

Report Title	2019/20 Paybill		
Sponsoring Executive	Raffaella Goodby, Director of People and Organisation Development		
Report Author	Raffaella Goodby, Director of People and Organisation Development		
Meeting	Trust Board	Date	7 th February 2019

1. Suggested discussion points *[two or three issues you consider the Trust Board should focus on]*

The Trust Board has previously heard that the 19/20 pay delivery plan relies on maintaining the pay position held in 18/19, and avoiding a 11,489m pay spend. At a high level, the Trust know that this will be delivered through a reduction in temporary spend (e.g bank and agency) with a move to increasing worked WTE headcount.

The paper sets out the movement, via professional group, and sets out key areas of focus needed by the executive in order to deliver the pay position.

The board are asked to discuss:

- The overarching plan for delivering the 19/20 pay position
- The focus needed to start delivery in Q1 and Q2
- The highlighted risks laid out in this paper

2. Alignment to 2020 Vision *[indicate with an 'X' which Plan this paper supports]*

Safety Plan		Public Health Plan		People Plan & Education Plan	X
Quality Plan		Research and Development		Estates Plan	
Financial Plan	X	Digital Plan		Other <i>[specify in the paper]</i>	

3. Previous consideration *[where has this paper been previously discussed?]*

Finance and Investment Committee, Trust Board

4. Recommendation(s)

The Trust Board is asked to:

- Discuss the overarching pay plan for 19/20
- Confirm the areas of focus for delivery
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5. Impact *[indicate with an 'X' which governance initiatives this matter relates to and where shown elaborate]*

Trust Risk Register	X	Risk 114				
Board Assurance Framework	X	BAF 8				
Equality Impact Assessment	Is this required?	Y		N	X	If 'Y' date completed
Quality Impact Assessment	Is this required?	Y		N	X	If 'Y' date completed

SANDWELL AND WEST BIRMINGHAM NHS TRUST

Report to the Public Trust Board: 7 February 2019

2019/20 Pay Spend

1.0 Introduction

The Trust board and Finance and Investment Committee have previously confirmed that the pay CIP plan for 19/20 relies on 'holding the pay position' that was achieved in the previous year. This means that clinical and corporate groups will avoid spending £11.481m in order to hold the positive 18/19 pay position.

In order to do this, there will be a shift from expensive bank and agency spend, to substantive positions. The board asked for assurance on the associated workforce plans, including assessments of recruitment trajectories and retention plans for these key areas, in order to feel assured that this pay position can be maintained.

2.0 Forecast Pay Position per Group

2019/2020 Forecast Pay Position					
New Group	Budget £000's	Budget Adjustments £000's	Revised Budget £000's	Actual £000's	Variance £000's
Medicine & Emergency Care	-78,839		-£78,839	-80,766	-1,927
Surgical Services	-75,543		-£75,543	-78,869	-3,326
Women & Child Health	-43,541		-£43,541	-45,038	-1,498
Primary Care, Community and Therapies	-40,008		-£40,008	-41,851	-1,843
Pathology	-257		-£257	-140	116
Imaging	-14,448		-£14,448	-14,818	-369
Corporate	-57,429		-£57,429	-59,394	-1,965
Central	-633	-£5,600	-£6,233	-6,901	-669
	-				
	310,697				
TOTAL	7	-£5,600	-£316,297	327,778	-11,481

There is a clear route to £8,681 of the plan, with the remaining £2.8m to be finalised during the budget setting process, currently being led by the Chief Executive, with a final plan due by 14th February 2019.

3.0 Pay Plan for 19/20

This paper sets out the route to achieving £8,681 of the pay plan for 19/20, and is a summary of:

- scrutiny of known recruitment trajectories
- current bank and agency spend in hours per month with coded reasons

- predicted bank and agency spend in 2019
- Sickness hours coded per month against bank and agency
- Turnover rates each professional group

3.1 WTE position for 19/20 per professional group

: WTE'S		M12 WTE	19/20 WTE	NET WTE
Medical Staffing	re	820.19	841.96	21.77
Medical Staffing	Bank Staff	35.77	33.99	-1.79
Medical Staffing	Agency Staff	30.76	27.66	-3.09
		886.72	903.61	16.89
Management	Substantive	205.40	205.94	0.54
		205.40	205.94	0.54
Administration and Estates	Substantive	889.21	923.93	34.72
Administration and Estates	Bank Staff	109.33	94.85	-14.48
Administration and Estates	Agency Staff	2.41	2.41	0.00
		1,000.95	1,021.20	20.24
HCA's & Support Staff	Substantive	1,195.99	1,207.07	11.08
HCA's & Support Staff	Bank Staff	218.02	179.41	-38.62
HCA's & Support Staff	Agency Staff	0.62	0.62	0.00
		1,414.63	1,387.09	-27.53
Q Nursing & Midwifery	Substantive	2,007.12	2,044.05	36.93
Q Nursing & Midwifery	Bank Staff	202.74	189.55	-13.18
Q Nursing & Midwifery	Agency Staff	82.19	61.19	-20.99
		2,292.04	2,294.79	2.75
Scien Ther & Technical	Substantive	946.88	968.21	21.33
Scien Ther & Technical	Bank Staff	16.01	16.01	-0.01
Scien Ther & Technical	Agency Staff	9.08	9.04	-0.04
		971.97	993.26	21.29
Other Pay	Other Pay	0.00	0.00	0.00
Vacancy Factor	Other Pay	0.00	-52.10	-52.10
Unidentified Improvement	Other Pay			0.00
		0.00	-52.10	-52.10
		19/20	6,753.79	-17.92

This demonstrates a reduction in spend on bank and agency worked WTE, with a net decrease of 17.92 in worked WTE headcount.

