Creating a Model of Shared Services Across the HR in NHSScotland

Project Initiation Document

Quality and Efficiency Support Team

QuEST
Quality, Efficiency, Value

healthier scotland
SCOTTISH GOVERNMENT
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Version history

Following the baselining exercise which produced an analysis of HR activity represented as time and cost, the Programme Board agreed that the scope for the programme would be:

**Recruitment** - The scope begins once agreement has been given to recruit to a post under existing individual Board vacancy management arrangements and incorporates all process steps within the overarching recruitment process (as defined within the process map for eESS). The scope also includes trained medical and dental staff.

**Employee Services** - The delivery of information and advice to leaders and staff which is consistent, accurate, timely and cost effective; the management of case work; and the management of HR data. (There is a close link to eESS functionality in particular around manager self-service and to examples of on-line HR guidance already provided in some boards in Scotland). The scope also includes trained medical and dental staff.

**Medical and Other Trainees** – The scope covers the provision of workforce planning and development, management and delivery of recruitment, training rotations and employment practice for medical, dental and other vocational trainees across the NHS in Scotland.

The scope of these 3 workstreams accounts for 52% of HR activity within the original scope of the programme.

This version of the PID incorporates the resulting changes to:

- the programme scope
- the original programme phases
- the overall programme timeline
1. **Background, Context and Purpose of Document**

1.1 **The NHS Shared Services Background**

Shared Services is one of a number of workstreams that support the Efficiency and Productivity Framework across the NHS in Scotland. Considerable work has taken place within Financial Shared Services and there are further opportunities which will be progressed over the next few years. The Director General of the NHS in Scotland, along with the Chairs and Chief Executives, has committed to supporting a wider review of organisational “support” services, common to all Health Boards, where there is other potential to adopt a shared services approach and a process mapping exercise in 2011 identified Human Resources (HR) as a second wave Shared Services work programme.

The underpinning ethos of the Shared Services agenda is:

- **Simplify:** processes and procedures are as “lean” as possible minimising inappropriate waste
- **Standardise:** variation between Health Board areas and individual users is removed
- **Share:** where there are benefits in doing so processes are delivered from a single (or limited number of) location

It is recognised that within HR there is already collaboration around workforce planning in particular, along with other HR initiatives, at Regional level. Indeed there is also some progress in adopting a form of “shared services” with local authorities. In 2012, the implementation of a National Single Instance HR IT system (EESS) commenced, enabling, amongst other functionality, the sharing of information, links to other workforce related IT systems and consistency across all Health Boards of HR transactional processes.

In October 2011 a Programme Board was established to oversee the initiation and implementation of an approach to HR Shared Services. In January 2012 a National Programme Director was appointed to lead on this work. The overall governance structure for this programme is detailed at 2.1.

1.2 **The NHS HR (Workforce) Context**

In 2012 work began in refreshing *A Force For Improvement*, the workforce strategy which was developed in 2009 in response to *Better Health Better Care*. The strategic context for workforce was identified as:

- The workforce helps to tackle health inequalities
- Shifting the balance of care needs staff who are appropriately trained to deliver new models of care
- The employee experience needs to be positive and feed through to a quality patient experience
- The workforce needs to play its part in delivering best value
- Workforce planning needs to take place in an integrated fashion

“We will respond to the needs of the people we care for, adapt to new improved ways of working, work seamlessly with colleagues and partner organisations. We will continue to modernise the way we work and embrace technology. We will do this in a way that lives up to our core values …

Together we will create a great place to work and deliver a high quality healthcare service which is among the best in the world.”

The above is a quote from the “Route Map to the 2020 Vision for Health and Social Care”. The NHS in Scotland is a people-focused organisation, employing more than 150,000 colleagues across the Scottish Geography who account for approximately 75% of the overall NHS budget. NHSS is committed to focusing

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on the requirement to ensure a sustainable workforce, developed and supported to deliver the requirements of an ever-evolving service. It therefore follows that there is a key role for HR services within boards to drive this vision through the support for front-line and support services during this period of unprecedented change.

