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SCOTTISH HOME AND HEALTH DEPARTMENT

HEALTH SERVICE REORGANISATION SCOTLAND

ST ANDREW'S HOUSE, EDINBURGH EH1 3DE TELEPHONE: 031-556 8501 Ext. [redacted]

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Sir

COMMON SERVICES AGENCY

INTRODUCTION

1. This circular indicates the likely form and functions of the Common Services Agency and describes the intended initial steps towards setting it up.

CONSTITUTION

2. Section 19 of the National Health Service (Scotland) Act 1972 provides for the setting up of a Common Services Agency - before the appointed day if need be - to carry out functions which would otherwise fall to the Secretary of State or the health boards to perform. It is to be managed by a committee of a chairman and) members appointed by the Secretary of State (probably officers of the Scottish Home and Health Department), 6 members appointed by him on the nomination of the health boards acting jointly and such other members as he may appoint after consultation with the health boards. Regulations may be made regarding membership and as to the setting up of sub-committees including persons who are not members of the Management Committee.

FUNCTIONS

3. The purpose of the CSA is to provide both the Scottish Home and Health Department and the health boards with a variety of services which can be provided most efficiently by a single agency. Power is therefore given to the Secretary of State to assign to the CSA, by order, any of his functions and, after appropriate consultation, any functions of any health service body. Some functions will need to be transferred to the CSA well before the intended appointed day (1 April 1974) but others may be assigned to - or withdrawn from - the Agency at various times thereafter. There will in fact be an evolutionary development of the CSA which may well through time gain - or lose - functions as seems desirable. For the assignment of functions other than his own, the Secretary of State is required by the Act to consult all bodies and interests concerned including, after the appointed day, the Scottish Health Service Planning Council.

4. Final decisions about the scope of the CSA's functions have not yet been taken and of course cannot be taken in advance of this consultation. But it is possible now to give a general indication of services likely to be performed by the CSA on or soon after the appointed day and to describe briefly the central organisation of the Agency and the scope of the new posts to be filled initially. The possible range of functions, which remains much as in the discussion paper on the CSA, is set out again in Appendix A to this circular which lists separately those services or functions in respect of which reasonably final decisions have been taken and those whose ultimate destination is still undecided. One significant change has already been announced in a Departmental letter of 24 August. This is that, contrary to the original proposal in paragraphs 8-11 of the discussion paper, the Department rather than the Agency will be responsible for the provision of secretarial and supporting services for the Scottish Health Service Planning Council and its committees. (It is intended, however, that the group of staff providing these services from within the Department will comprise both civil servants and national health service officers. A separate circular will deal with these proposals in more detail).

5. The CSA's prime role will be to act as an agent for the health boards in providing them with important supporting services of a kind likely to be best organised centrally. The broad policies and questions of broad resource allocation in respect of these services will be decided by the Secretary of State on the advice of the Planning Council, as appropriate, in the light of the needs of the health boards and of the Department for the services being provided for them.

CENTRAL ORGANISATION

6. The CSA will be operating a range of disparate services and this fact will determine its basic organisation. The main responsibility for the day to day running of each service within the allocated expenditure and in accordance with broad policies will fall to the chief officer or director of that division of the CSA; and he will in most cases be directly responsible to the Management Committee or to any sub-committee which may be set up for the particular service. It is unlikely that the Management Committee as such will normally have to concern itself with the detailed running of any of the services provided by its operational divisions or that it could attempt to do so over a wide range of services. It will, nevertheless, be responsible for determining the staffing structure of each division, for ensuring that each division is organised to provide an efficient service and for co-ordinating the various services as may be appropriate. It will provide and control all the internal supporting services necessary for each of the Agency's divisions, ie personnel, accommodation and finance, since the Agency will be a single organisation for financial purposes and will be the employer of all staff required to carry out the functions allocated to it.

