

NHS Direct Services Transferring to HSCIC - HSCIC Board update

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Purpose

1. The purpose of this paper is to update the Health and Social Care Information Centre Board on the position of progress against the conditions stipulated by the Board in December 2013, in order to seek a go / no go decision as to whether the NHS Direct services should transfer into HSCIC.

Background

2. NHS Direct announced, at their Board meeting on 28 October 2013, its agreement with the NHS Trust Development Authority that it will cease to operate at the end of the current financial year.
3. NHS England and local commissioners have appointed alternative organisations who will take over provision of NHS Direct's 111 patient facing telephone services and the 0845 contingency service will cease at the end of February 2014.
4. Some other existing services will cease to be commissioned by NHS England and will be closed by 31st March 2014.
5. The HSCIC Board on 04 December 2013 agreed to proceed with due diligence activities with a view to taking on delivery of the following services from NHS Direct:
 - a) 111 Repeat Caller Service (RCS) – Ensuring 111 repeat callers are identified, so that appropriate safety procedures are implemented;
 - b) Digital Assessment Service (DAS) - Health and Symptom Checkers (HaSC) decision support software; and
 - c) Telephony Managed Service (TMS) – providing contact centre infrastructure services for 111 providers.
6. The following conditions apply to this agreement to proceed:
 - a) That all financial liability, both on budgetary shortfall (including the risk of assumed contract savings), legacy liability if any, and exit costs (including assets write offs, redundancies and contract break costs) is underwritten.
 - b) Clarity and agreement with the key parties on which organisation's balance sheet the fixed assets associated with TMS and HASC will sit.
 - c) Clarity that there will be a lead commissioner (for each service) and which organisation will take this role.
 - d) Agreement by 31/9/14 of commissioning intentions beyond 14/15, ensuring that HSCIC is clear on TUPE liability for staff under direct transfer or deferred TUPE and that appropriate handover activities can be completed.
 - e) That NHS Direct need to undertake a number of actions prior to transfer and that this will be encapsulated as part of the MOU development process.

7. An update on progress against the conditions was provided to the Board on 05 January 2014 that highlighted progress was being made, but with a number of actions outstanding.

Current position

8. The following table outlines the current position of all five HSCIC Board conditions:

HSCIC Board Condition	Position
That all financial liability, both on budgetary shortfall (including the risk of assumed contract savings), legacy liability if any, and exit costs (including assets write offs, redundancies and contract break costs) is underwritten.	<p>Budgetary liability: Repeat Caller Service – NHS England confirmation given Telephony Managed Service - Awaiting NHS England confirmation Health and Symptom Checkers - Awaiting NHS England confirmation</p> <p>Legacy liability Any legacy liabilities such as potential employment claims post transfer have been confirmed that they will sit with the proposed interim successor body but we are awaiting confirmation. The successor body will host the staff who will manage the NHS Direct closure activities.</p> <p>Exit costs (including assets write offs, redundancies and contract break costs) The NHS Direct Closure board agreed these are not HSCIC responsibility. The Department of Health and NHS England are currently in discussions to address this issue</p> <p>Status – Condition currently not met RAG status: RED</p>
Clarity and agreement with the key parties on which organisation's balance sheet the fixed assets associated with TMS and HASC will sit.	<p>Agreement has been made by DH, NHS England and HSCIC that the fixed assets will sit on HSCIC balance sheet.</p> <p>Status – Condition met RAG status: GREEN</p>
Clarity that there will be a lead commissioner for TMS and which organisation will take this role.	<p>NHS England has confirmed that they will be the lead commissioner for TMS. MOU arrangements with the ambulance providers and other customers of TMS will be agreed with NHS England (Operations Division) as the commissioner. The funding of three services for 2014/15 will be via NHS England.</p> <p>Status – Condition met RAG status: GREEN</p>
Agreement by 31/9/14 of commissioning intentions beyond 14/15, ensuring that HSCIC is clear on TUPE liability for staff under direct transfer or deferred TUPE and that appropriate handover activities can be completed.	<p>NHS England have confirmed that commissioning intentions are only agreed for FY 14/15, beyond this it is dependent on the financial position for each of the. NHS England will ensure that decisions related to commissioning beyond current intent is agreed before Sept 2014 for all of the services.</p> <p>Status – Condition met RAG status: GREEN</p>