The HR Shared Services Programme as it has progressed has ensured alignment with the Workforce Strategy for 2020, which itself underpins the overall 20:20 for the NHS and the route map for implementation and measurement. The key focus of 20:20 is on the 5 areas of:

- Sustainable Workforce
- Capable Workforce
- Integrated Workforce
- Healthy Organisational Culture, and
- Effective Leadership and Management

### 1.3 The Purpose of this Document

In accordance with NHSScotland programme management methodology, the purpose of this document is to:

- Set out the strategic objectives for the programme, reflecting the Vision Statement, and aligning with the organisational context and business environment
- Provide an overview of the scope of the HR Shared Services programme to enable the Programme Board to exercise governance over the work undertaken
- Highlight the roles and responsibilities of those involved in the programme along with any other specific resources required
- Describe the approach (methodology) for the programme
- Identify overall benefits and targets for the programme
- Specify the workstreams which will be initiated along with their individual targets and timescales for delivery
- Estimated costs and overall timescales
- Investment appraisal
- Identify high level risks and assumptions
- Provide a source document for communication of the programme
- Provide a focus for the programme review following implementation
- Options and approaches that have been considered

### 2. Programme Overview

#### 2.1 Programme Governance

The Programme will be overseen by a Programme Board, membership of which is detailed in appendix 1. The Programme Board sits within a Governance structure as described below:
Programme Governance

* The workstream was renamed following a review of the scope in January 2014 (originally Medical Staffing).

The role of the Programme Board is to:

Agree the scope of work, success measures and deliverables; maintaining a focus on workstreams which have the greatest potential to impact on the overarching benefits under the “benefits scorecard” of:

- **Quality**
  (and safety where appropriate)

- **Service Delivery**
  (including timescales, service level agreements [SLAs] etc)

- **Cost**
  (cash releasing, cost avoidance or releasing productive time)

- **People**
  (workforce employed within HR and patients/public where appropriate)

- Track changes to deliverables and key milestones to ensure continued focus on progress, as well as prioritising competing milestones
- Develop solutions to any problems between the programme, other workstreams and other bodies
- Oversee the management of risks to delivery against key milestones
- Ensure the implementation and progress towards the delivery of agreed priority areas are reported on through projects/short life working groups etc, and
- Ensure that there are effective communications and engagement activities with the HR community, Scottish Government and NHSScotland
2.2 Programme Objectives

The programme has been established with the high level objectives of ensuring that the appropriate development of HR Shared Services:

- Improves the quality and efficiency of HR services delivered to customers
- Improves the governance of HR and workforce related services and activities
- Improves the resilience and sustainability of HR services
- Delivers redesigned HR service processes which are effective, efficient and productive, and
- Ensures the maximisation of business systems integration opportunities (e.g. eESS, e-payroll etc)

2.3 Programme Scope

The programme encompasses HR services within territorial and special Health Boards across Scotland. At present there is no single consistent model of HR service delivery across the individual Health Boards and therefore the initial scope of the programme will include all services currently being delivered under the remit of this broad perspective of HR for all staff and professional groups; but will mainly be described under the following key headings:

- **Employee Services**: This includes the provision of advice, record keeping and information management (e.g. employee conduct, concern, whistle-blowing, dignity at work, capability. Systems support for the consistency of provision and management of these services will be delivered through the implementation of eESS).

- **Medical Staffing and Trainees Services**: This includes the provision of workforce planning and development, management and delivery of recruitment, training rotations and employment practice for medical, dental and other vocational trainees across the NHS in Scotland.

- **Recruitment**: This includes ensuring that Boards have the right people with the right skills in the right jobs at the right time, enabling safe, effective and person-centred care.

- **Attendance Management**

- **Training, Development and Education** (including statutory and mandatory training, management and leadership development)

- **Workforce Planning and Redesign** (including workforce information services)

- **Equality and Diversity** (including Disability discrimination)

- **Occupational Health and Safety Services**

- **Organisation Development**

- **Internal Communications**

- **Payroll and benefits** (e.g. pay and policy advice, pensions advice, car leasing)
It is also recognised that HR plays a key role at Health Board level in the delivery of the Staff Governance standards and the enhancement of partnership working. It is anticipated that the workstreams will make recommendations about the level of service provision – for example, a distinction may be drawn between “advice” which can be given at a distance from the enquiry (such as reference to a PIN Guideline or national legislation interpretation) and “support” which would require the presence of a member of the HR team (such as attendance at a meeting or hearing of a process, e.g. Conduct).