7. The CSA will therefore require a secretary and a finance officer, who will between them be directly responsible to the Management Committee for all these internal services. It will also be the function of these officers to monitor, on behalf of the Management Committee, the efficiency with which the various divisions are providing their services and to co-ordinate, to the extent necessary, the activities of the various divisions. These functions may be appropriately exercised without detracting from the responsibility of the chief officers of these other divisions for the services they administer.

8. The essential staff organisation of the CSA is therefore seen as follows -

Directors of service divisions

Secretary

Finance Officer

9. As indicated, regulations made by the Secretary of State may provide, where appropriate, for sub-committees which include persons not members of the Management Committee. It will be open to the Management Committee to propose such sub-committees

for those services where it seems necessary to do so (for example, for the Ambulance Service and to manage the re-named Scottish Hospital Centre). The Management Committee, which is representative of the Department and the health boards, among others, should be an adequate forum for discussing, as may be necessary, the general efficiency with which the CSA meets the needs of those it serves - within the limits of agreed policies and allocated resources. The Management Committee will be concerned with general standards, with the possibilities of co-ordination, the use of staff and the control of finance: at the working level, there will be further ways of discussing matters relating to the individual services.

KEY STAFF

10. As indicated, the Management Committee will be served by a secretary and a finance officer as respects the provision of internal services and the exercise of monitoring and co-ordinating functions over all the divisions. The secretary will in particular be responsible for all the normal establishment matters - staffing, personnel administration and the provision of accommodation and general office services. His principal responsibilities are set out more fully in Appendix B. The finance officer will advise the divisional directors on financial aspects of their work, co-ordinate the preparation of budgets, monitor expenditure, and provide a financial link with the Department and the health boards. His responsibilities are set out in Appendix C. Apart from these two, the key staff will be the chief officers of the operating divisions, most of whom will move to the CSA with their present functions (see paragraphs 15-19).

POLICIES

11. It is envisaged that the broad policies within which most divisions of the CSA will work will have been laid down by the Secretary of State having regard to the needs and priorities of those for whom the service is provided and to any advice from the Planning Council. Each division will operate within its predetermined budget expressed as an earmarked allocation by the Department to the CSA in the light of budget estimates submitted annually through the Management Committee. Apart from the constraints imposed by the divisional budget itself, divisions will operate within standards and cost control limits as promulgated by the Department. Some services may be provided to health boards on repayment but the CSA in any case will be directly funded for the cost of all their internal services applied to each service (including staff costs).

FORMATION AND BUILD UP OF CSA: ADVANCE APPOINTMENTS

12. The Management Committee of the CSA cannot be formed until, for one thing, the health boards, acting jointly, are ready to nominate persons for membership. If boards are not set up, with limited planning powers, before about April 1973, the Management Committee of the CSA may not be formally appointed until the summer. To avoid undue delay in setting up the new organisation, the secretary and finance officer will be among the first round of appointments to the reorganised health service to be advertised this year: and the aim is for them to take up their appointments in advance - probably in April 1973. In the absence of a Management Committee these first appointments to the CSA will be made by a special panel which will be composed in accordance with advice from the Staff Commission.

13. Most of the operating divisions initially in mind for the CSA are already in existence in one form or another and they will be incorporated in the CSA at an appropriate time without major changes affecting staff or the creation, initially, of new top posts. This paper does not therefore deal in any detail with these functions, which will be covered in later papers as necessary.

14. At present, all hospital building, which forms the major part of the health service building programmes, is the responsibility of Regional Hospital Boards which will cease to exist under the new arrangements. Since it is intended that the CSA should be responsible for the design and management of all major health service building projects,

and most of those now in hand are hospitals, a new Building Division will have to be created in time to assume, on behalf of health boards, responsibility for all health service building schemes costing over £100,000 for which approval in principle has been granted, in a phased operation to be completed by 1 April 1974. In this period the pattern of working relationships between branch offices and health boards must also be developed. It is therefore essential to appoint a director for the Building Division as soon as possible. This post will also be advertised in the first round of appointments mentioned above. The functions of the Building Division (which have been adjusted from those proposed in the earlier discussion paper in the light of comments received) are described in Appendix D and the responsibilities of the director in Appendix E.

