

SHARED SERVICES

FOR

QUEENSLAND HEALTH

February 2004

Version 2.0

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PURPOSE

To update the *Shared Service for Queensland Health v1.0* document based on developments to February 2004.

BACKGROUND

The Aligning Services and Priorities review was conducted during 2002. Cabinet endorsed the Shared Service Initiative (SSI) model developed from this review in December 2002. This model is to be implemented across Queensland Government over the period to 2006 and is aimed at consolidating corporate service delivery across whole-of-Government by standardising business processes and information and communication technology.

The Queensland Health Shared Service Co-ordination Unit (SSCU) is coordinating the implementation of a shared services model for Queensland Health within the parameters of the Shared Service Initiative. By September 2003, the SSCU, following consultation with key stakeholders, had developed *Shared Services for Queensland Health v1.0*.

Under this model, the Queensland Health Shared Service Providers (SSPs) commenced operations on 1 December, 2003 with the primary goal of delivering efficient and cost-effective corporate services to the Health Service Districts, State-wide Services and Corporate Office Branches of Queensland Health through leveraging economies of scale and skill. The two Shared Service Providers created were:

- *Shared Service Provider – Districts*
- *Shared Service Provider – Corporate & Statewide*

PURPOSE

This document describes the Shared Service Model for Queensland Health and how it will operate. A detailed discussion is provided regarding:

- Shared Service Providers;
- Governance Arrangements;
- Service Management Framework; and
- Funding Approach.

QUEENSLAND HEALTH SHARED SERVICE MODEL

The model for Queensland Health has been developed to meet the unique business and staffing needs of the department. While consistent with the whole-of-Government approach, the Queensland Health model for shared services has been tailored and enhanced to ensure responsive corporate service delivery in this large and complex organisation.

The overriding philosophy of the shared service model within Queensland Health is strong working relationships based on partnering, shared standards and effective communications to achieve mutually beneficial outcomes for Health Service Districts, State-wide Services and Corporate Office Branches and the Shared Service Providers. Simplicity in operation is a key goal.

The following principles were used in developing the Queensland Health Model. The model:

- will support the strategic directions and business objectives of Queensland Health;
- recognises and supports the Director-General of Queensland Health in discharging his accountabilities under the *Financial Administration and Audit Act 1977*;
- accommodates current criteria that are to be met for the Public Benevolent Institution (PBI) special tax concessions available to District staff;
- aligns with and contributes to the whole-of-Government Shared Service Initiative;
- recognises the unique service delivery issues of Queensland Health, particularly the regional issues; and
- is founded on the concept of partnering, where all parties commit to the development of long term strategic relationships based on trust and achieving sustainable mutual advantage for the partners.

Governance Arrangements

Critical to the success of Queensland Health Shared Service Model is the establishment of a Governing Board for the SSPs that provides executive-level stewardship and oversight of the SSPs. The Board held their inaugural meeting on 11 November 2003. Membership includes the A/Director-General, General Manager (Health Services), the Deputy Director-General (Policy & Outcomes), the Zonal Managers and the Executive Directors of the SSPs. The SSCU provides secretariat support to the Board.

The Board will establish three Zonal Sub-committees (consisting of the Zonal Manager and District Managers for each Zone) and a Statewide Sub-committee (consisting of Branch Directors and State Managers). In addition, the Board may appoint other sub-committees to provide advice as required in relation to finance, audit risk and other relevant matters.

The SSP Board members have developed a Charter that sets out:

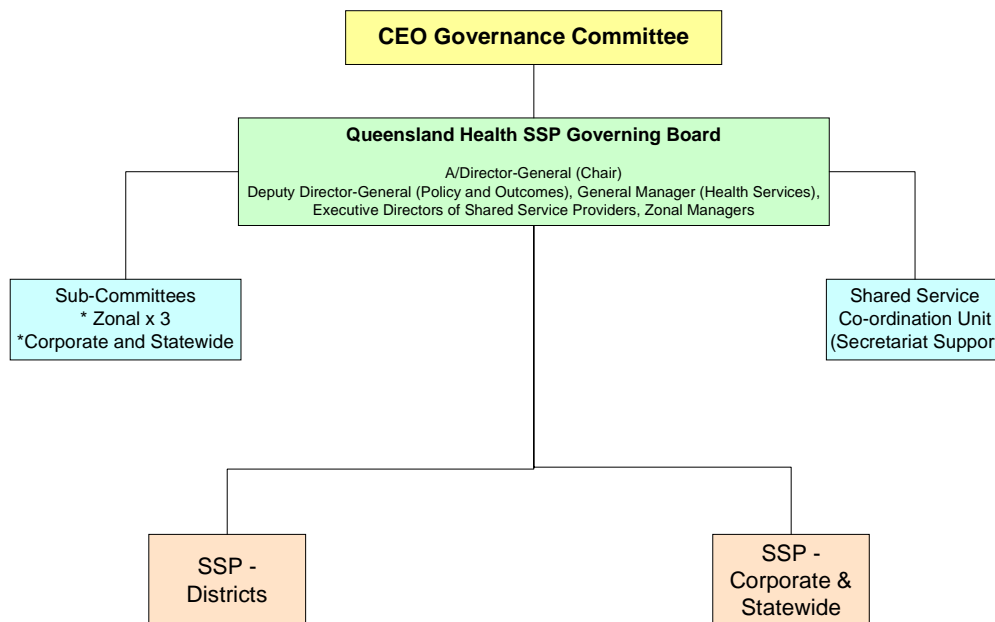
- Responsibilities of the Governing Board and accountable officer;
- Mission statement;

- Governing Board roles and responsibilities;
- Individual Board member roles and responsibilities;
- Board committees; and
- Board meetings.

In summary, the Board has a number of key roles and responsibilities that ensure effective corporate governance of the SSPs, including: review and endorsement of the corporate governance framework; undertaking high level strategic planning, monitoring and review; policy setting for shared services; and risk management. As “owners” of the SSPs, Board members focus on the long-term business viability of the SSPs. Although service delivery is a part of the business performance of the SSPs, the Board is not involved in the “day-to-day” operations of the SSPs.

Stakeholders and service recipients can use the Zonal and Statewide Office sub-committees and formal organisational reporting structures to access Board members who can raise relevant issues for Board action. Board members will meet quarterly at the minimum.

Queensland Health - Governance Model



SHARED SERVICE PROVIDERS

Central to the Queensland Health shared services model is the establishment of Shared Service Providers that will provide an agreed range of corporate services to the Health Service Districts, State-wide Services and Corporate Office Branches.

To accommodate current criteria that are to be met for the Public Benevolent Institution (PBI) special tax concessions available to District staff, Queensland Health established two (2) Shared Service Providers: *Shared Service Provider – Districts* and *Shared Service Provider – Corporate & Statewide*

The SSPs are identified as separate business units within Queensland Health and were established in accordance with the whole-of-Government “*Shared Service Provider and Technology Centre of Skill Business Arrangements Paper*”.

While the SSPs are separate business units, each Shared Service Provider is hosted by an entity within Queensland Health . The role of the host is to have administrative responsibility for each of the SSPs. This is different to the role of the Governing Board of the SSPs that sets strategic direction and executive-level stewardship for the SSPs as described in the governance arrangements.

The SSPs were established in a similar manner, however there are a number of differences in their operation.

Shared Service Provider – Districts

Shared Service Provider – Districts provides a range of corporate services to Health Service Districts. The SSP is hosted by the Royal Brisbane and Women’s Hospital (RBWH) Health Service District to maintain current PBI arrangements. The Executive Director of *SSP – Districts* reports administratively through the District Manager, RBWH Health Service District.

Shared Service Provider - Districts was established under an interim organisational structure (to 30 June 2004). The interim structure was established to ensure minimal disruption to staff and service delivery. When the outcomes of the whole-of-Government Business Process Review activities are known, a more permanent structure will be established (April 2004).

The Interim Structure for *Shared Service Provider – Districts* can be seen at Attachment 2.

Shared Service Provider – Corporate & Statewide

Shared Service Provider – Corporate & Statewide provides services to Corporate Office Branches and the Statewide Services. The SSP is hosted by the Information and Business Management Branch and contains all Information and Business Management Branch staff plus some staff from the

Statewide Services. The Director of the Information and Business Management Branch will take on the dual role of Executive Director, *SSP - Corporate & Statewide* and will continue to report through the Deputy Director-General (Policy and Outcomes).

The Organisational Structure for *Shared Service Provider - Corporate & Statewide* can be seen at Attachment 3.

Shared Service Co-ordination Unit

The Shared Service Co-ordination Unit supports the Executive Directors of the SSPs and the Governing Board. The role of the unit includes:

- Initiative co-ordination for whole-of-Government agenda and across the SSPs within Queensland Health;
- Business and service development;
- SSP policy development, for example pricing, billing, etc;
- Performance monitoring and reporting;
- Administering the Service Agreements with CorpTech; and
- Board Secretariat functions.