After an initial benchmarking exercise took place in early 2013, it was agreed by the programme board that in particular this project will initially focus on the following three workstreams: Employee Services, Medical and Other Trainees and Recruitment.

2.4 Workstream Methodology

The achievement of the overall programme will be dependent upon the delivery of new models of service through specific programme workstreams. Each workstream will follow a standard methodology of approach (as described below) which is based on lean best practice. The workstreams will be led by a nominated Health Board HR/Workforce Director and supported by the Programme Director through a team of co-opted HR staff specialising in the workstream topic along formal partnership representation. Each workstream will also adopt the overall programme principles as described in 2.7 above ensuring engagement with HR customers and partner organisations where appropriate.
2.5 Workstreams

Following a significant baselining exercise which took place during early 2013, it has been established that the overall activity within the Board HR teams is as follows:

![Workstream Pie Chart]

Based on the programme scope, it was agreed by the Programme Board in May 2013 that the programme would focus on three key workstreams:

1. Recruitment – incorporating recruitment of trained medical and dental staff
2. Employee Services – incorporating support for trained medical and dental staff
3. Medical and Other Trainees – focusing on the recruitment, rotation, training and other workplace support for national trainees

The Programme Board also agreed that areas of future focus could be payroll (following integration of eESS and e-payroll) and Learning and Development (as this represents a further 15% of HR activity)

Further details about the timeline and deliverables are shown in appendix 2.
2.6 Phases and processes

In line with workstream methodology (described above in 2.4), it is proposed that each workstream group undergoes the phases and processes outlined below:

<table>
<thead>
<tr>
<th>Phase</th>
<th>Processes</th>
<th>Timescales Group A</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>• Data analysis &amp; establishment of a baseline</td>
<td>May 2012 to October 2014</td>
</tr>
<tr>
<td></td>
<td>• Workstream development</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Options Appraisal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Consultation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Business Case</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Undertake tests of change and share good practice from baselining and benchmarking data (continuing into phase 2)</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>• Development of an Implementation / Transition Plan</td>
<td>October 2014 to January 2016</td>
</tr>
<tr>
<td></td>
<td>• Standardising of processes and procedures</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>• Implementation of the agreed Shared Service Model(s)</td>
<td>January 2016 to December 2016</td>
</tr>
</tbody>
</table>

2.7 Programme Principles

One of the key roles played by all HR teams, regardless of the breadth of service they provide to the Board at present and the size of the team, is to help to describe and nurture the organisational culture required to ensure both effective delivery of clinical services (our NHS business) and the achievement of the developing Workforce Strategy for 2020 (our people). This programme provides an opportunity for HR to lead the way in modelling the appropriate behaviours and innovative practices which will act as an exemplar for others.

This programme will ensure that all the activities, including those within each workstream, will be undertaken:

- With openness and transparency: ensuring that key stakeholders are identified at an early stage and all documentation is made accessible
- In partnership: with our formal Partnership representatives, with NHS staff we provide an HR service to and with external partners where appropriate (for example local authorities)
- Based on robust benchmarking and data analysis: the programme will establish a baseline of current internal data as well as comparisons with external best practice. This will include organisations involved in healthcare provision, other public sector/voluntary organisations and best practice from within the private sector
- In the spirit of engagement: each workstream will involve groups of HR staff from across NHS Scotland to ensure ownership for implementing the models developed
- Based on the identification of a future model where services are most appropriately delivered either locally, regionally or nationally
• Employing **service and process redesign methodology**: this will be based on lean best practice and programme management disciplines

### 2.8 Interdependencies

Much of the added value of establishing a shared services model is dependent upon the quality and accessibility of information and the automation of processes where appropriate. This programme therefore is dependent upon the successful implementation of eESS, e-payroll, the national replacement for SSTS (and e-rostering).

The location of regional and national HR services provision might also be dependent on the outcomes of emerging approaches with the Financial Shared Services programme, integration of assets with Local Authority partners and the NHSScotland State of the Estate report February 2012.

As the consistent and accurate provision of HR advice is fundamental to ensure quality benefits from this programme, the implementation plan will need to bear in mind the planned timetable for the review of PIN policies.

