



<p>Subject:</p> <p>DAO (DFP) 06/15:</p> <p>EXTENSION OF SHARED SERVICES</p>	<p>Circular Ref: HSC(F) 21-2015</p> <p>Date of Issue: 14 April 2015</p>
<p>For Action by:</p> <p>Chief Executive of each HSC Body and NIFRS</p> <p>For Info to:</p> <p>Director of Finance of each HSC Body and NIFRS</p> <p>Summary of Contents:</p> <p>DFP have issued guidance on the extension of shared services. This guidance cancels HSC (F) 18-2015</p> <p>Enquiries:</p> <p>Any enquiries about the contents of this Circular should be addressed to:</p> <p>Finance Policy and Accountability and Counter Fraud Unit DHSSPS Room D3 Castle Buildings Stormont BELFAST BT4 3SQ</p> <p>fpau@dhsspsni.gov.uk</p>	<p>Related documents:</p> <p>DAO (DFP) 06/15</p> <p>Superseded Documents:</p> <p>HSC(F) 18-2015</p> <p>Expiry Date:</p> <p>Not Applicable</p> <p>Status of Contents:</p> <p>For Information and action if appropriate</p>

DAO (DFP) 06/15: EXTENSION OF SHARED SERVICES

Purpose

1. This circular replaces HSC(F) 18-2015 which has been withdrawn, and provides clarification in respect of BSO services – see para 4.
2. This is to inform you that DFP has issued the following letter:

[DAO \(DFP\) 06/15 EXTENSION OF SHARED SERVICES](#)

A copy of this letter is attached at **Annex A**.

Background

3. The attached letter sets out the key responsibilities of Accounting Officers in relation to extending shared services further in central government and their arms length bodies.
4. Section 3 makes reference to the role of BSO in supporting the Health and Social Care sector. The Health and Social care Sector should always use BSO where it can provide the relevant service. Where it is not possible to avail of BSO services then Enterprise Shared Services (ESS) should be used.
5. I would also highlight section 7 which makes reference to the business case process and the need to consider ESS shared services as a viable option.

Action

6. Please ensure that this circular is brought to the attention of the appropriate staff within your organisation and that any relevant action points are noted.
7. Circular HSC(F) 18-2015 has now been withdrawn.
8. Should you have any queries please contact Paula Shearer on 028 90765689 or email paula.shearer@dhsspsni.gov.uk.

PAULA SHEARER

Finance Policy, Accountability and Counter Fraud Unit

Annex A

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DAO (DFP) 06/15

12 March 2015

Dear Accounting Officer

EXTENSION OF SHARED SERVICES

Purpose of this letter

- The purpose of this letter is to set out the key responsibilities of Accounting Officers in relation to recent Executive agreement to extending shared services further in central government.

Action

- Accounting Officers to note the requirement for all central government Departments and their NDPBs to work with Enterprise Shared Services (ESS) to consider the extension of shared service coverage.

Background

1. The ESS provides a range of services to all twelve NI departments, including IT; Finance; HR; Digital Transformation (including NI Direct); Learning and Development; and Property Management. Collectively, these services have already delivered almost £75 million in efficiencies. In addition to the central government departments and their agencies more than 40 wider public sector organisations have signed up to receive services from ESS. For example, ESS

has delivered a joined up broadband solution to all of the current 26 District Councils.

2. The Executive, on 22 January 2015, specifically committed to extending the use of shared services in driving forward a comprehensive programme of public sector reform and restructuring. The current constrained public expenditure environment also provides a powerful incentive for all public sector bodies to consider again whether there are efficiencies and indeed service improvements to be had from accessing shared services. In light of this all central government public services should now be mandated to work with ESS, with an assumed default of joining the existing shared services.

Scope of the Executive Agreement

3. The Executive specifically agreed that the close working with ESS should extend to central government departments and their arms length bodies. It also agreed that ESS should work with the new Councils when they come into existence on 1 April 2015 to consider the scope for roll out of shared services. However, it was acknowledged that the Health and Social Care sector is supported by the Business Services Organisation in respect of some services and that this relationship can continue as long as the Health and Social Care sector work with the ESS on all other shared services.
4. Departments and their arms length bodies should therefore work with ESS to explore how shared services can be extended. The default position should be to make use of the ESS shared services wherever possible. Only where there is clear agreement between ESS, the Permanent Secretary of DFP and the Permanent Secretary of the sponsoring department will any variance from this default be permitted.
5. The type of services that are considered in scope for ESS engagement include but need not be limited to:
 - All aspects of ICT Infrastructure and associated services, e.g. data centres, local and wide area networks, access devices, support desk services, identity verification systems;

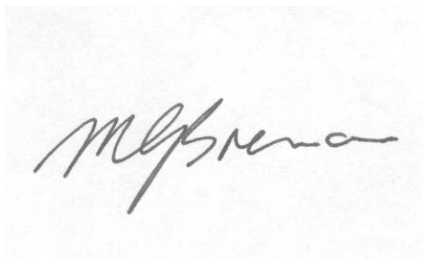
- Citizen Access portals;
 - ERP related systems; and
 - Property Management
6. While there is limited value in ESS taking over responsibility for unique departmental line of business systems, any new systems should be carefully examined with a view to them using “common” modules that have already been procured wherever possible, for example payment or verification. Departments should also usually refrain from procuring additional items such as hosting services or hardware when procuring packages or bespoke applications, as such approaches are unlikely to provide best value for money.

Implications for Business Case Process

7. When considering an “in scope” service change or when an existing “in scope” service contract is due to expire, public bodies must consider, at an early stage and in consultation with ESS, whether the ESS shared service offer is a viable alternative. DFP will expect that this option is always appraised in relevant business cases, regardless of whether DFP approval is required or not. Therefore, where there is no evidence of ESS engagement in respect of business cases for ‘in scope’ services, these will be automatically rejected. Similarly business cases below delegated limits will be scrutinized in this respect as part of routine test drilling.

Conclusion

8. Accounting Officers should note the requirement for all central government departments and arms length bodies to work with Enterprise Shared Services (ESS) to consider the extension of shared service coverage.

A handwritten signature in black ink, appearing to read 'Mike Brennan', is written over a light grey rectangular background.

MIKE BRENNAN