The Shared Service Co-ordination Unit is hosted by *Shared Service Provider - Corporate & Statewide*.

SCOPE OF SERVICES

Each SSP provides a range of corporate services to their clients. The Scope of Services for Queensland Health's SSPs was determined by the Office of the Director-General on 12 September 2003 as:

- Queensland Health will work towards achieving Option 3 – the inclusion of entire workgroups – by 31 December 2004.
- Option 2 – all core and non-core functions – will be adopted at 1 December 2003 as a minimum starting position.
- Districts and State-wide Services can elect to commence Option 3 at 1 December 2003 if this is their preferred option.

Regarding inclusion of staff in Shared Service Providers, the following has been determined:

- The Director of Corporate Services (or equivalent) will remain in all Districts and State-wide Services.
- The Director, Human Resource Management and Director of Finance may remain in all Districts and State-wide Services where the District Manager or State Manager is DES2 or above.

- If any position contains any core functions, the whole position will be included in the Shared Service Provider.
- If a position contains no core, but 30% or more non-core functions, the whole position will be included in the Shared Service Provider.

These guidelines were amended on 22 October 2003 to allow District and State Manager DES2 or above to include their HR and Finance Directors in the transition to a Shared Service Provider, with written assurances as part of their Operating Level Agreements that these positions would be located in the District / State-wide Service at a location to be determined by the District or State Manager.

There is some potential for the scope of services to expand, either by mutual agreement between the SSPs and their clients, or at the direction of the Shared Service Implementation Office.

Staffing Arrangements

- Staff were identified for transition to a Shared Service Provider based on the outcomes of the quarantining process and the guidelines for scope of services detailed above.

Shared Service Provider - Districts contains staff from all Health Service Districts. Staff that were identified under application of the guidelines, but who supported clinical systems (e.g. admission clerks and ward clerks), were not included in the transition to a Shared Service Provider on 1 December 2003.

Shared Service Provider – Corporate & Statewide contains all Information and Business Management Branch staff plus a number of staff from the State-wide Services.

Whether in Districts, State-wide Services and Corporate Office Branches or in SSPs, permanent corporate services staff will have employment security. This commitment is made in accordance with the *Queensland Government's Employment Security Policy for the Queensland Public Sector*.

Staff Transitioning Arrangements

Staff who transitioned into the SSPs were notified by 15 October 2003, effective 1 December 2003. "Workforce Transition Guidelines" were developed for staff moving into the SSPs and for the clients of the SSPs. These guidelines detail how the new business arrangements would operate after 1 December 2003.

