

From the Director of Secondary Care



Department of
Health

An Roinn Sláinte

Máinnystrie O Poustie

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For action by:
Chief Executives HSC Trusts (excl NIAS)
Chief Executive Public Health Agency
Chief Executive Business Services Organisation
Chief Executive NI Blood Transfusion Service
Deputy Secretary, SPPG, Department of Health
NI Pathology Network

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Your/Our Ref:

Date: 14 July 2023

For cascade to:
Staff groups listed in Annex 3

Dear colleagues,

Pathology Blueprint Programme: Preferred option for the organisational form of a new regional pathology services management structure

This letter follows on from previous correspondence on 10 May 2023 from Karin Jackson, Pathology Blueprint Programme Director, entitled '*Pathology Blueprint Programme: Agreed shortlist of options for further evaluation in June 2023*'.

On behalf of the Programme SRO and Chief Medical Officer, Prof. Sir Michael McBride, I am pleased to advise that the HSC Pathology Blueprint Programme has now concluded the regionally agreed process to identify a preferred option for the organisational form of a new regional pathology management structure (see attached Annex 1). As you are aware, this work is being taken forward in line with Departmental policy on [Transforming HSC Pathology Services](#), published by former Minister Robin Swann MLA in November 2021, in collaboration with Programme stakeholders (see attached Annex 2) and in line with UK Treasury Guidance.

I wish to take this opportunity to thank all of those involved in supporting and engaging with this vital work for their commitment, enthusiasm and professionalism over the past year and look forward to this continuing as the Programme progresses.

The outcome of the options appraisal process was presented to the Pathology Blueprint Programme Board on 07 July 2023. Following detailed discussion, the Board gave approval to proceed with the design of a high-level (target) operating model for the preferred option:

A HSC Special Agency that delivers all HSC pathology services, the Northern Ireland Blood Transfusion Service (NIBTS) as well as the functions of the Northern Ireland Pathology Network.

In line with the Programme's planning assumptions and principles, it is envisaged by the Department that all staff directly affected by this development will remain HSC employees. For the majority, this will be within the new Agency, with some clinical practitioners (consultant scientists and medical staff) potentially remaining Trust employees depending on the future arrangements agreed with these groups.

It is expected that the NIBTS will be incorporated into this new agency in its entirety, avoiding the need for the creation of an additional HSC arm's length body. The existing NIBTS governance costs will, therefore, contribute to those of a new Pathology Special Agency.

The business case development and design process will progress alongside the creation of a detailed benefits realisation plan in collaboration with stakeholders which will, again, be in line with UK Treasury guidance. As part of this, the Programme will establish a representative regional working group to develop robust, sustainable funding and operating models for the agency in partnership with HSC Trusts, NIBTS, the Department's Secondary Care Directorate and Strategic Planning & Performance Group.

The design, along with the business case - which will include an outline transition plan - will be submitted via the Department to the Minister of Health in March 2024. It will then be for a Minister to decide whether to proceed with the Programme and transition to the new Agency – all of which will be subject to the availability of funding.

In keeping with the Programme's approach to date, ongoing engagement with other major HSC transformation programmes will continue. Careful attention to timing of any change and collaborative planning will be required in recognition of the scale of transformation taking place in the wider HSC system, which pathology underpins.

Successful delivery of this essential pathology transformation will be a significant enabler of wider system change, ensuring the provision of modern, sustainable, high quality Health and Social Care services for patients and service users into the future.

Feedback from stakeholders throughout the options appraisal process is that it is of great importance that there is regionally coordinated, senior leadership for this Programme to be successful. This includes providing staff with timely, regionally

consistent and factually accurate messages about the Programme, as well as being enabled to contribute to it.

During the recent round of Programme engagement in February and March 2023, staff advised that they were keen to receive some of this communication from their own organisation's leadership teams. To that end, the Programme will work closely with your organisations' senior teams and communications departments to ensure that local communications are clearly aligned with the Programme and that any feedback can be appropriately addressed.

