
THE BUSINESS SERVICES ASSOCIATION

Sustainability and Transformation Partnerships: working with the business services sector

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About the BSA

The BSA is a policy and research organisation. It brings together all those who are interested in delivering efficient, flexible and cost-effective service and infrastructure projects across the private and public sectors.

Research conducted by Oxford Economics, commissioned by the BSA, shows that the business services sector contributes to jobs and prosperity in every part of Britain. The sector accounts for over 9 per cent of gross value added to the economy and provides 3.3 million jobs, equivalent to over 10 per cent of all UK workforce jobs. More than two thirds of business services are provided for the private sector, with the remainder commissioned by the public sector.

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This report outlines how the business services sector can contribute towards the success of STPs

Executive Summary

BSA members support the NHS and local authorities through collaborative and partnership arrangements. They deliver the full range of corporate, digital and estates management services and are therefore well placed to aid Sustainability and Transformation Partnerships (STPs).

This report outlines how the business services sector can contribute towards the success of STPs across four areas.

A Digital Health Service

- Digital technologies open up opportunities to improve the quality and efficiency of care. Business services companies have partnered with local care organisations to develop virtual clinics, for example.
- STPs can benefit from open, collaborative partnerships with private providers, who can help unlock capital and spread the cost of investing in digital technologies, enabling change.

Transforming the Estate

- The Naylor and Carter reviews outline the opportunity for the NHS to transform its estate. Re-using land for revenue raising purposes can provide a longer-term, more sustainable solution than disposing of it.
- Using excess land for key worker housing could allow for a more efficient use of the estate, whilst supporting the workforce. Energy generation is another way in which excess land can bring in revenue.
- Private providers can partner with trusts to de-risk such projects, offering upfront capital and commercial expertise.

Corporate Services

- Back office and administrative services have been identified by a number of STPs as one of the largest single areas for potential savings.
- Many business services providers already have back-office and administrative centres established across the country. Using existing centres of shared services could help to create efficiency savings.
- A variety of solutions exist that will help different trusts reduce their financial deficit. However, solutions that work for one trust won't necessarily work for another. Private providers have the commercial experience to help trusts analyse their spend and assess how they may be able to make savings.

Sustaining the Workforce

- Apprenticeships offer a way for STPs to create a pool of talent across the health system. The NHS has committed to the creation of 100,000 apprenticeships by 2020.
 - Training programmes should be linked to estate and digital transformation plans to ensure the workforce is equipped with relevant skills.
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Private companies have worked in close partnership with the NHS since its inception

Introduction

In-keeping with the NHS's founding ethos of a partnership between the government, doctors and private providers under public sector control, the presence of companies working alongside the NHS is growing. The number of contract tenders to private companies rose to 248 last year from 217 the year before. According to the Department's Annual Report 2015/16, NHS spending on private providers rose to 8% of the total budget, up 4% from 2009/10¹.

Private companies have worked in close partnership with the NHS since its inception and have built a wealth of experience that is valuable to major transformational programmes. This report highlights a number of ways business services providers can contribute to the ambitions of STPs.

The NHS is facing a number of challenges. The total health and social care deficit for England is anticipated to be £24bn by 2020-21². Lord Carter's review found that if all hospitals ran at the efficiency of its theoretical 'model hospital', then £5bn a year savings could be made. The review also found that average hospital running costs varied from £105 to £970 per square metre³.

The use of agency staff within the health service has also become a growing concern. The National Audit Office found that, in 2014-15, hospital trusts spent £3.3bn on agency staff, from a total workforce budget of £43bn⁴. Additionally, the Carter Review said a 1% improvement in staff productivity could save the NHS £280m a year⁵.

The plans developed by Sustainability and Transformation Partnerships aim to address these challenges, as well as improve health and care for the whole population in the area. According to BBC analysis, hospital services will undergo significant restructuring in terms of where and how services are delivered, including the concentration of services in 'super community hubs'⁶.

Back-office and corporate services are identified in a number of plans as offering one of the biggest potential savings. Former NHS Improvement Chief Executive, Jim Mackey, noted that "back-office services in the NHS have not consolidated in the way they have in many other sectors"⁷.