Each workstream of the programme will be required to identify specific interdependencies and work in partnership when developing implementation plans and timescales.

### 2.9 Issues and Risks

This programme will inevitably bring about significant and lasting change, both for staff currently working within HR and for the rest of the NHS workforce. This in itself will give rise to potential risks and issues. With the involvement of a group of senior HR professionals from across the Health Boards, the following points have been identified as **issues** at the beginning of the programme:

• Resistance from within the HR community;

• Lack of support from individual Boards;

• Complexity of delivering a model of shared services within the NHS whilst integration is taking place with Social Care;

• HR customers, in particular line managers, may feel that pressure is being added to their role by what might appear as a lessening of local support from HR;

• Lack of consistent interpretation and application of PIN policies across Health Boards;

• Staff may leave ahead of any changes, if they are concerned about their future.

In line with programme management methodology, a specific risk register has been developed for oversight by the Programme Board. This can be found at appendix 3.
2.10 Programme Timescales

Programme timescales are set out in appendix 2.

2.11 Programme Resources

The costs for the programme are owned by the Head of the Efficiency Portfolio Office within the Directorate of Health, Workforce and Performance, Quality and Efficiency support team at NHS Scotland.

3. Programme Next Steps

3.1 Communications and Engagement

In line with the principles highlighted in 2.4, the overall success of this programme is dependent upon effective communications with all stakeholders; within the NHS, within HR and with external partner organisations.

An outline of major communications activities is included in the programme timeline at appendix 4, but each workstream will be required to develop a specific communications plan in line with the methodology highlighted at 2.7.

3.2 Decisions Required

The Programme Board are requested to agree the detail within this PID along with the appendices.
### 4. Appendices

#### 4.1 Appendix 1: HR Shared Services Programme Board Membership

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Burns (Chair)</td>
<td>Chief Executive</td>
<td>NHS Ayrshire and Arran</td>
</tr>
<tr>
<td>Lynn Marsland</td>
<td>HR Shared Services Programme Director</td>
<td>NHS Grampian</td>
</tr>
<tr>
<td>Alan Boyter</td>
<td>Director of HR and Development</td>
<td>NHS Lothian</td>
</tr>
<tr>
<td>Anne Gent</td>
<td>HR Director</td>
<td>NHS Highland</td>
</tr>
<tr>
<td>Caroline Hutchinson</td>
<td>eESS Project Director</td>
<td>NHS Greater Glasgow and Clyde</td>
</tr>
<tr>
<td>Helen Kelly</td>
<td>HR Director</td>
<td>NHS Forth Valley</td>
</tr>
<tr>
<td>Rona King</td>
<td>HR Director</td>
<td>NHS Fife</td>
</tr>
<tr>
<td>Caroline Sharp</td>
<td>Workforce Director</td>
<td>NHS Dumfries and Galloway</td>
</tr>
<tr>
<td>Kerry Chalmers</td>
<td>2020 Workforce Vision</td>
<td>Scottish Government</td>
</tr>
<tr>
<td>Annie Ingram</td>
<td>Director of Workforce</td>
<td>NHS Grampian</td>
</tr>
<tr>
<td>Jacqui Jones</td>
<td>HR Director</td>
<td>NHS National Services Scotland</td>
</tr>
<tr>
<td>Alex Joyce</td>
<td>Staff-side Representation</td>
<td>NHS Lothian</td>
</tr>
<tr>
<td>Jennifer Porteous</td>
<td>Director of HR and Workforce Development</td>
<td>NHS Western Isles</td>
</tr>
<tr>
<td>Ian Reid</td>
<td>HR Director</td>
<td>NHS Greater Glasgow and Clyde</td>
</tr>
<tr>
<td>Linda Semple</td>
<td>Head of QuEST Portfolio Office</td>
<td>Scottish Government</td>
</tr>
<tr>
<td>Kenneth Small</td>
<td>Director of OD</td>
<td>NHS Lanarkshire</td>
</tr>
<tr>
<td>Dorothy Wright</td>
<td>Director of HR and OD</td>
<td>NHS Education for Scotland</td>
</tr>
</tbody>
</table>
4.2 Appendix 2: High Level Timescales