15. The posts in the CSA which will be advertised along with the first round of senior health board posts will therefore be three – the Director of the Building Division, the Finance Officer and the Secretary.

TRANSFER AND SECONDMENT

16. Where activities are at present being carried out by existing agencies, the staff will transfer to the CSA. This will apply to the following blocks of work or agencies in the health service:

Dental estimates

Prescription pricing

Scottish Ambulance Service

Scottish Hospital Centre

Scottish Legal Office of the Scottish Hospital Service

Scottish Hospital Administrative Staffs Committee

Scottish Nursing Staffs Committee

Scottish Hospital Catering School

17. Similar arrangements for the Blood Transfusion Service will be the subject of further discussions with the Scottish National Blood Transfusion Association.

18 The present arrangements for funding the Scottish Hospital Centre partly by Departmental grant-in-aid and partly by contributions (especially from endowments) will be changed; the staff of the Centre will be taken on to the CSA payroll and an allocation from the revenue funds available to the Scottish health service will be made for other expenditure; the Centre will also be able to seek contributions from endowment funds and outside sources as appropriate.

19. As regards activities at present carried out by the Department and which in future will be largely performed by the CSA – eg information services and the work of the Scottish Health Education Unit, the staff occupying the posts affected will be expected to transfer to the CSA along with the work (subject to the possibility of securing volunteers in place of existing occupants of posts). The staff transferred will be seconded in the first instance and may have opportunities of return to the SHHD (or to other Government Departments) over a period of up to 4 years. At the end of that time, if an officer cannot be found alternative employment in the civil service and he still refuses to accept employment in the NHS he will be deemed to have resigned his appointment.

20. It is expected that in time the CSA will build up a division which will subsume the activities of SHASC, SNSC and the Catering School as well as taking on certain wider manpower and training interests: and that a range of scientific support services will be carried out such as those relating to communicable diseases control and epidemiology as well as others yet to be identified. The organisation of these will be for working out in the future.

LOCATION

21. The CSA will have its headquarters in Edinburgh but some of its service activities may be centred elsewhere (eg the Ambulance Service in Glasgow) and there will of course be branch offices for some of its functions.

FURTHER INFORMATION

22. This circular describes the CSA insofar as it is possible to do so at this juncture with the purpose, among other things, of indicating the number and scope of the posts to be advertised in the first round and to indicate also how the CSA might develop up to and shortly beyond the appointed day. Further circulars will give more details as may be necessary; and before any orders are made as respects the transfer of functions the appropriate bodies will be formally consulted as required by the Act.

23. Any queries regarding this circular should be directed to Mr W J A Scott (031-556 8501 Ext 3270) or Mr J O'Neill (Ext 2541).

I am, Sir
Your obedient Servant

P C Rendle

P C Rendle

Scottish Home and Health Department

APPENDIX A

PROPOSED FUNCTIONS OF THE COMMON SERVICES AGENCY

1. Subject to formal consultation as required by the Act, the following services and the functions of the bodies listed will, with perhaps minor modifications, be discharged by the Agency as from the appointed day or earlier, as convenient.

A. Services

i. Dental estimates
ii. Prescription pricing
iii. Ambulance Service
iv. Blood Transfusion Service
v. Planning, design, construction and commissioning of health service buildings (to the extent indicated in Appendix D)

B. Functions of –

i. Scottish Hospital Centre
ii. Central Legal Office of the Scottish Hospital Service
iii. Scottish Hospital Administrative Staffs Committee
iv. Scottish Nursing Staffs Committee
v. Scottish Hospital Catering School
vi. Scottish Health Education Unit
vii. Research and Intelligence Unit of the Scottish Home and Health Department

2. Certain aspects of the following services are being considered for transfer to the CSA to discharge, but the scope of the services to be assigned and the dates of transfer (which could be after the appointed day) have yet to be determined.

i. Supply
ii. Management services, eg work study
iii. Certain staff training functions which need not be undertaken by all health boards
iv. The provision of certain specialised laboratory and scientific support services
v. Manpower questions

3. The Department will retain responsibility for policy development, standards and control, as may be appropriate.

APPENDIX B

SECRETARY TO THE CSA

GENERAL

The Secretary is the chief administrative officer serving the Management Committee and accountable to them for internal services (personnel, accommodation and office services) as well as for generally co-ordinating the activities of the various divisions of the CSA and, in association with the Finance Officer, of monitoring their performance.