1 <https://www.ft.com/content/2a9315ee-c937-11e6-8f29-9445cac8966f>

2 <https://www.theguardian.com/healthcare-network/2017/jan/31/nhs-transformation-plans-health-service>

3 <https://www.gov.uk/government/news/review-shows-how-nhs-hospitals-can-save-money-and-improve-care>

4 <https://www.nao.org.uk/wp-content/uploads/2016/02/Managing-the-supply-of-NHS-clinical-staff-in-England-Summary.pdf>

5 <https://www.gov.uk/government/news/review-shows-how-nhs-hospitals-can-save-money-and-improve-care>

6 http://www.bbc.co.uk/news/health-39031546?dm_i=2OYA,EFDN,ERXQ2,1GW74,1

7 <https://nhsprocurement.org.uk/articles/hsj-exclusive-stps-chosen-to-lead-major-350m-back-office-savings>

In relation to staffing, the Birmingham and Solihull STP stated that the workforce needed to meet future demand is not available under a ‘business-as-usual’ scenario⁸.

It is clear that health and social care services require significant investment over the coming years in order to remain sustainable and deliver new models of care. STPs should explore the options for funding transformation programmes by working in partnership with private providers. This can help de-risk spending plans. By working collaboratively, private providers can help release more resources towards frontline care.

STPs have the opportunity to change and improve health and social care services for the better. Private providers have an active and positive role to play in contributing towards their success. There is no monopoly on wisdom within the health sector, be it from the public, private or voluntary sectors. Collaborative, open partnerships across the health system between a myriad of different stakeholders will enable the sharing of ideas, innovation and best practice.

Case study: ISS & Royal Derby Hospital

ISS has been the Facility Services provider for this NHS UK Foundation Trust teaching hospital since 2009 and is valued as a flexible and proactive partner, aligned to the client’s culture and objectives, energetic in innovating solutions to support the way the hospital delivers clinical services.

In 2016, ISS and Royal Derby Hospital agreed a ten-year contract extension, which is unprecedented in the sector. Key innovations and solutions include:

- Financial - ISS cost leadership to drive continuous financial and service improvement. The commercial model actively supports partnership joint savings through shared targets that incentivise.
- Exceptional patient experience - delivering quality in all aspects of patient care, safety, effectiveness and the quality of the building.
- Infection reduction - ISS participation in the development of a Cleanliness Charter, supported by structured and proactive education and training for all staff to ensure infection prevention.
- Premises Assurance Model - partner in joint working groups, compiling and implementing a robust compliance model for the hospital to maintain the NHS national standard.
- FOR-Ward Model - reviewing activities of both clinical and non-clinical tasks, to identify and scope opportunities to ensure that tasks are undertaken by the appropriate people.

In regards to the partnership with ISS, Paul Brooks, Assistant Director, commented: “The commitment shown by the ISS team to providing a quality service to the patients of Derby has been outstanding; through solid leadership ISS have convinced the Trust to extend their contract for 10 years. This has led to an increased morale and higher levels of satisfaction amongst hospital staff, patients and visitors, which has a positive impact of the contract extension. The stability this will give to the contract is immeasurable.”

⁸ https://www.birmingham.gov.uk/downloads/download/1008/birmingham_and_solihull_sustainability_and_transformation_plan

As technology advances, patients will come to expect digitally enhanced health and care services

1. A Digital Health Service

Enabling and supporting digital solutions

Digital transformation will play a key role in developing the new models of care outlined by numerous STPs. As technology advances, patients will come to expect digitally enhanced health and care services, such as they get in other walks of life. STPs can benefit from open, collaborative partnership with private providers, who in turn should focus on what is deliverable. Private providers can help unlock capital and spread costs over longer periods of time, enabling digital change.

Digital technology opens up opportunities to improve the quality and efficiency of care. Business services companies have partnered with local care organisations to develop virtual clinics, allowing patients to be monitored and to receive advice and guidance from the comfort of their own home. Virtual services such as this obviously should not fully replace face-to-face consultation. However, if implemented correctly, they can free up capacity for practitioners to attend to the most vulnerable and in need of help.

Innovations such as video-conferencing or live-chats between patients and a GP or senior nurse can help practitioners see more non-urgent cases in less time. Similarly, for patients who are not inclined to visit their local surgery, this can allow a more convenient way to begin seeking the treatment they may need.