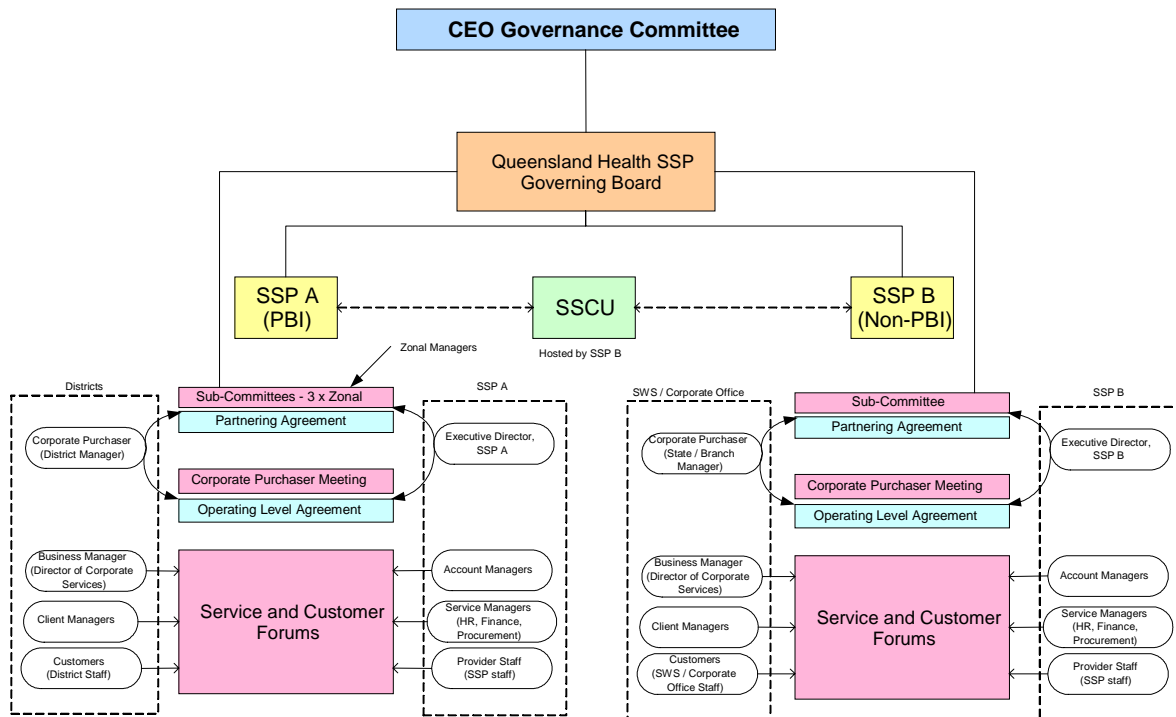
SERVICE MANAGEMENT FRAMEWORK

Under the Shared Service Model for Queensland Health, SSPs and the Districts, State-wide Services and Corporate Office Branches will work together to implement a framework for service management that ensures that services meet the needs of the customers. Success will hinge on the strength of the relationships between SSPs and the Districts, State-wide Services and Corporate Office Branches to build on the quality and cost effectiveness of the SSPs' service delivery

The service management framework is made up of the following elements:

1. Service Agreements, consisting of a Partnering Agreement and an Operating Level Agreement that are developed and implemented in consultation with the customers;
2. A range of mechanisms, processes and forums that support the operation of Service Agreements;
3. A Service Charter that publicly commits the SSPs to excellence in customer service and describes the standards that customers are entitled to expect;
4. Service management is embedded into organisational performance planning, reporting and review process;
5. Customer feedback and relationship management techniques such as account management are implemented
6. Issue management, escalation and tracking solutions are implemented; and,
7. Excellence in customer relationship and service management is recognised and rewarded.

Queensland Health - Service Management



Service Agreements

Service Agreements were negotiated prior to 1 December 2003 and provide the formal mechanism through which the SSPs and the Corporate Purchasers (Districts, State-wide Services, and Corporate Office Branches) discuss, negotiate, agree to and document service delivery expectations. The current Operating Level Agreements are valid until 30 June 2003, however all future OLAs negotiated will be for 12 months. The Corporate Purchasers are Senior Executives who take responsibility for the overall Service Agreements process and partnering relationships on behalf of the customers. The Corporate Purchasers for SSP - Districts are the District Managers and for SSP – Corporate & Statewide are the State Managers, the Deputy Director-General (Policy and Outcomes) and the General Manager (Health Services).

The Service Agreements ensure that all parties to the agreement have clear expectations of service standards and service management processes. The *Guide to Service Management and Service Agreements* provides a standard whole-of-Government approach and providers are required to implement Service Agreements in line with the Guide. The Guide includes a standard template that must be used for Partnering and Operating Level Agreements.

In the Queensland Health Model, two types of service agreements are utilised:

- (i) The Partnering Agreement is a high level document between key stakeholders that describes the way the business relationship will develop and operate. The Partnering Agreement affirms the commitment of the parties to the business arrangements and works to create a culture based on trust, respect, and mutual benefit.

SSP – Districts will have three Partnering Agreements based on Zonal boundaries. The partners for each of these agreements will be the Executive Director of *SSP – Districts*, the Zonal Manager, and the District Managers within the Zone. The partnering arrangements will be formalised through the Zonal Sub-committee of the Governing Board.

SSP – Corporate & Statewide will have a Partnering Agreement with Corporate Office and the Statewide Services. The partners to this agreement will be the Executive Director of *SSP – Corporate & Statewide* and the State Managers. The Deputy Director-General (Policy and Outcomes) and General Manager (Health Services) will also be parties to this agreement on behalf of the Branch Directors.

- (ii) Operating Level Agreements (OLA) are documents that formalise the service delivery arrangements between a purchaser and a provider. The OLA consists of three major parts – General terms including issue resolution process, Service Specifications, and Schedules outlining the detail of service elements, reports, pricing methodology and total projected value.

For *SSP – Districts*, the OLAs have been agreed between the Executive Director of the SSP and the District Managers. For *SSP – Corporate & Statewide*, the agreement is between the Executive Director and the State Managers. The Deputy Director-General (Policy and Outcomes) and General Manager (Health Services) are parties to this agreement on behalf of the Branch Directors.

