



National Health Service in Scotland
Management Executive

St. Andrew's House
Edinburgh EH1 3DG

Dear Colleague

BUILDING DIVISION - COMMON SERVICES AGENCY

Purpose

1. The purpose of this letter is to provide further information on matters arising from the changed status and role of the Building Division of the Common Services Agency and to announce the final stage of the changes in the transitional financing arrangements for the Division.
2. All references to Health Boards or NHS Trusts in this letter should be read as also applying to the Common Services Agency and the State Hospital.

Background

3. SOHHD DGM(1991)21 announced the introduction of a 3 year transitional arrangement whereby the Building Division, whilst continuing to be an integral part of the NHS in Scotland, would progressively derive its income from fees earned in competition or negotiation, with the previous top sliced direct funding for the Division being transferred to Health Boards. The essential elements of the changes announced at that time were:-

- a. For all new commissions subsequent to 1 April 1991 the Building Division to be treated as any private sector consultant in respect of fee competitions or negotiations. Previous top sliced funding for the Building Division transferred to Health Boards.
- b. Fees for ongoing live projects for which the Building Division was commissioned prior to 1 April 1991 to be paid on the basis of 100% scale fees with this element of the capital allocations ring-fenced.
- c. To ensure continuity in the supply of certain expert services to the NHS in Scotland the Management Executive commissioned a core services contract with the Building Division to provide without charge a number of essential services, including feasibility studies and option appraisals.

4. For the 1992-93 financial year the ring-fencing was dispensed with.

10 February 1993

Addressees

For action:

General Managers,
Health Boards
Unit General Managers
Chief Executives,
NHS Trusts
General Manager, State
Hospital
General Manager,
Common Services Agency

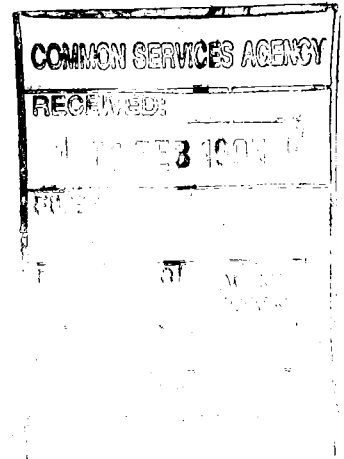
For information:

General Manager
Health Education Board
for Scotland

Members of Estates
Policy and Management
Group

Enquiries to:

J McCulloch
Estates Division
NHS Management
Executive
Room 357A
St Andrew's House
EDINBURGH
EH1 3DG
Tel: 031-244 2084
Fax: 031-244 2323



Changes with effect from 1 April 1993

5. During the past 2 years the Building Division has made significant changes in its organisation, management and services. In doing so it has built upon its established relationships with Health Boards and developed new services to meet emerging needs, eg of NHS Trusts.

6. Its success in so doing has been reflected in a significant increase in demand for existing services such as feasibility studies and option appraisals, and a growing interest in such services as facilities management and project management. In addition, Health Boards and NHS Trusts have placed consultancy agreements with the Building Division.

7. As a result the Management Executive has decided that there is no need for a third transitional year and that all services provided to Health Boards and NHS Trusts other than those listed at Annex A will be on a fee charging basis from 1 April 1993. The 1993-94 allocations to Health Boards and NHS Trusts reflect this decision.

8. The Management Executive has decided that it should continue to fund the Building Division to provide certain services to Health Boards and NHS Trusts, either because of the need for national co-ordination or because it is the most cost-effective way of ensuring that Health Boards and NHS Trusts have access to available expertise particularly where there is a statutory or mandatory requirement. These services are listed at Annex A.

Management Executive and The Building Division

9. The Management Executive will also continue to commission the Building Division to carry out work in support of HHD and Management Executive objectives, eg in the creation and promulgation of national guidance on hospital planning, and engineering and technology issues. These contracts reflect The Building Division's corporate knowledge and expertise which has been developed through 2 decades of providing services within the NHS in Scotland.

Other Matters

10. Health Boards and NHS Trusts are at present dealing with a wide range of important estates and capital procurement issues, including those arising from the removal of Crown Immunity and the need to make best use of existing assets, at a time when they are also immersed in the establishment of their 'Trusts' and the creation of purchaser-provider contracts. With its wide range of experience and skills the Building Division is well placed to support and complement NHS Trusts own staff resources on non-project-specific matters, perhaps through general consultancy agreements.