Digital solutions such as these could help alleviate a lack of access to GP surgeries, particularly at convenient times, such as before or after work. A Public Accounts Committee report found that 46% of practices closed at some point during core hours (8am - 6.30pm), whilst a further 18% were closed by 3pm. The report went on to find that practices which were open for less than 45 core hours per week had 8% higher A&E attendance at their nearest hospital⁹.

Care records are another example of where digitisation could be beneficial. An integrated, digital care record model, with comprehensive patient information available in moments can help a nurse or doctor deliver treatment quicker and more effectively. There are already numerous examples of digital, integrated care records in action, bringing the management of patient information into the 21st century.

⁹ https://www.publications.parliament.uk/pa/cm201617/cmselect/cmpubacc/892/89206.htm#_idTextAnchor011

Case Study: BT & Nottingham University Hospitals NHS Trust

Given the opportunity to work on a hospital-wide project, Sue Clarke, clinical applications specialist, jumped at the chance. Not least because this innovative change programme would significantly contribute to improving patient outcomes while transforming staff's efficiency and working lives.

Apple iPads, iPhones and iPod touch devices were chosen on which to run a Nervecentre app to put patient observations online and help eliminate delays and human errors. Speed of response to deteriorating patients is just one of its major benefits. Continuity of care is another. A BT team worked with Sue to assure the rollout's speed and integrity.

The rollout was managed by BT Advise professional services consultants. As well as technical compatibility testing of the devices and apps, specialised cases were sourced to enable compliance with infection control requirements. All devices were configured in a BT workshop and delivered ward-by-ward over a six month period at around 150 per week.

Speaking about the impact the project has had, Sue Clarke said: "Multiple apps running on iPhones, iPads and iPods include cancer patients' holistic needs assessment, NUH guidelines, anti-microbial prescribing and blood tracking. The effect is transformational."

Case study: Atos, IBM, Sopra Steria and NHSScotland

Atos has been supporting NHSScotland since 1999, delivering new and improved IT solutions to support healthcare delivery for the people of Scotland. Services are delivered to the Scottish Government Health Directorates, NHS National Services Scotland, 14 territorial NHS Boards and 7 Special Boards.

Transformational projects undertaken by Atos include:

- Supporting the HPV vaccination programme that has helped reduce Cervical Cancer
 - Introducing new screening programmes such as AAA (Abdominal Aortic Aneurysms)
 - Enhancing Breast Screening with the addition of Digital Mammography
 - Developing the award winning Emergency Care Summary (ECS). This makes key patient information from primary care available 24/7. Clinicians in hospitals and at NHS24 now have access to information covering allergies, prescribing data and palliative care plans
 - The ePharmacy service has enabled the automated payment of over 70% of all Pharmacy items submitted to Practitioner Services
 - The innovative Patient eCommunications service has improved the quality and speed of communications, whilst reducing the cost of sending a letter to a patient by up to 75%
 - The national eReporting service has reduced printed output by over 10 million pages a year, supporting Scottish sustainability targets
 - Introducing a rolling refresh programme that brings the benefits of new technology advances to the managed services.
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Using the NHS's estate and excess land for key worker housing could offer one route to improve staff retention

2. Transforming the Estate

Sweating assets, not quick sales

The Naylor Review of NHS Property and Estates, commissioned by the Department of Health, clearly sets out the challenge of transforming the NHS estate, describing it bluntly as 'unfit for purpose'. It goes on to express the need for £10bn to realise estate transformation through the STP programme and £5bn for backlog maintenance¹⁰. Reducing operating costs, rationalising the estate and developing commercial opportunities are just some of the measures STPs can take to improve operation of the estate.

Unused and Underused Estate

Lord Carter's review found considerable variation in how much of the hospital estate is designated for 'non-clinical' use, ranging from 12% to 69%. The review recommended trusts have no more than 35% of floor space dedicated to non-clinical use and 2.5% of unused estate, which if achieved could save £1bn a year¹¹. Both the Naylor and Carter reviews outline a major opportunity for the NHS to transform its estate.