<table>
<thead>
<tr>
<th>Programme</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>HR Shared Services Programme</td>
<td>Workstream development, Options Appraisal process and Business Case Development</td>
<td>Consultation</td>
<td>Develop implementation / transition plan</td>
<td>Implement agreed Shared Service Model(s)</td>
</tr>
<tr>
<td></td>
<td>Undertake tests of change and share good practice from baselining and benchmarking data</td>
<td></td>
<td>Standardise Processes and Procedures</td>
<td></td>
</tr>
<tr>
<td></td>
<td>eESS roll out to HR teams in all Boards</td>
<td></td>
<td>Boards roll out full functionality – manager self-service</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Benefits tracked and improvement measured throughout (HRSS and eESS)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## 4.3 Appendix 3: Risk Register

<table>
<thead>
<tr>
<th>ID</th>
<th>Risk Description</th>
<th>Impact Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>PB001</td>
<td>Resistance from the NHS HR community means efficiency savings are not identified or implemented.</td>
<td>Lack of buy in from the HR community will lead to delays or refusal to implement new models of working and benefits not being realised by the programme.</td>
</tr>
<tr>
<td>PB002</td>
<td>Individual NHS Boards are not bought into the shared services programme affecting the ability of the programme to implement new ways of working.</td>
<td>New delivery models are not able to be rolled out limiting the benefits being realised by the programme.</td>
</tr>
<tr>
<td>PB003</td>
<td>Partnership is not engaged both locally and nationally affecting buy-in to the designing and implementing of new models of HR shared services.</td>
<td>NHS Scotland is committed to working in partnership and adhere to Staff Governance standards therefore lack of partnership involvement will lead to delays etc to the development and implementation of new models for HR shared services.</td>
</tr>
<tr>
<td>PB004</td>
<td>The complexity of implementing Integrated Social Care and Healthcare means Boards are unable to engage fully with the programme and implement new ways of working within HR.</td>
<td>New delivery models are not implemented by Boards, limiting the potential benefits of the programme.</td>
</tr>
<tr>
<td>PB005</td>
<td>HR customers, in particular line managers, may feel that pressure is being added to their role by what might appear as a lessening of local support from HR.</td>
<td>New systems and processes cannot be implemented without HR customers on board. This could limit the potential benefits of the programme.</td>
</tr>
<tr>
<td>PB006</td>
<td>Lack of consistent interpretation and application of PIN policies across Health Boards would make a shared service very difficult to deliver either regionally or nationally.</td>
<td>Shared Service project is delayed as consistent interpretation of PIN policies is required before shared services model can be implemented.</td>
</tr>
<tr>
<td>PB007</td>
<td>HR staff at board level could become de-moralised and fear for their job as a direct result of the HR shared services programme.</td>
<td>Ability to implement changes at board level is limited which in turn limits benefits of the programme. Could also have a detrimental effect on HR delivery within Boards.</td>
</tr>
<tr>
<td>-------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>PB008</td>
<td>Inadequate baseline undertaken and realistic benefits analysis not completed.</td>
<td>Ability to accurately cost and understand the full scope of the programme will occur leading to unrealistic benefits analysis, realisation and accounting.</td>
</tr>
<tr>
<td>PB009</td>
<td>eESS roll out is delayed</td>
<td>Shared services models under discussion are dependent upon good IT systems to ensure quality and efficiency of service. Impact of delays will affect the overall programme timescales.</td>
</tr>
<tr>
<td>PB010</td>
<td>eESS functionality requires process changes and/or upgrades to functionality to achieve delivery of the new model for HR shared services.</td>
<td>Shared Services models and the buy-in of managers and &quot;customers&quot; of HR are dependent upon good IT systems to ensure quality and efficiency of service.</td>
</tr>
<tr>
<td>PB011</td>
<td>There is a risk that there is insufficient inter-working between the programme workstreams.</td>
<td>Opportunities to share learning etc are missed - inter-dependencies are not identified and duplication occurs.</td>
</tr>
<tr>
<td>PB012</td>
<td>There is a risk that if any new model requires staff to transfer employer the correct processes, full engagement etc is not adequately managed.</td>
<td>Staff may become disenfranchised or leave. There may be issues in embedding the new service etc.</td>
</tr>
</tbody>
</table>

*Risk as of 20th February 2014*