



National Health Service in Scotland  
Management Executive

St. Andrew's House  
Edinburgh EH1 3DG

Dear Colleague

DEVELOPMENT OF FUNDING FOR SERVICES  
CURRENTLY CENTRALLY FUNDED BY THE  
DIRECTORATE OF INFORMATION SERVICES,  
HEALTH SYSTEMS DIVISION

**Summary**

1. This letter announces plans for moving to direct customer funding of information systems and services currently centrally funded by the DIS/HSD, in particular application systems and associated services provided by Centres of Responsibility in computer units in Health Boards.
2. 1994/95 is to be treated as a shadow year with direct customer funding commencing in 1995/96.
3. Funding, currently met from HSD revenue budgets, will be transferred to the general revenue allocation for distribution to the Health Boards according to the general weighted capitation based formula.

**Action**

4. Health Boards responsible for computer services units managing centrally funded Centres of Responsibility should ensure that as soon as possible direct customer Service Level Agreements (SLAs) are put in place to reflect the new arrangements and that customers are aware of resulting financial implications for 1995/96 by the end of October 1994, and similarly for future years.

Yours sincerely

C B KNOX  
Director of Information Services

20 April 1994

**Addressees**

For action:  
General Managers,  
Health Boards

CSA IS/IT Centres of  
responsibility

For information:  
Chief Executives  
NHS Trusts

General Manager,  
CSA

General Manager,  
State Hospital

Health Education Board  
for Scotland

To be copied to:

Unit General Managers

**Enquiries to:**

Anne Lamont Assistant  
Director Health  
Systems  
Division  
Keith House  
2 Redheughs Rigg  
South Gyle  
EDINBURGH  
EH12 9DQ

Tel: 031-529-2215  
Fax: 031-529-2266

ANNEX A

**Background**

5. Following consideration by the Joint Working Group on Information Services of the future development and provision of information and information technology services as a result of the purchaser/provider reforms, a Working Group on Protocols and Practices was set up in 1992. This Group issued guidance on the establishment of Service Level Agreements and the move to a trading basis for the Computer Centres.

6. In June 1993, the Director of Information Services decided to reconvene the Group with an extended membership to consider further issues with regard to operating on a trading basis. The main issue concerns Crown Copyright software currently funded from the centre by the DIS/HSD revenue budget, and developed/maintained by Centres of Responsibility in the Computer Service Centres.

7. More specifically, the Group was asked to address the practical protocols of moving from central funding to User funding including the timing, the phasing, categorisation between development and support, and the distribution of funding.

8. The group reported to the Director of Information Services at the end of January 1994 to the appropriate Centre of Responsibility and with the agreement of the Joint Working Group on Information Services at its March meeting, he has agreed to proceeding on the basis outlined in the report.

9. A copy of the report is appended.

10. Customers of these services (Trusts, Health Boards, CSA etc) should note that charges given in the report are purely illustrative and they will be notified of proposed charges as indicated in 4 above to the appropriate Centre of Responsibility. They should take into account new chargeable SLAs in their forward planing. They should note that 3 year rolling agreements, reviewable annually, are recommended.