

ADDITIONAL INFORMATION FOR PUBLIC ACCOUNTS COMMITTEE ENQUIRY

Following the recent attendance at the Public Accounts Committee on the 18th April 2013, the NWSSP were asked to provide a note to address three specific questions.

The responses are detailed below.

NHS Shared Services Partnership agreed to provide:

1. Further information on the reduction of non-pay expenditure in a range of specific areas of NHS procurement;

The NWSSP has been working with NHS health boards and trusts across Wales in a number of areas to try and reduce non-pay expenditure. Examples of the main product ranges in which savings have been made include:

- Orthopaedics
- PACS – Picture Archiving
- Mental Health Low Secure placements
- Mobile Phones
- Oxygen @ Home services
- Cardiac Devices
- Enteral Feeding syringes
- 3rd sector Service Level agreements
- Managed Service contracts, reclamation of VAT: Pathology, Haematology & Ultrasound
- Voluntary Disclosure notices Hepatitis C Drugs
- Rationalisation of cleaning materials
- 24 Hour relational supported accommodation

2. Clarification on how the consultancy self-assessment toolkit is used within the NHS;

The toolkit is not widely used within the NHS, and this in part relates to the relatively low level of individual areas of expenditure which would not necessarily warrant the full use of the comprehensive self-assessment toolkit. There are, however, some illustrations of the principles of the model being utilised, and the following example highlights its applicability.

- **Example:** Consultancy to support an Independent Review of Funded Nursing Care costs to NHS Wales.

Stage 1: *Assessing need and specifying requirement – This stage focuses on how the use of consultants fits into the organisation's recruitment and training strategy; and how their use is justified and specified.*

The need was determined by the complexity of the matter in hand and the need for Independence from NHS Wales undertaking this work. The subject matter is very complicated and highly politically charged with the spectre of a judicial review from the Care sector. Agreement was reached at Chief Executive level that specialist consultants/experts were required to undertake this work – to do anything else would undermine the whole process.

The requirement was specified by key Executive leads in the service in conjunction with Finance and Procurement colleagues.

Stage 2: *Considering Resource Options – This stage looks at the options that have been considered to fill the resource gap, particularly the use of internal staff.*

For the reasons outline above an internal resource was not appropriate or an option given the need for independence. This is specialist work that requires a significant understanding of the sector and the complexities of nursing care – this had to be supplemented by first class data analysis and intelligence plus an understanding of the consequences of being transparent in the calculations to determine the outcome. This stage was accepted by Chief Executives Group and by the FNC Steering Group. A decision was then made to press on with a tendering exercise to find a suitably experienced consultant.

Stage 3: *Tendering, Award, Contract – This stage focuses on whether tendering and contracting are effectively conducted by procurement teams, for example the use of framework agreements; various payment structures and competition.*

The tendering activity was supported by NHS Wales Procurement Services. Given the value was circa £40k maximum and there was no known available Framework to call off this specialist activity it was agreed to conduct an open tender via an Opportunity Listing via the Sell2Wales portal & through targeting known consultants in the market place. The tender documentation was designed by Procurement to enable structured proposals to be returned & an evaluation to take place simply and effectively. Evaluators were established including a representative from the Care Association to ensure transparency and probity of the outcome. An award was signed off after due authority was given to proceed which manifested itself in a contract that set out the deliverables, timelines, reporting arrangements, costs and pertaining Terms & Conditions of Contracts.

Stage 4: *Project delivery and skills transfer – This stage looks at communication and relations between client and consultant staff and skills transfer from consultants to client staff.*

A lead person was identified for both parties and regular milestone review dates incorporated into the plan to review progress. The review included an assessment of the work at key stages to ensure that it was in accordance with the established methodology. The skill sets on this particular example have been made through the regular engagement with the consultants and a critique of the work they have undertaken. Peer review by finance colleagues in particular has been undertaken on the basis of the consultants work.

Stage 5: *Post contract evaluation – This stage assesses the collection and use of management information including post-project evaluations and the application of expense policies.*

The outcome is being reviewed by colleagues from across the different interest groups within NHS Wales and the Care Association. The outcome is

to be used to ensure that the FNC rates for Nursing Care are transparent and appropriate for both NHS Wales and the Care Homes providing the service. This ensures that NHS Wales acts in a responsible manner in its activities.

A post award Evaluation meeting is held to ensure the deliverables are fit for purpose and that they meet expectations. Lessons learnt are also considered from both sides.

3. Examples of where NHS bodies have used secondments and the sharing of staff (such as quantity surveyors) to effectively reduce their dependency on consultancy services.

There are a number of examples below where NHS bodies have used secondments / sharing of staff to effectively reduce their dependency on consultancy staff. In terms of the specific issue of quantity surveys the provision of professional estates functions of the Welsh Health Common Services Agency to NHS Wales was privatised in 1996. This also included areas such as architects. These functions have largely been provided by external parties ever since and there are no readily available examples where these quantity surveyor services have been shared across the public sector with health. The NHS does however retain a small engineering function which is part of the NHS Shared Services Partnership and this service is provided across all Health Boards and Trusts.

Further examples of sharing staff are as follows:

- Prior to the set up of NWSSP there were a number of instances where Procurement support has been given via the old Welsh Health Supplies functions
- The recent establishment of a centralised Workforce Information Systems (WfIS) Team within NWSSP has resulted in the creation of a 'hub' of expertise that supports NHS Wales organisations' implement and deploy ESR technology. This flexible but effective model maximises the DH contract to develop networks with ESR consultants thereby avoiding the requirement to purchase ESR consultancy services to develop and maintain ESR across NHS Wales.

The WfIS team is able to seamlessly work across NHS Wales organisations to focus on maximising efficiencies, something that would not be achieved if it was not centrally hosted. . One example is the development of a suite of e-learning statutory and mandatory e-learning materials to support compliance. Utilising all Wales networks and subject matter experts has resulted in avoidance of £80K per annum in external annual licence fees.

- Similarly, the establishment of a centrally hosted Oracle eBusiness team for finance and procurement has significantly reduced dependency on external consultants or third party providers by both directly managing the Oracle contract and being the central point of information and support services for the NHS organisations in Wales

- Staff within NHS Wales workforce and OD functions have also worked flexibly across NHS organisations to share expertise and undertake complex 'casework' which has avoided the use of external support. In addition staff with workforce functions support each other with the provision of internal/inter-organisational 'consultancy' advice where an independent or impartial professional view has been required.
- NWSSP has employed an internal Commercial/Procurement Lawyer which has reduced the cost of professional advice as the cost is significantly lower than the external rates previously paid by Health Boards and Trusts.
- NHS Wales Informatics Service (NWIS) acquired Technical skills for a product specialist on Integration Services – ordinarily this requires specific skills sets which in the past have required Consultants. ABMU offered a secondment at a Band 7 for 2 years – normal Consultancy rates are circa £450 per day for these skill sets (equates to £112k per annum). Top band 7 circa £40k. Potential estimated saving of £72k per annum