11. The Building Division should always be considered when a Health Board or NHS Trust draws up a long-list of consultants prior to issuing tender invitations. This reflects the Division's special place within the NHS in Scotland. Health Boards and NHS Trusts are reminded that when negotiating or seeking competitive offers for professional commissions, the nature, extent and quality of service must be clearly defined. In placing a commission the client must be satisfied that the service required can be delivered to the quality identified for the price offered. Lowest price

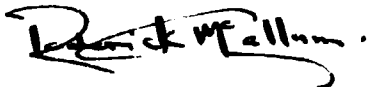
associated with an inadequate specification of requirements is unlikely to offer such assurance.

12. It should also be noted that in response to the exceptional demand by Health Boards and NHS Trusts for core services in 1992/93, the Management Executive has substantially increased the funding for this work. This funding is now cash-limited and the Building Division in consultation with the Management Executive may have to decline certain requests for non-chargeable services towards the end of the current financial year.

Action

13. Chief Executives, General Managers and Directors of Estates to be aware that, other than for the services listed at Annex A, after 1 April 1993 all services provided by the Building Division will be chargeable.

Yours sincerely



H R McCALLUM
Director of Estates

BUILDING DIVISION - COMMON SERVICES AGENCY

The Building Division is funded by the Management Executive to provide the following services to the NHS in Scotland. Subject to the cash-limit set by the Management Executive, Health Boards, NHS Trusts, the Common Services Agency and the State Hospital may draw upon these services as required.

SPECIALIST SERVICES AND ADVICE ON HOSPITAL ENGINEERING AND TECHNOLOGY

a. The Building Division will continue to manage the defect and failure reporting system on behalf of the Management Executive. Where national implications are involved the Building Division will undertake specialist investigations and report to the Management Executive. The Building Division will also undertake the issuing of Estate Management Bulletins and participate in the national Safety Action Bulletin Scheme. Further guidance on the scope of the defect and failure reporting scheme is set out in NHS Circular 1991 (GEN 24) REPORTING HAZARDS and POTENTIAL HAZARDS.

b. The Building Division will, on behalf of the Management Executive, provide preliminary advice on the design, specification and installation of piped medical gas (PMG) and gas scavenging systems. For major schemes the Building Division will be responsible for commissioning the systems and authorising their use for clinical services. Dear Secretary letter SHHD DS (80)10 will be updated to take into account The Building Division's revised role. The Building Division will also act as PMG Authorising Engineers as required by Health Boards and Trusts and provide advise on specialist piped medical gas training for Engineers and Technicians.

c. The Building Division will on behalf of the Management Executive provide a High Voltage Authorising Engineering service for the NHS in Scotland and provide advice on training for High Voltage Authorised Persons etc. A new HTM 2021 on Electrical High Voltage Safety (ESCODE) will form the framework for this service to the NHS in Scotland. Escode will be published in Scotland in the first quarter of 1993.

d. The Building Division will, on behalf of the Management Executive, continue to provide specialist advice on the national problems of copper pipework corrosion and alternative materials, water filtration and treatment. Logging of the corrosion defects will also be continued as outlined in SHHD/DGM (1990)80.

e. The Building Division will, on behalf of the Management Executive, continue to distribute Model Engineering Specifications to the NHS in Scotland.

f. The Building Division may provide preliminary specialist advice on communications including patient/staff and staff/staff communications systems, telecommunications, and the integration of voice and data communications.

g. The Building Division may provide validation of craft apprentice training.

h. The Building Division may provide preliminary specialist advice on catering departments and services including food hygiene legislation.

i. The Building Division may provide preliminary specialist advice on the technical and functional aspects of the commissioning of health care buildings.

j. The Building Division may advise on electromagnetic compatibility, investigating individual cases as necessary and reporting to the Management Executive on aspects of patient, staff and public safety. HTM2014 - ABATEMENT OF ELECTRICAL INTERFERENCE, will be published in 1st Quarter 1993 and describe the fundamental Engineering principles involved.