The outcome of this process will be presented to the Department's Performance and Transformation Executive Board (PTEB) for endorsement. This is anticipated to occur around September 2023. Whilst this represents an important milestone, it will not be a formal approval of the process outcome as the Programme governance arrangements recognise the Programme Board's authority to approve the process outcome and to make the decision to proceed with the development of a high-level target operating model. It will then be for a Health Minister to decide whether to approve the design and transition to the proposed new pathology management structure.

Over the summer, the Programme Team will undertake preliminary work to prepare for the design period. This will include two focused workshops involving nominated representatives from the Programme Design Team and Workstreams as well as the NI Pathology Network.

The first workshop will take place in August 2023 and will identify any further risks associated with the preferred option and consider mitigations that can be built into the design and transition plan.

The second workshop will take place in September 2023 and is a UK and Ireland Pathology Transformation Sharing Event that will be structured to help inform design.

The design will be developed between October and December 2023 led by the Programme Design Team, informed by the four Programme Workstreams as well as any other working groups established by the Programme.

When the design has progressed, wider stakeholder engagement will take place towards the end of 2023 and into 2024 sharing the draft design, enabling further refinement to incorporate stakeholder feedback.

In order to support this correspondence, further information is enclosed.

- Annex 1 describes the collaborative process undertaken to inform the Programme Board's decision.
- Annex 2 addresses some additional areas raised by stakeholders and discussed at Programme Board on 07 July 2023, including how these will be addressed moving forward.
- Annex 3 details the HSC staff this correspondence should be shared with.

Separate communication - including a copy of this correspondence - will be issued to staff side and pathology professional bodies' representatives.

Staff will already be aware of an open, virtual engagement event at 10:00 on Friday 28 July 2023 to provide a verbal update of this outcome.

In the meantime, I would be grateful if you would please share this letter with relevant staff in your organisation (see Annex 3).

If you require further information about the process to date and the plan for the next ten months, please contact either Karin Jackson, Programme Director: Karin.Jackson@nibts.hscni.net or Sarah Buckley, Programme Manager: Sarah.Buckley@nibts.hscni.net.

Yours sincerely



Ryan Wilson
Director of Secondary Care

On behalf of:
Professor Sir Michael McBride
Chief Medical Officer
Department of Health
& SRO for the HSC Blueprint Programme

cc:

- Pathology Blueprint Programme Board
- Pathology Blueprint Programme Design Team & Workstreams
- Pathology Service User Representatives to the Pathology Blueprint Programme
- NI Pathology Network Board
- NI Pathology Network Speciality Fora, Lab Managers Forum and all other project groups and teams
- Michael Bloomfield, Chief Executive, NIAS; Chair of the HSC Trust Chief Executives' Forum; Chair of NICON
- June Turkington, Head of DLS, Business Services Organisation

Further information about the collaborative process undertaken to inform the Programme Board's decision.

1. Shortlisting

You will recall from the previous correspondence that a regional stakeholder workshop held on 17 April 2023 produced a shortlist of four options for further appraisal:

1. Status quo (shortlisted in line with guidance)
2. A new enhanced regional Pathology Network
3. A single existing HSC Trust hosting pathology services for the region
4. A new regional Pathology Special Agency

2. Appraisal

On 08 June 2023, a regional stakeholder workshop was held to appraise the non-monetary benefits and risks associated with the four options shortlisted for further exploration. Those attending were split into six discussion groups and each was asked to undertake the same set of tasks over the course of the workshop.

Discussion groups were asked to consider draft scoring of each option against the risks and benefits; draft scores had been prepared by the Programme Team in advance as a starting point and set to stimulate discussion. This approach was adopted in recognition of stakeholder feedback that the time they could commit to Programme activities was constrained. The total workshop duration and approach was therefore planned to take account of this.

Each discussion group was asked to consider the draft scoring and encouraged to either validate this, or rescore as appropriate. Comparison of the draft scores and the final scores amended by each group demonstrate that each group followed the instruction to validate and adjust scores as they thought appropriate. A report of the workshop has been produced; it includes all workshop pre-reading, notes of discussion at the workshop, the draft scores and the scores subsequently allocated by stakeholders in each discussion group.

