

NHS Direct Services Transferring to HSCIC - HSCIC Board update

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Purpose

1. The purpose of this paper is to update the HSCIC Board on the progress of the NHS Direct services 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. The HSCIC was identified as a receiver organisation for a number of services that NHS England indicated that they wanted to continue to commission in to financial year 14/15 and potentially onwards.
4. Over the past four months, the HSCIC has carried out a comprehensive due diligence exercise and agreed with conditional Board approval, to take 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 used by the 111 and NHS Choices service; and
 - c) Telephony Managed Service (TMS) – providing contact centre infrastructure services for 111 providers.
5. Approval to proceed with the services transfer was granted by the HSCIC Board on 05 February 2014, following satisfactory progress of due diligence against a number of conditions stipulated by the HSCIC Board on the 05 December 2013.

Current position

6. We have entered the formal TUPE transfer process, working closely with NHS Direct, NHS England, Trust Development Authority and suppliers to ensure smooth and effective transition of the three services and people arrangements by 31 March 2014.

Financial liability

7. Due diligence activity identified approximately £2.5m of financial liability (associated to assets write offs, redundancies and contract break costs) should the services not be commissioned beyond financial year 14/15. NHS England confirmed they will cover this financial liability and that formal written confirmation will be provided prior to transfer. HSCIC are currently working with NHS England to obtain this written confirmation.
8. NHS Direct has made good progress in closing the TMS revenue shortfall gap and it is expected that the outstanding charging position for three customers will result in a

zero revenue gap. NHS Direct has confirmed that an agreed position is expected to be reached and presented at the NHS Direct Closure board on 03 March 2014.

Commissioning arrangements

9. We are in the process of agreeing documentation which sets out the NHS England 14/15 commissioning arrangement of the three services, which will require approval by both parties prior to 31 March 2014.
10. The NHS Direct closure board is finalising what documentation it requires for the transfer of assets & residual liabilities to the HSCIC (fixed assets circa £2m and various software and intellectual property rights associated with the transferring services).
11. We do not yet have clear sight how all the various documentation (transfer, closure & commissioning) being prepared by NHS England & NHS Direct fits together. However we are proceeding on the basis that memorandums of understanding (MOUs) will be agreed between NHS England and the HSCIC which reflects the final position.
12. There are approximately 17 associated supplier contracts that need to novate to HSCIC. The final form MOUs, novation documentation and associated purchase orders will go through the normal HSCIC approval processes for signature prior to 31 March 2014.

People transfer

13. A total of 31 staff will transfer under TUPE from NHS Direct, plus an additional 4 vacancies which will be filled via HSCIC standard recruitment process from 01 April 2014. A breakdown per service is as follows:
 - a) HaSCs - 30 staff (27 people to transfer plus 3 vacancies)
 - b) TMS - 5 staff (4 people to transfer plus 1 vacancy)
 - c) RCS - No staff are transferring
14. NHS Direct staff consultation is currently underway. "One to ones" are being conducted with individuals as and when requested.
15. The majority of staff will be based at two current NHS Direct sites (Hedge End, Southampton, and Middlebrook, Bolton). Unfortunately leasing arrangements for both sites expire within FY14/15 and HSCIC's estates team are working through various options to mitigate disruption to staff, service and minimise down-stream costs in the event of future site moves.
16. Existing HSCIC hub and spoke locations have been identified for all but 2 staff that are not based at Hedge End and Middlebrook.
17. A number of staff have flexible working arrangements and subject to a review of the individual contractual agreements, HSCIC may need to consider whether it can continue to support those arrangements.

International Business Development

18. NHS Direct's major digital asset is its online Health & Symptom Checkers (HASCs). NHS Direct has been developing international opportunities to supply this product and associated services.
19. One licence agreement is in place with HealthDirect Australia for supply of HASC clinical content within territory of Australia & associated professional services to support localisation. There is also a commercial pipeline in place with piloting, translation and proof of concept underway in Sweden, and opportunities with health providers in UAE, India, Turkey and Austria.
20. HSCIC will continue international business development for the Health and Symptom Checkers service, and that commercial activities will be approved in line with the normal approval process on a case by case basis.

Actions Required of the Board

21. Note the progress to date and advise of any further action required.