Service Management Model to Support Service Agreements

The model for service management describes the service management relationships of key stakeholders for the Queensland Health Model in supporting the Service Agreements. The model includes a number of roles on both the client and the SSP side. These roles are outlined in Attachment 4.

Service Centres

The alignment of the service delivery mechanism to the client needs is a critical component in the Service Management Framework. Therefore, as part of the organisational design process, each SSP will develop a Service Centre model, over time, that is responsive to current and future client needs, particularly in relation to location within the broad geographical spread of services in Queensland Health. Service Centres will vary in size and may deliver different services, depending in part on the requirements of the clients.

Service Charters

The SSPs will develop and implement a Service Charter that describes the overall standards of service that customers can expect from the SSPs. The Charter is an important document in the development of a strong customer centred culture and it should reflect the values of the organisation and its staff. The Charter will be developed with significant input from the customers and staff and will be included in the Operating Level Agreement.

The Client Business Manager will be responsible for ensuring staff working within the Districts, Statewide Services or Corporate Office will be made aware of the content of the Service Charter so that they are familiar with the standard of service that they should receive from the SSPs.

Organisational Performance Planning and Review

Service management is an integral part of organisational performance planning, reporting and review processes. This Service Management Framework provides for this to happen at a number of levels:

- The Governing Board sets the strategic direction of the SSPs and provides executive oversight and stewardship for service management initiatives and outcomes through the Shared Service Initiative scorecard; and
- The Executive Directors of the SSPs will take lead responsibility for service delivery and work collaboratively with Districts, Statewide Services and Corporate Office to continually improve service delivery. The Partnering review and Corporate Purchaser reviews and Customer review will provide a mechanism for monitoring and improving service delivery.
- The personal performance plan of the SSPs' staff will include elements of service management. Targeted learning and development activities will focus on customer service skills as well as technical skills development.

Client Feedback and Relationship Management

Mechanisms for both formal and informal customer feedback will be established within each SSP as a key opportunity to improve operations and maintain and enhance service delivery relationships.

The review of service management performance is a key function of both the service agreement management process and the Customer Forums. Mechanisms for tracking and reporting on customer feedback will be implemented to support this. Equally, provider feedback to Districts, Statewide Services and Corporate Office Branches can also improve the service relationship, ensuring that potential issues are raised and acted on promptly.

Issue Management

An issue resolution process will be developed as part of the Operating Level Agreement negotiations that specifies how this process will operate, who is responsible and the timeframes for decisions. The process will be focussed on ensuring that issues are addressed at the source and an escalation process will be put in place for issues that cannot be resolved at this level. The process will be customised for each client and documented in the OLA.

Reward and Recognition

Excellence in customer service should be recognised and rewarded. The SSPs will develop a range of reward and recognition initiatives that motivate staff to continually improve customer service performance.

FUNDING APPROACH

The funding model for the SSPs is in alignment with the funding framework for the SSI.

The funding for the services provided by the SSPs will be as described by SSIO *Financial Policies (Accounting Policies for the transfer of assets and liabilities and payment arrangements for quarantined funds to SSPs and CorpTech)*. The SSPs will invoice each District, State-wide Service or Corporate Office Branch monthly in advance for the agreed quarantined amount. This is an interim approach until the whole-of-Government common costing approach and methodology is implemented.

CONCLUSION

The implementation of the Shared Service Initiative in Queensland Health will be an ongoing process until 2006. Over time, the model may be adjusted to reflect business and service needs of the Agency or the Shared Service Providers. for instance, *Shared Service Provider – Districts* will be reviewing its organisational structure and implementing changes from July 2004.

If you have any questions, please contact the Shared Service Co-ordination Unit on (07) 3006 5111 or email to QH_SS_Infoline@health.qld.gov.au