Given the amount of surplus estate the NHS seemingly still has, it is clear that incentives and creativity are required to encourage reuse. Our response to Lord Carter's review recommended trusts be allowed to keep money raised from the disposal or re-purposing of excess land¹². We are pleased to see the Naylor Review echo our suggestion through their proposal for a '2 for 1' HM Treasury offer to match funds raised from asset sales. Support for the retention of capital receipts exists among STPs as well, with Coventry and Warwickshire calling for 'further clarity' from the Department about changing from the current system¹³. However disposals should only take place where appropriate.

Often re-using land for revenue raising purposes can provide a longer-term, more sustainable solution. Using the NHS's considerable estate for key worker housing could allow for a more efficient use of excess land, as well as helping to improve working conditions for key staff, in turn increasing staff retention. This would be particularly helpful in London, where the cost of living is highest.

Energy generation is another way in which excess land can be converted to boost finances. Community generation projects have become increasingly popular in recent years, in many cases generating a cheap, clean energy with excesses sold back to the grid. Private providers can partner with trusts to de-risk such projects, offering up front capital and commercial expertise.

¹⁰ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/605290/Naylor_review.pdf

¹¹ <https://www.gov.uk/government/news/review-shows-how-nhs-hospitals-can-save-money-and-improve-care>

¹² http://bsa-org.com/uploads/publication/file/221/BSA_Lord_Carter_Response.pdf

¹³ <http://www.uhcw.nhs.uk/clientfiles/File/STP.PDF>

Case study: Capita & University Hospitals Bristol NHS Foundation Trust

In 2013 Capita, working in collaboration with University Hospitals Bristol NHS Foundation Trust, designed a new £4.95m 'Welcome Centre' at the Bristol Royal Infirmary. This centre has enabled the Trust to successfully take advantage of new commercial opportunities, resulting in a welcome boost for frontline services.

Providing innovative design capability, project management skills and an innovative commercial model, Capita worked with the Trust to reimagine the entrance space to the hospital, making it more attractive to staff and patients and providing an additional revenue stream for the Trust. Comprising a redesign of the hospital's main entrance, reception and waiting area, the project created a 875m² retail space which contains a widely renowned coffee shop, newsagents, food outlet, clothing/gift shop and an outpatient/retail pharmacy service.

Crucially, the funding model implemented by Capita ensures that all income from the retail outlets goes back into the Trust's purse to enhance patient services and deliver excellent outcomes to the local community.

In addition to these commercial opportunities, the solution also ensured maximum exposure for the Trust's main charity, patient advice and liaison services. The upgrade was very well received by patients, visitors and staff and now creates a first impression that reflects the high quality work that the organisation is known for.

A number of innovative examples of hospital trusts transforming the use of their estates include the creation of 'car-decks' instead of often sprawling car parks. This can retain existing car parking capacity, or even increase it, whilst freeing up considerable amounts of land for alternative uses, such as clinical services or key worker housing. Additionally, when constructing new buildings, offsite construction could be one way to ensure quality is maintained whilst reducing price and, most critically for patients, staff and visitors, reduce disruption.

Commercial expertise is essential for realising the NHS estate's revenue-raising potential. As Naylor points out, bids for funding will require robust business cases. Business services companies have wide ranging experience and expertise in the optimisation of the property and infrastructure from which NHS organisations deliver their services. This includes reducing the operating costs, rationalisation of the estate, development of commercial opportunities and many other capabilities.

NHS Property Board

Estate transformation has been recognised by STPs across the country as key to realising a more sustainable, efficient and effective health service. Naylor's proposal to establish an NHS Property Board to provide strategic estate planning and guidance from the centre is welcomed by the BSA. In order to achieve the considerable task of transforming the NHS estate to meet modern healthcare demands, it is crucial that this new body is given the necessary powers to oversee the implementation of estate strategies. As significant stakeholders in the NHS estate, as well as financial partners, private contractors can also offer expertise, guidance and on-the-ground experience to support the new NHS Property Board.

3. Corporate Services

Ask for smarter support, not cheaper support

With a workforce of 1.7 million people, the health service's total back-office operation is one of the largest in the world. Add in social and community care providers and the scale of back-office and administrative services becomes truly apparent. Lord Carter recommended that corporate and administrative costs should not exceed 6% of a hospital's total spend by 2020¹⁴. With some hospitals reporting figures of nearly double that, the opportunity for improved efficiency is evident.

