NHS Improvement

Considerations for creating a baseline position

Corporate services productivity programme

June 2018

Introduction (1/2)

Methods of delivering corporate services in the NHS have changed little in the last 20 years compared to other sectors. This limited modernisation coupled with the variation in delivery methods, and therefore outcomes, contributed to NHS provider trusts spending £4 billion on corporate services in 2016/17.

Lord Carter's review, *Operational productivity and performance in English NHS acute hospitals: Unwarranted variations*, published in 2016, investigated whether the NHS gets the best value (defined as the product of quality of care and the efficiency with which it is delivered) from its annual budget. It concluded that the NHS could save £5 billion a year if it addressed the significant and unwarranted costs and clinical practice variations.

The report recommended that trusts should rationalise their corporate functions to use resources in the most cost-effective manner; the Secretary of State for Health accepted all the report's recommendations in March 2016.

From talking to function leadership groups (eg Future Focused Finance), trust directors and heads of corporate services functions, we found they agree that the way corporate services are delivered needs to change to benefit from modernisation.

They recognise that this means taking advantage of available economies of scope and scale. Most are asking for the direction and future operating model to be carefully guided on their behalf and for the system-wide obstacles to be removed centrally. This gives them the opportunity to deliver and receive quality services in line with national expectations and direction.

A collaborative delivery model has inherent challenges for trusts, which include forming the desired operating model and the governance to manage it. These changes need to happen at a time of constraints on capital and internal resources. We have designed this toolkit to help.

We compiled this guidance using subject matter expertise and feedback from trusts that have been through the process. We will update it regularly to reflect new information.

Introduction (2/2)

This guide provides practical guidance on what needs to be considered when creating a baseline position.

Useful resources

Please refer to:

- Baseline data request example.

Creating a baseline position

Baseline assessment tools can be used to evaluate your **current state** – where you are, and to plan activity for your **potential future** – where you need to get to.

Having a robust baseline

A robust baseline is the foundation for the business case for proposed changes. An effective business case can't be created if the base assumptions keep changing.

A robust baseline for the services in scope will dramatically improve the quality and speed of the redesign process.

Whereas most trusts will have up-to-date budget information for corporate functions, a robust baseline should cover all the important facets of the services in their current state.

Using the baseline checklist

Trusts should use the checklist on the next page to assemble the baseline information needed for a successful redesign project.

Baseline: Corporate services productivity checklist

Complete for functions in scope, for example:	Finance	HR	Payroll
Agree sub-functions in and out of scope at the start.			
Do you have accurate budget information, ‘phased’ (monthly) general ledger downloads that display budget £, actual £, budgeted whole time equivalent (WTE) and actual WTE, and cover at least a couple of years, for each service in scope?			
Do you have accurate business volumes for each service, covering major business processes (eg purchase to pay) and drivers of activity?			
Do you have documented business processes for all systems in each service and a roadmap of systems that are in the process of roll out?			
Do you have clear service-level agreements (SLAs) for each service?			
Do you have accurate key performance indicators (KPIs) for your service compared to SLAs?			
Do you have data on customer satisfaction levels by service? Involve the relevant people from a range of levels across other teams/departments that use the service.			
Do you have accurate and up-to-date structure charts for each service?			
Do you have details on what systems are used in each service and how they interface with other systems in the trust? Include key policies and reports, who generates them, their purpose, who uses them and how they are distributed.			
Do you have data on call volumes into your service?			
Have you reviewed your service and identified which activities could be self-service?			
Have you reviewed your service and identified which activities could be automated? For example, automating the flow and authorisation of change forms.			

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