benefits that any service may be able to deliver, it is vital to remember that the benefits will be as unique as the organisation itself, and that whilst shared services can deliver significant benefits they will not be the answer for each organisation.

The case studies below however can act as a guide to the kind of benefits which may be able to be realised and assess how these would be delivered.

eWIN Case Studies

For access to all the eWIN Shared Service Case studies and their attached appendices, which include a range of supporting material, go to [eWIN Service Redesign Page](#)

Other Case Studies

[Building the Case for HR Shared Services \(Aberdeen Group\)](#)

[Shared HR Services in local government \(IES\)](#)

[IES Shared Services Case Studies – Peter Reilly](#)





OTHER SHARED SERVICES

Many other back office functions such as Informatics are also moving towards shared services. For a summary of the current Informatics landscape see below.

Informatics Shared Services Landscape

The current health informatics landscape for shared services includes a number of Health Informatics Services across the North West. The size and scope of the Health informatics offerings varies but there is a current trend towards forming new and larger shared services. In some areas shared services provide all IT and informatics on behalf of Trusts, in other areas organisations retain some capability in-house, and procure selected services from a Health Informatics Service (HIS).

Within Cheshire we have seen the formation of a shared service covering the region. This is providing services to both acute and primary care. Within the Mersey region the existing North Mersey HIS is now providing some services to the majority of Trusts in the area, with St Helens and Knowsley HIS providing services to the majority of the remaining Trusts. Greater Manchester currently has a well formed and planned project to create a Health Informatics Service which will initially serve the clustered PCTs with further plans to offer services to other organisations at a future date. Almost all of the Trusts in Lancashire are moving towards a shared service model and all are already sharing infrastructure in terms of data networks and authentication services as part of the shared services agenda. The Trusts in Cumbria continue to work with the Morecambe Bay Shared Service, who provide a number of services.

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SUPPORT AVAILABLE FROM NHS NW Workshops through PWC

In order to support organisations/health communities to meet their QIPP challenge, a workshop offer is available within NHS North West facilitated by PWC. The objectives of the workshop would be to:

- Understand the 'back office efficiency and management optimisation' workstream methodology and best practice.
- Produce agreed lists of transactional, core and non-core services.
- Agree which functions are appropriate to share.
- Draft group vision for back office.
- Produce an action plan for next steps in all functional areas.
- These workshops are for approximately half a day duration.

This workshop approach has previously been funded centrally by the Department of Health, but only a limited number of workshops were allocated for the North West. To coordinate the facilitation of one of these workshops in the first instance, please contact Sally Campbell using the following contact details: sally.campbell@northwest.nhs.uk Tel: 0161 625 7297.

Workshops through IES

In order to support the development of Shared Service agreements within the region, NHS North West is happy to commission workshops with the Institute for Employment services to assist with visioning and scoping the practicalities of any service. These will be facilitated by Peter Reilly; an expert on HR shared services. Peter has already successfully carried expert facilitation of this kind for NHS NW, and has references available upon request at peter.reilly@employment-studies.co.uk or 07771932993.

Workshops may be run for Trusts based upon whether they decide to develop a new HR model, and upon what sort of model it might be, in the light of the business drivers and corporate/HR vision. If a group of Trusts wishes to consider a partnership arrangement then Peter can also facilitate or lead a discussion on the key issues that will make the partnership work successfully including; choice of services to share, mode of service delivery, structuring and resourcing the service, governance and management arrangements, financial model, systems infrastructure, performance monitoring etc.

To co-ordinate the facilitation of one of these workshops, please contact Sally Campbell in the first instance using the contact details below.

CONTACT FOR FURTHER INFORMATION

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