At the workshop, attendees were also asked to consider initial indicative costs for the four options shared to gather stakeholder comment, and to provide an approximate indication of the potential additional costs for each option based on the information available at that time; they came with the caveat that they had been developed in the absence of any operating model.

It was also advised that work to create more accurate costs would take place based on the operating model that would be developed when the preferred options for the organisational form of the new management structure had been identified, and that this would take account of any feedback submitted by stakeholders.

The outcome of the workshop was collated after the event in line with UK Treasury Guidance and consistent with the approach agreed by Departmental Economists and utilised in recent business cases for other HSC Pathology Transformation Programmes. The collated scores showed that those in attendance had ranked:

- Option 4 as delivering the greatest benefit;
- Option 2 as involving less change than other 'do something' options and therefore carrying the least inherent risk (i.e. unmitigated risk), with option 4 a close second;
- All three 'do something' options had very similar estimated indicative costs of approximately £1.2m. Option 4 indicative costs were very marginally lower cost than the other 'do something' options, with its additional governance costs being offset through existing NIBTS governance costs, and the commentary that cost was not a strong distinguishing factor at this stage.

3. Discussion of appraisal outcome with stakeholder groups

In line with the agreed process, between 15 – 27 June 2023, the collated workshop outcome and scoring methodology was presented to and discussed with key stakeholder groups including:

- Programme Critical Friends (the UK & Ireland Pathology Programmes, and pathology Professional Bodies: Association of Clinical Biochemistry & Laboratory Medicine, Institute of Biomedical Science, and Royal College of Pathologists)
- Trade Unions (British Medical Association, Federation of Clinical Scientists, and the HSC Trade Union Forum *represented by Unite the Union*)
- Representatives from Trust Senior Executive Management Teams
- NIBTS Senior Executive Management Team
- NI Pathology Network Board
- The HSC Trust Chief Executives' Forum
- NIBTS Board
- An opportunity was provided to nominated pathology service users to hear the outcome and provide views.

Feedback was collated and the Programme Team considered how best to take account of the views and suggestions, and developed an approach for proposal to Programme Board on 07 July 2023. Stakeholders at these meetings were also informed that their views on potential risk mitigations would be welcome, and would

help to inform the development of 'residual risk scores' for each option (i.e. scoring each option against risks after mitigations were applied). The Programme Team then carried out residual risk scoring, for presentation to Programme Board on 07 July 2023.

4. Decision on the preferred option

One week in advance of the Programme Board, a comprehensive information pack was shared with Programme Board members from all Trusts, NIBTS, the Department of Health, the PHA, SPPG, the NI Pathology Network and NIPIMS Programmes in Board papers. This included the detail of the options appraisal, and including for example the workshop report and raw workshop scores, and post workshop collated outputs and templates used to calculate these. Board Members were directed to read this pack, and in particular the background to the elements for presentation at the meeting.

Key elements of this detailed information pack were then presented to Programme Board on 07 July 2023 to support discussion on whether to approve a recommendation that the Programme could proceed to design a high-level operating model for the preferred option, including:

1. Collated workshop outcome scores
2. Residual risk Scores
3. Initial indicative costs for options along with commentary in line with that described in section 3 above
4. Summary of key points from discussion with stakeholders and proposed Programme response

The Programme Board's decision is set out in the main body of the letter.

Additional matters raised by stakeholders and discussed at Programme Board on 07 July 2023, including how these will be addressed moving forward where appropriate.

Policy

The Department's [Policy on Pathology](#) was published in November 2021. It has been used to create the scope for the Programme, which has been communicated to widely to stakeholders by the Programme.

Policy states that it is the Department's working assumption that a new regional Pathology Management Structure could be in the form of a health services Special Agency, to include NIBTS, subject to business case appraisal of all potential options for the new structure, and available funding for any new investment requirement. The Pathology Blueprint Programme is tasked with exploring options for the management structure, including a new pathology special agency, and submitting a recommendation to the Department in the form of a business case setting out the preferred option, accompanied by a design for the new structure, and an outline transition plan.