PRINCIPAL RESPONSIBILITIES

1. Acts as the official correspondent of the Management Committee.

2. Ensures the provision of secretarial services to the Management Committee and its sub-committees.

3. Establishes and maintains controls over staffing and use of accommodation etc and means of monitoring the efficiency of performance of the divisions.

4. Co-ordinates, on behalf of the Management Committee, the activities of the several divisions of the CSA.

5. Manages the internal services (except finance) - recruitment and staffing, provision of accommodation and all office services for all divisions.

6. Supervises the deployment and career development of administrative staff serving in the various divisions.

APPENDIX C

FINANCE OFFICER TO THE CSA

GENERAL

The Finance Officer provides financial advice to the Management Committee and the respective divisions of the CSA. He is accountable to the Management Committee for the provision of financial services, for co-ordinating the preparation of financial estimates and the oversight of expenditure, and for ensuring sound financial control and critical financial appraisal, throughout the CSA.

PRINCIPAL RESPONSIBILITIES

1. Acts as the principal link on financial matters with the Department and, as necessary, with health boards.

2. Provides accounting and cashier services throughout the CSA and prepares the statutory accounts.

3. Assists and co-ordinates the preparation of estimates.

4. Provides and interprets financial information to management at all appropriate levels.

5. Establishes and maintains means of monitoring the financial efficiency of the divisions relative to resources used.

6. Establishes and ensures the maintenance of sound financial control systems throughout the CSA: and provides financial supervision and internal audit.

APPENDIX D

COMMON SERVICES AGENCY: BUILDING DIVISION

1. The White Paper on the Reorganisation of the Scottish Health Services (Cmnd 4734) suggested (at paragraph 34) that the Common Services Agency (CSA) "would have a Building Division concerned with the physical planning and execution of major building projects, having responsibility at all stages after the specification of requirements by the health board concerned up to the handing over of the completed building for commissioning".

2. The health board will have an overall responsibility for the health services in its area, with direct access to the Department as to the exercise of these responsibilities. But (as is recognised in the White Paper) there are certain functions which may better be exercised on a national rather than an area basis, of which the management of major building projects is one. A similar point was made in the NEDO Report on "Reorganisation of Demand" (1969) which recommended (at paragraph 2.18) that hospital building services for Scotland should be undertaken by one, or at the most two, authorities, but that area boards might retain all repair and maintenance work and work on new building projects up to a certain value for which they would receive a block annual sum.

3. Accordingly, the functions and structure of the Building Division must be such as to secure the advantages of the formation of a single Building Division duly equipped with suitably qualified staff without eroding the continuing responsibility of the health board for the nature and standard of services to be provided from health service buildings.

4. The fundamental purpose of the Building Division is to provide a service to health boards. In terms of the Act, the function of providing health service accommodation rests with the Secretary of State, but he is empowered to delegate such functions to health boards to exercise on his behalf. Similarly, certain functions of health boards may be remitted to the CSA. Accordingly, a statutory framework exists within which it should be possible to reconcile these objectives, the health board being formally responsible for all health service projects within its area (with the exception of those which may be provided for Divisions of the CSA, such as Ambulance Depots), the exercise of this function being made subject to consultation with the Building Division at appropriate stages of the planning and building process, and, in particular, conditional upon the reference to the Building Division of executive responsibility for schemes of a certain size once they have reached a certain stage. The Health Board would be party to building contracts, would have an overall financial responsibility and would make the formal appointments to the Design Team, but the Building Division would act on behalf of health boards in any such major schemes.