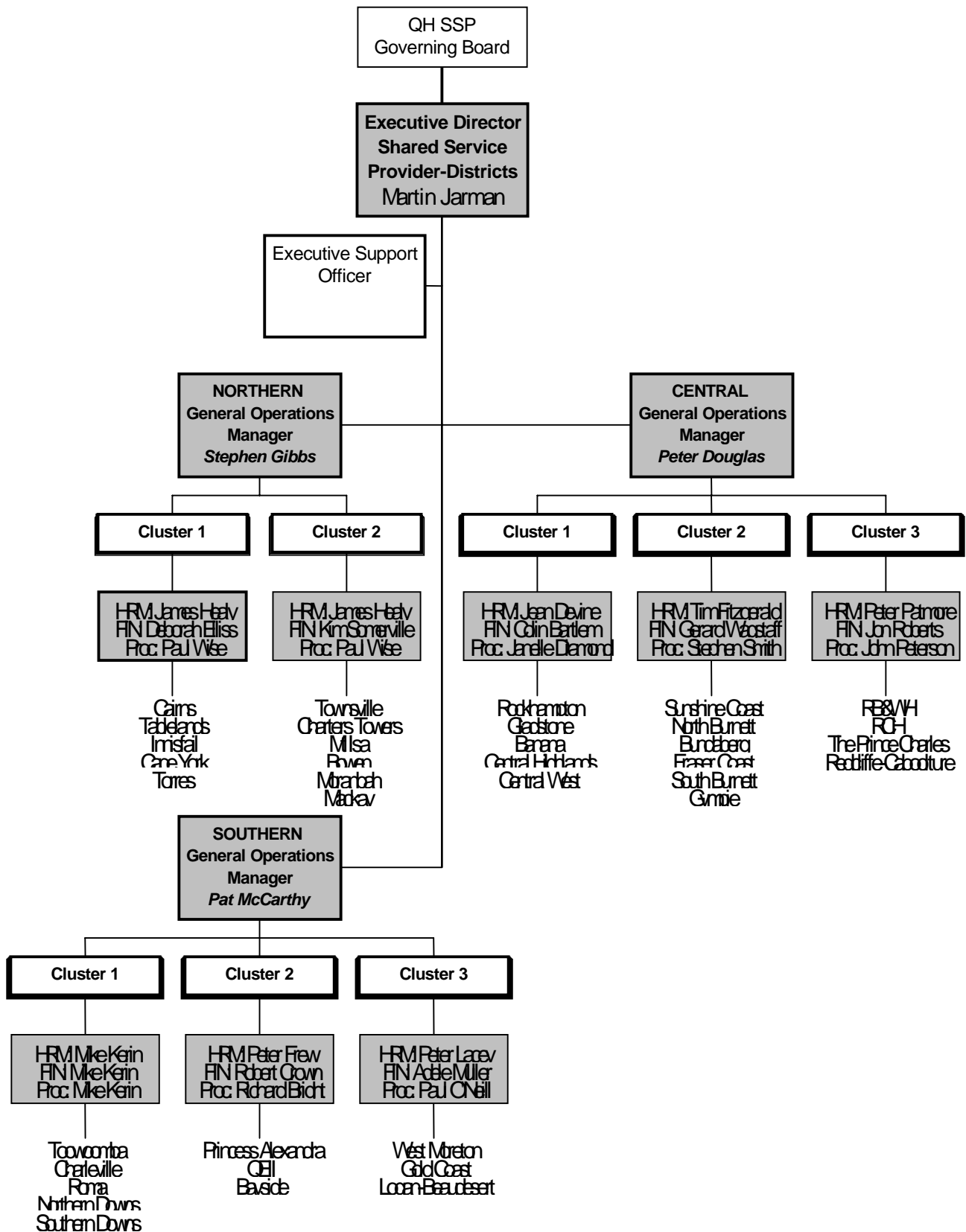
ATTACHMENT 1: Terminology

The following definitions apply in this paper:

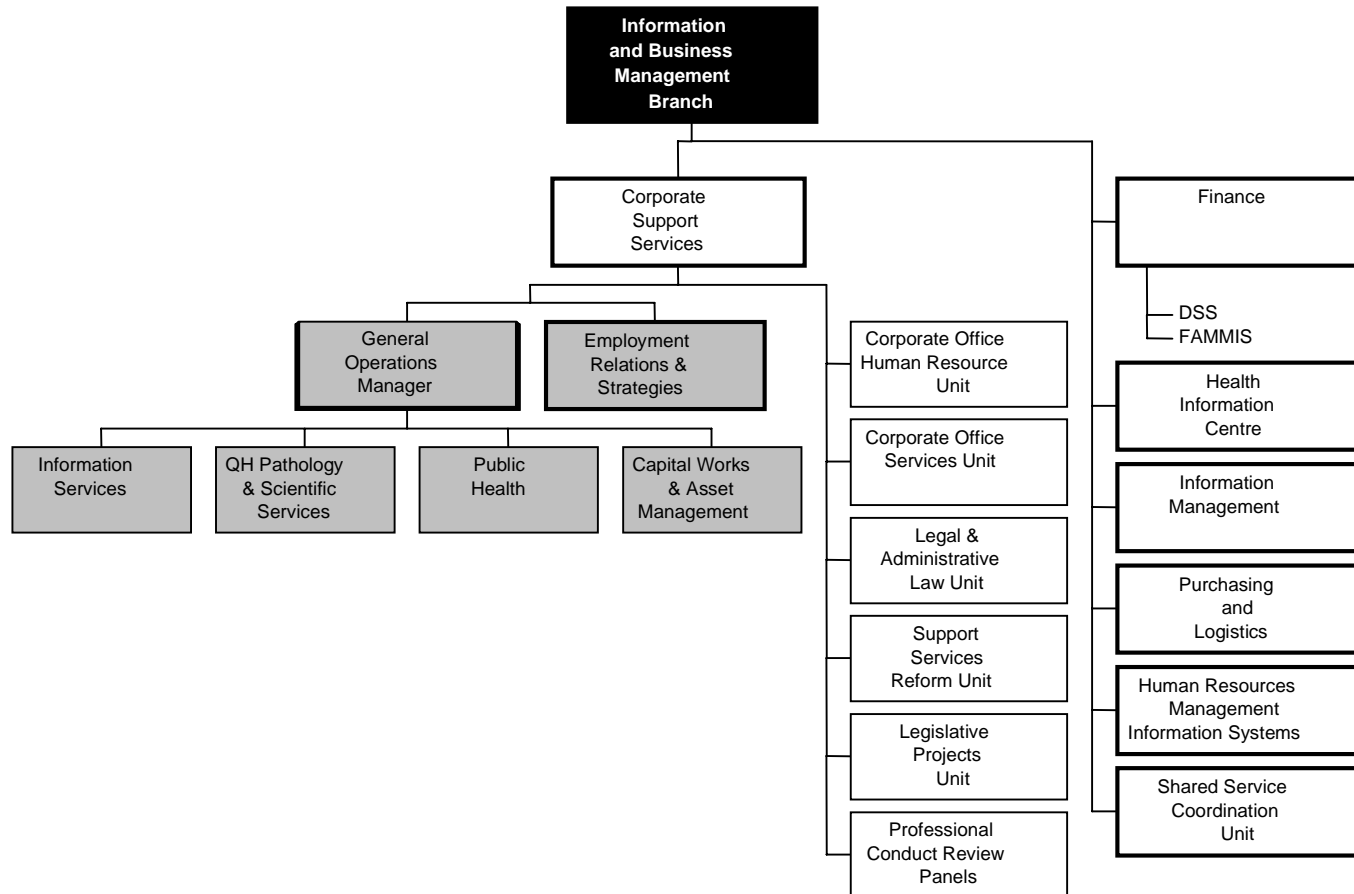
Accountable Officer	Director-General is the accountable officer under the <i>Financial Administration and Audit Act 1997</i>
Account Manager	An officer of the Provider who is responsible for relationship building and management with the client, including liaising with the Client Business Manager. They are responsible for managing and negotiating the Operating Level Agreement, performance monitoring and issue resolution.
Business Manager	The nominated representative of the Corporate Purchaser who is responsible for negotiating and monitoring the Operating Level Agreement with the Provider for the delivery of specific services. Plays a key role in issue resolution.
Client	A District/ Branch that enters into an agreement with a Provider to purchase services. Refer also “Customer” definition.
Core services*	Services assessed as highly likely to generate significant financial and non-financial benefits by being delivered in a standard way by all SSPs. The CEO Governance Committee has determined these services that will be delivered by all Shared Service Providers to all agencies (with some exceptions noted). The resources attached to the delivery of these services will be quarantined under the Shared Service Initiative. These services represent those services that were forecast in the business case financial modeling to be delivered in a standard way by all SSPs.
Corporate Purchaser	Senior executive who takes responsibility for the overall agreement process and partnering relationship on behalf of the client. A key role that focuses on Service Agreement and relationship management.
Customer	Any member of the Client accessing services under the Agreement.
Executive Director, Shared Service Provider	The Executive Director of the Shared Service Provider is responsible to the Governing Board for the management and operation of the provider organisation. They take lead responsibility for service delivery and enter into a partnering arrangement with clients.
Manager	The Client’s representative with operational responsibility to negotiate and monitor service delivery against service specifications.
Governing Board of SSPs	This Board is responsible for setting the strategic direction and monitoring the overall performance of the SSPs. The Governing Board is accountable to the Queensland Government CEO Governance Committee.