A link to the policy was included in papers for all those invited to the first workshop in the process to determine the preferred option for the organisational form of the new pathology management structure. Policy and the Programme Scope are widely referenced in programme documentation including newsletters, stakeholder engagement events, letters from the SRO, Terms of Reference, Strategy and presentations to stakeholders and programme groups. Policy has also been widely shared through the NI Pathology Network.

HSC Transformation Landscape

The Department of Health and the Pathology Blueprint Programme Board recognise the scale of transformation taking place in the Health and Social Care System, and the challenges that this creates in coordinating activity across change programmes at the same time as ensuring continued safe and effective delivery of high-quality services for Patients.

In response, the Pathology Blueprint Programme undertook an analysis of the roll-out timelines of other major HSC transformation programmes and in consequence agreed to extend the timescale for the first phase of the Blueprint Programme by 6 months. The Programme continues to liaise with the other major programmes on a quarterly basis to understand any changes to their timelines, and to ensure that there are no clashes in major milestones that would place undue pressure on staff or

cause detriment to safe effective service delivery for Patients. This approach will remain in place for the duration of the Programme to inform planning.

Around the time of the Public Consultation on the best way to ensure future sustainable HSC Pathology Services in 2017/18, this change was viewed as a challenging leap but one that needed to be taken. Owing to the absence of an NI Executive at the conclusion of the consultation and the subsequent pandemic, it had not been possible to proceed with this work before now.

While we now find ourselves in a more challenging climate, both financially and in terms of the scale of change taking place, the creation of a regional pathology management structure remains a Departmental policy priority and through a continuing robust programme management approach this remains an achievable objective. The Department considers that the case for change is now stronger than at that time, and the establishment of a new regional pathology management structure should take place in a timely manner, subject to other priority programmes and resources, particularly given:

- the growing and pressing need to address ever growing staffing challenges through effective regional workforce planning enabled through regional pathology budgetary management, and the development of new career pathways fit to deliver the service required into the future.
- the feedback from stakeholders that this is the right direction of travel for Pathology Services;
- the strong working relationships that now exist as a result of the efforts of the NI Pathology Network;
- the need for a regional management structure to ensure that the full extent of the benefits anticipated from the £80m investment planned in Pathology Information Management Systems over the next 10 years as part of the Pathology Transformation Portfolio will be realised.

The preferred organisational form for the future pathology management structure that has emerged from a regional collaborative options appraisal process is the one viewed by stakeholders as delivering the greatest benefit. Selection of any other option based on a view that it would be easier to deliver in a climate of change and financial constraint would be a disservice to HSC Patients and pathology service users alike and will be felt for decades to come.

Continued careful attention to timing, as well as collaborative planning with other major programmes, is therefore essential to successful delivery of this Programme. Pathology services are of fundamental importance to clinical service delivery, and it is not an option to pause or delay pathology transformation in favour of

transformation of other HSC areas, since they are wholly interdependent. In recognition of this, the Pathology Blueprint Programme scope does not include making changes to day to day pathology service delivery to clinical services; it does however include the creation of a single regional management team that can better equip HSC pathology services to support clinical services and the transformation taking place across our system through one regional pathology voice. Successful delivery of this very necessary pathology transformation will be a significant enabler of the wider system change, ensuring the provision of modern, sustainable, high quality Health and Social Care services for Patients of this region into the future.

Benefits

Departmental Policy published in 2021 sets out the broad outcomes it anticipates will be delivered as a result of a portfolio of pathology transformation. Building on this, the Pathology Blueprint Programme Team worked with its stakeholders between November 2022 and March 2023 to identify the benefits associated with the creation of a regional pathology management structure. These were widely communicated to stakeholders who confirmed them as representing the gains the Programme needs to deliver in response to the challenges faced. From this, four non-monetary benefits were distilled and ranked by stakeholders to enable appraisal of options.

A benefits plan will be developed in conjunction with stakeholders that will describe specific measurable benefits to be realised from the Programme.

Challenges

Feedback from stakeholders has pointed to the challenges of identifying any additional funding to enable the creation of a new pathology management structure in such a financially constrained climate. This challenge is recognised by the Pathology Blueprint Programme. In response, the Programme will focus on the development of monetary benefits and scope opportunities for efficiencies that can support the creation of the new structure and release funds to invest in responses to challenges faced, including the development of appropriate training and new career pathways. In addition to maximising the benefits of investment in Information Systems, this may include exploring opportunities for income generation compatible with the ethos of public services.