5. The definition of the level at which the health board would be required to involve the Building Division in the management of a scheme has been further considered, but on balance the upper limit of £100,000 with provision for exceptions in particular cases, as was suggested earlier, seems to strike the right balance, with an upper limit of £50,000 for schemes which are predominantly engineering in content. Health boards might therefore be authorised to undertake building schemes costing up to £100,000; they might be required to secure Departmental approval for schemes costing over £100,000, at which stage it would be made a condition that the Building Division should be involved or alternatively, where there are specific reasons for doing so, the health board may be allowed to proceed subject to the general guidance on design and cost control issued by the Department. This does not however imply that all schemes costing over £100,000 would form part of the national programme. For example, the relative priority between schemes costing, say, up to £250,000 might be determined by the health board, and financed from their ordinary capital allocation, but any such schemes costing over £100,000 would be subject to the condition indicated above.

6. Accordingly, the function of the Building Division would be to provide health boards with a comprehensive advisory service on all aspects of health service building, including site selection, development plans, choice of Design Team, contractual and tendering procedures, site supervision, equipping and furnishing, commissioning, claims and arbitrations, and on submissions to the Department at appropriate stages. Additionally, on behalf of health boards, the Building Division would undertake the design and management of major health service building projects, and building projects for the CSA. For the time being, major building projects would be defined as those whose total cost exceeds £100,000 (or £50,000 for schemes which are predominantly of an engineering nature), with provision for marginal adjustment in particular cases. By arrangement with the health board concerned, the Building Division might also undertake the management of minor schemes of special interest to the Building Division, such as those of a complex character, irrespective of size or cost, those which might most economically be implemented by adopting a building system of the use of standard plans, and schemes containing an experimental element of a "first-off" nature which might provide useful feedback information. The Building Division would also have an interest in the evaluation of health service buildings in sue, and there would be a direct exchange of information, including feedback from particular schemes, between the Building Division and the Research and Development Group of the Department, in addition to the health boa[illegible]s own contacts with both the Building Division and the Department. The Building Div[illegible]on would also provide a comprehensive advisory service to health boards on maintenance, the executive responsibility for which would rest with health boards.

7. Since the Building Division would provide to health boards the advice on design and construction and the executive services which Regional Hospital Boards at present obtain from the Regional Architect, the Regional Engineer and the Regional Quantity Surveyor, health boards would not employ architects, quanity surveyors or design engineers, although they would employ maintenance managers, building supervisors and professional engineers for their maintenance and operational function. Health boards might, however, engage private sector consultants, as appropriate, on the advice of the Building Division. There should be available to the Building Division medical, nursing and administrative staff with particular experience as functional planners in expressing the user requirement, although health boards would also be involved in the planning and management of their ordinary building programmes and the workload on this alone in the larger areas might be sufficient to engage the attention of such staff full-time. In the case of major schemes the main objective is to provide continuity of medical and other professional health care, advice on the interpretation of the functional brief in terms consistent with prescribed standards, published guidance and [illegible]st limits. The administrative staff of the health boards would have a direct responsibility for controlling the cost of the building programme in their area but in relation to major project cost control would be the responsibility of the Building Division, with cost limits set by the Department. The total number of professional and technical staff required by the Building Division would be not less than the number of such staff at present employed by Regional Hospital Boards in connection with the hospital building programme. There would be a continuing need for at least as much medical, nursing and administrative staff effort in terms of functional planning as at present.

8. Although one of the purposes of forming a Building Division is to achieve a concentration of skills and consistency of advice and application of standards, the nature of the service required by health boards indicates the need for some branch offices of the Building Division, as well as a central headquarters. The headquarters office would determine how individual schemes would be managed. Initially, the branch offices might be located in Edinburgh, Glasgow, Aberdeen, and Building Division staff from these offices might also be assigned for appropriate periods to serve in Dundee and Inverness to ensure a smooth transition from the existing Regional Offices. Such a branch organisation might be expected to continue for a number of years, although it might fall to be reviewed in the light of experience by the Management Committee of the CSA.