<p>NHS Direct need to undertake a number of actions prior to transfer and that this will be encapsulated as part of the MOU development process.</p>	<p>RCS: Penetration testing will be completed in February 2014 and the NHS 111 service agreements will be in place by 31 March 2014</p>	<p>RAG status: GREEN</p>
	<p>TMS: 1. Delivery of the required downsizing activity and re-hosting of the platform has a tight plan to complete by 31 March 2014. Late delivery will be manageable as there will be a short period of occupation at the data centre sites after 31 March 2014.</p>	<p>AMBER</p>
	<p>2. Adjustments to the Fixed Asset register will be signed-off by NHS Direct Finance Committee, prior to the Trust Board approval on 29 January 2014</p>	<p>GREEN</p>
	<p>3. Closure of the income funding gap and therefore potential shortfall that HSCIC are asking to be underwritten as part of condition one. NHS Direct have not yet provided a clear position statement.</p>	<p>RED</p>
	<p>HaSCs: Decoupling the Speak To Advisor functionality from the Health and Symptom Checkers will be completed early March 2014</p>	<p>GREEN</p>
<p>Status – Condition currently not met</p>		

Risks

Telephony Managed Service

9. To ensure successful transfer of the Telephony Managed Service to HSCIC, the current data centre infrastructure will need to be moved from two sites that NHS Direct are closing, in to the HSCIC data centres (HM Land Registry). This will require commitment of expenditure for key infrastructure components such as frame relays and network management equipment that have a lead time of 40 days. Without these circuits the service cannot even be relocated.
10. The current position is that NHS Direct have confirmed with their Finance Director that the orders can be placed and costs covered by NHS Direct. The orders will be placed by the end of January. This highlights a risk that if HSCIC do not accept the transfer of the service, the orders will need to be cancelled and may incur charges by NHS Direct.
11. Additionally, HSCIC will also need to commit expenditure to install ISDN (Telephone lines) for the service by the end of January. HSCIC have raised this requirement to NHS England and have subsequently received an email response confirming HSCIC to proceed with the order and that the costs will be covered by NHS England.

Estates

12. The majority of the staff due to transfer into HSCIC are presently based at two sites: Hedge End, Southampton and Middlebrook, Bolton.
13. The Hedge End building lease expires in June 2014, discussions are on going with the landlord to keep the building beyond this date. If unsuccessful, another location in Southampton will be sought. Staff expected to be based in Hedge End will therefore be notified through formal consultation and the HSCIC measures document of a base location of Southampton, with a proviso that should it become necessary there may be a move to another Southampton site at a future date post transfer.
14. There is also increasing uncertainty about the Middlebrook site due to the lease holder requiring the current NHS Direct desk space to be returned to them. Discussions continue and if an agreement is not reached by the end of January staff may be asked to be based at different HSCIC locations, mainly Southport and Leeds. The estates team are also exploring options of relocating within buildings held by other Department of Health Arm's-Length Bodies within the Bolton area to provide time to identify a permanent location requirement for this team. It is still not clear whether this team need to be co-located in order to function. Formal consultation with staff on this and discussions with affected staff will begin following confirmation from the HSCIC Board of the services to transfer.
15. HSCIC Human Resources and Estates team are currently working through all of the options for all of the staff that may to transfer. This will be included within a measures document, which NHS Direct will use to consult with their staff.

Human Resources

16. The NHS Direct Closure Board have confirmed HSCIC will not be responsible for any employee relations claims related to the NHS Direct re-structure and closure as this will pass to the successor body. Any outstanding employee relations matters are required to be declared in the employee liability information which NHS Direct is obliged to send the HSCIC.

Actions Required of the Board

17. Accepting that negotiations and discussions are on-going, as of 24 January 2014 we are not in a position to recommend that the HSCIC Board agree to take on TMS or HaSC services as currently positioned.
18. This recommendation will continue to be reviewed and adjusted in light of additional information, up until the Board meeting on 05 February 2014.