Non-core services*	Services assessed as likely to generate financial and non-financial benefits by being delivered by SSPs.
Operating Level Agreement	A document that clarifies the business relationship between two parties by providing detail on the business activity that is to occur between them. The SSPs will develop an Operating Level Agreement with each client that defines the services to be provided and the agreed terms regarding price, reporting, standards, etc.
Out of scope services*	Services that are outside the scope of the Shared Service Initiative (as described in the Business Plan for Shared Services) but that are agreed by clusters or agencies as presenting opportunities for service or cost improvement by being delivered by a Shared Service Provider or otherwise on a shared basis.
Partnering Agreement	A high level document between the SSPs and District Managers, Zonal Managers, State Managers and Branch Directors that describes the way the business relationship will develop and operate. It affirms the commitment of the parties to the business arrangements and works to create a culture based on trust, respect and mutual benefit.
Provider	An organisation that enters into an agreement to deliver services.
Service Agreement	Formal mechanism that allows SSPs and clients to discuss, negotiate, agree and document service delivery expectations on a periodic basis, providing an opportunity for the parties to develop and enhance the service relationship. Consists of Partnering Agreement and Operating Level Agreement.
Service Manager	The Provider's representative with operational responsibility to deliver, negotiate and monitor service delivery standards for a service. They are also the primary contact in matters relating to Client requirements regarding services provided, review of services and resolution of Client concerns.
Service standards	The expected level of service delivery required for a particular service, and the standard against which delivery of the service will be measured.
Technology Centre of Skill	Centre that works with shared service providers and agencies to identify and implement the best combination of corporate service business processes and supporting systems for use across whole-of-Government to meet the objectives of the Shared Service Initiative.

ATTACHMENT 2: Interim Organisational Structure: Shared Service Provider - Districts



ATTACHMENT 3: Organisational Structure: Shared Service Provider - Corporate & Statewide



ATTACHMENT 4 – Service Management Framework Roles

The **corporate purchaser** will be the District Managers for SSP – Districts and the State Managers and Branch Directors for SSP – Corporate & Statewide. In this role, they represent the District, State-wide Service or Branch interest in the development, monitoring and management of the OLA with the SSP, and participate in regular Corporate Purchaser meetings with the Executive Director, SSP in relation to overall performance under the Agreement.

In their partnering role, corporate purchasers participate in the partnering forum (sub-committees of the Governing Board) and work collaboratively with other Corporate Purchasers and the Executive Director, SSP, to develop the business relationship, recognising the inter-dependencies across the Districts, State-wide Services and Corporate Office Branches.

SSP Account Managers (General Operations Managers under the interim structure) are key positions that contribute to the development and maintenance of close relationships with key customers and act as a focal point in resolving customer issues. Within each SSP, Account Managers will be appointed who will facilitate the development of a productive and focused relationship between each District, State-wide Service or Corporate Office Branch and their SSP by acting as a single point of contact.

Account Managers may project-manage the development of the Operating Level Agreement on behalf of the SSP, and with their detailed customer and service knowledge, take a lead role in maintaining the Agreement.

The Directors of Corporate Services positions (or their equivalent) will need to fulfill the role of **Business Manager**. The Business Manager role would be to support the corporate purchaser and be responsible for monitoring and managing services delivered by the SSPs. The Business Manager would be responsible for translating the strategic business needs of the District, State-wide Service or Corporate Office Branch into service requirements to be delivered by the SSP. The Account and Business Managers have frequent service meetings to discuss whole-of-agreement service delivery issues, improvement processes, performance and costs.

SSP Service Managers manage the day to day delivery of services under the Operating Level Agreements. There may be multiple Service Managers, each representing a functional area such as human resources or finance. They are involved in all aspects of service delivery, including performance, issue resolution, improvement processes and customer service management.

Client Managers monitor the delivery of services under the Agreement and ensure that the agreed services standards are met. They work with the SSP Service Managers to resolve issues and improve services. They provide input to the Business Managers on their changing service needs. This role will be fulfilled by the Director of Human Resource Management and the Director of

Finance where these positions are retained. In other circumstances, the role will undertaken by the Director of Corporate Services.

Customer Forums will be established to promote the development and maintenance of healthy and productive business and customer relationships between SSPs and Districts, State-wide Services and Corporate Office Branches. The purpose of the Customer Forum is to: develop and maintain close provider-purchaser relationships; develop and improve service delivery arrangements; discuss and resolve operational service related issues and identify opportunities for business improvement. The composition and terms of reference of the Customer Forums will be agreed to by the Zonal and Corporate Office/Statewide Services Sub-committees of the Governing Board.