Back office and administrative services have been identified by a number of STPs as one of the largest single areas for potential saving. NHS Improvement has already selected 4 STP areas to act as 'pathfinders' on improving back office efficiency through consolidation. The aim is for these areas to act as blueprints for the other 40 STPs and help cut the NHS's corporate services bill by £350m over the next 4 years¹⁵.

Case study: Serco & Provide CIC

Serco has been working in partnership with Provide CIC since August 2010 on the implementation of an electronic self-service data capture solution in payroll. This system replaces a largely paper-based process and allows staff to submit temporary payment data for time and attendance and expenses electronically, via manager approval, for upload into a ESR payroll system. Such is the success, in May 2016 Serco updated the travel claim solution to take advantage of ESR's new e-expenses functionality.

Provide is a Community Interest Company that provides services across Essex, Peterborough and Cambridgeshire, Waltham Forest and Redbridge. It employs over 1,100 people and works from a variety of community settings as well as within peoples' homes.

The project was run with close working relationships between Provide, IBM (the ESR system provider) and Serco. Benefits have included:

- Reduced paper administration by Provide CIC staff and managers, freeing them to concentrate on delivering healthcare services
- Added value for the employee through reduced errors in translating the data, therefore increasing quality and improving the service outcomes
- Avoidance of postal delays in transferring the data from Provide CIC to Serco
- Data is only entered once by the claimant, thus producing 100% reduction in manual handling processing errors
- Longer submission deadline, as less time required by payroll to interface the data with ESR

Reflecting on the project, Philip Richards, Exec Finance Director and Company Secretary at Provide CIC, said: "Staff salaries are one of the highest costs to a healthcare organisation with an average of 80% of the workforce claiming payments for extra duties, travel and business expenses. The deployment of an automatic Payroll solution has delivered an immediate benefit to us - we are delighted."

¹⁴ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/499229/Operational_productivity_A.pdf

¹⁵ <https://www.hsj.co.uk/topics/finance-and-efficiency/exclusive-stps-chosen-to-lead-major-350m-back-office-savings-drive/7013759.article>

Back office and administrative services have been identified by a number of STPs as one of the largest areas for potential savings

Savings in back-office administration can redirect funds towards frontline care. Improving the efficiency of corporate services needn't require a major overhaul or radical reform agenda. Simple measures, such as hospitals and social care providers in the same area joining-up their back-office services in one location under one team, can help drive efficiencies. Additionally, health and social care authorities could look into the possibility of joining with other, similar public services, such as the police, fire service or education authorities. Many business services providers already have back-office and administrative centres well established across the country. Using existing centres of shared services will help to achieve efficiency savings.

In terms of corporate services, it is crucial for trusts to clearly identify where they are spending money as a first step prior to pinpointing areas for potential savings. A variety of different solutions exist that will help trusts reduce their financial deficit. However, solutions that work for one trust will not necessarily work for another. Private providers have the commercial experience to help trusts analyse where they spend their money and how they may be able to save funds for frontline services.

4. Sustaining the Workforce

Training, Re-Training and helping key workers

The NHS is the world's 5th largest employer, with a total staff of approximately 1.7 million people¹⁶. However staffing pressures continue to have an impact across the system. As demand for health services continues to increase, retaining existing staff is as crucial as hiring new workers. A report by the Health Foundation found more than one in four workers left the social care profession in 2015-16¹⁷. As noted above, using the NHS's estate and excess land for key worker housing could offer one route to improve staff retention.

Apprenticeships offer a way for STPs to contribute towards the sustainability part of their remit, as well as creating a pool of talent across the health system. The NHS has committed to the creation of 100,000 apprenticeships by 2020¹⁸. It is crucial that apprentices are trained to work in the hospitals and care organisations of the future. Training programmes should be linked to estate and digital transformation plans to ensure the future workforce is equipped to realise its full potential.

As private providers often deliver a range of different services within an STP area, they are well placed to draw together the different forward looking plans and incorporate them into training programmes. This can enable an integrated approach and ensure the workforce is set to operate in the health service of tomorrow.

¹⁶ <https://www.forbes.com/sites/niallmccarthy/2015/06/23/the-worlds-biggest-employers-infographic/#16778dd3686b>

¹⁷ <http://www.health.org.uk/publication/election-briefing-sustainable-workforce>

¹⁸ <https://www.gov.uk/government/news/new-nhs-apprenticeships>

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