Risks

The Pathology Blueprint Programme identified risks associated with the creation of a new pathology management structure as part of the options appraisal process. These were confirmed by stakeholders taking part in the process as the 'right risks'; stakeholders also identified an additional risk of the new structure not securing adequate funding for the needs of pathology into the future. Potential ways to mitigate the risks identified were considered by Programme Board on 07 July 2023.

The Programme will hold a Risk Summit in summer 2023 to explore these and any other potential risks associated with the preferred option in greater detail, and develop mitigations. This will be an ongoing process as further detail emerges on the design, and opportunities arise to plan mitigations into the design.

Risk assessment will also be undertaken on the outline transition plan and presented to the Programme Board in the first instance, and the final risk assessment and risk mitigation strategy will accompany the outline transition plan, business case and high-level design when they are submitted to the Department of Health in March 2024 to inform a Minister's decision on whether to proceed with transition to the new pathology management structure.

Staff Concern About Privatisation

Since the time of public consultation, staff anxieties about privatising HSC pathology services have been expressed, and continue to be expressed today. The Department has responded to these concerns in the Pathology Blueprint Programme's Frequently Asked Questions document; that response still stands today. **Privatisation of HSC Pathology Services is not part of current Departmental Policy or its future vision for pathology services delivery.**

The Blueprint Programme has been tasked with assessing all potential options for the form the new structure could take and recommending a preferred option. Stakeholders including staff, Trusts, NIBTS, Service Users, Professional Bodies, and Trade Unions, collectively contributed to identifying a list of all potential options. Two of these options involved the scenario of privatisation, however these were ruled out at the stage of options shortlisting since they are not compatible with either current Departmental Policy or the future vision for pathology services delivery.

The Department of Health has set a clear vision for the delivery of modern, sustainable, world-class Pathology services through a single, regional HSC Pathology Services management structure. Current Departmental policy and strategies show that pathology services are seen as a critical and integral part of the way the HSC delivers diagnosis, treatment and care to Patients, as illustrated by significant ongoing investment in pathology services and infrastructure. Current policy:

- supports the management and delivery of pathology services for HSC Patients, within the HSC system
- sees transformation of HSC Pathology services as a key enabler for the delivery of the Department's commitment to deliver better patient outcomes, more stable services and sustainable staffing

- views HSC pathology services as critical to the success of HSC Rebuild Plans and service transformation priorities, including the Elective Care Framework and the Cancer Strategy
- recognises the importance of HSC pathology services in enabling the HSC to respond to emerging threats to public health including the global pandemic
- supports pathology as part of the HSC system by investing around £80m over the next 10 years into new HSC Pathology Information Management Systems that will improve the quality of pathology service delivery to clinical services and the Patients who use them

Staff to whom this letter should be cascaded

Trust & NIBTS

- Medical Director
- Executive Directors and staff in the following Trust & NIBTS business areas:
 - Pathology and Laboratories
 - Clinical Services that avail of HSC Pathology Services
 - HR
 - Finance
 - IT
 - Communications
 - Legal & Corporate Services
 - Corporate & Clinical Governance
 - Assets, Estates, Transport & Facilities
 - Planning & Performance Management
 - Blood Donation (NIBTS)

BSO, PHA, SPPG

- Medical Director - PHA
- Medical Advisors – PHA & SPPG
- Nursing – PHA
- Screening – PHA
- Health Protection - PHA
- Executive leads and staff in the following business areas:
 - NI Pathology Network Team - SPPG
 - Pathology Commissioning - SPPG, PHA
 - HR - BSO
 - Finance – SPPG & BSO
 - IT – SPPG, BSO
 - Communications
 - Legal & Corporate Services
 - Corporate Governance
 - Pathology Procurement & Logistics - BSO
 - Planning & Performance Management - SPPG

NI Pathology Network

- Network Speciality Fora, Lab Managers Forum and all other project groups and teams