Table 3.2 Financial reduction 19/20

: £'000's		M12	Pred 19/20	Movement
		£000's	£000's	£000's
Medical Staffing	Medical Staffing	-6,743	-6,835	-91.75
Medical Staffing	Bank Staff	-561	-510	51.24
Medical Staffing	Agency Staff	-587	-431	155.96
		-7,891	-7,776	115.45
Management	Management	-1,097	-1,149	-52.79
		-1,097	-1,149	-52.79
Admin & Estates	Admin & Estates	-2,183	-2,276	-93.21
Admin & Estates	Bank Staff	-214	-189	25.02
Admin & Estates	Agency Staff	-62	-61	1.92
		-2,460	-2,526	-66.27
HCA's & Support Staff	HCA's & Support	-2,648	-2,695	-47.38
HCA's & Support Staff	Bank Staff	-443	-358	85.20
HCA's & Support Staff	Agency Staff	-2	-2	0.00
		-3,093	-3,055	37.82
Qualified Nursing and Midwifery	Q Nursing & Midwifery	-7,329	-7,623	-294.56
Qualified Nursing and Midwifery	Bank Staff	-720	-643	76.80
Qualified Nursing and Midwifery	Agency Staff	-403	-333	70.02
		-8,451	-8,599	-147.74
Scien, Therapeutic & Technical	Scien, Therapeutic & Technical	-3,020	-3,177	-157.52
Scien, Therapeutic & Technical	Bank Staff	-89	-89	-0.01
Scien, Therapeutic & Technical	Agency Staff	-55	-54	0.50
		-3,163	-3,320	-157.03
Other Pay	Other Pay	-296	-45	251.25
Vacancy Factor	Other Pay	0	171	170.50
Unidentified Improvement	Other Pay			0.00
		-296	126	421.75
		-26,451.67	-26,300.48	151.19

'other pay' is a release of financial reserves and so a given. The 2% vacancy factor assumes that 52.10 worked WTE are not recruited to (each month).

The clinical groups have put forward their directorate plans based on a year-end position, which will be more fully scrutinised on phasing as part of the budget process. However, it is possible to predict that nursing bank spend reductions, nursing agency spend reductions, temporary spend coded to sickness, HCA bank could start to deliver in Q1, and then medical post recruitment and associated temporary spend to deliver in Q2.

3.3 Assumptions

The net decrease of 17.9 worked WTE masks detailed changes at directorate level on the predicted recruitment against each known vacancy.

- It assumes extant sickness rates based on 18/19
- It assumes 2% vacancy factor is maintained
- Nursing turnover of 13%
- Medical staff turnover of 21% (excl. Junior doctors and pathology TUPE)
- Similar levels of recruitment against nursing vacancies
- 268 WTE on maternity leave at any one time

4.0 Risks and additional focus needed to deliver 19/20 Pay position

4.1 Retention of nursing staff

Turnover of nursing colleagues increased in 18/19 after an initial strong improvement in retention. This must be addressed immediately for impact on Q1 19/20 to retain talented and skilled nurses at all levels in the Trust. The deputy chief nurse is leading this work, which now needs to be accelerated.

4.2 Tackling 21% turnover of medical staff

Turnover of medical staff currently stands at 21% for 18/19. Whilst this needs further analysis and includes elements of known turnover of middle grades, there remains above expected turnover in ED for example. A robust plan will be developed, led by the Medical Director and COO, supported by People and OD, that focuses in on the hot spot areas.

Review of doctor agency rates, when more staff are established in post in ED and other hard to fill areas. Renegotiate with agencies and back in the median rates paid in the region and nationally.

4.3 Focused plan for bank HCA spend

The Trust is currently averaging 32,000 bank hours per month booked for HCA's. This equates to approx. £240k and 196 worked WTE. This breaks down to 4291 hours booked against sickness. These figures may mask poor rostering, additional staff for focussed care shifts or other reasons such as maternity leave or capacity. During 19/20 this requires additional grip and control to ensure that temporary spend on HCA's is reduced significantly. These are not hard to fill posts, and take approx. 3 months' time to hire, with shorter times available for apprentice recruitment.

4.4 Booking temporary staff above 3% sickness - grip on nursing rosters

The Trust is currently averaging 32,000 hours per month to cover nursing rosters. This is the equivalent of approximately 196 WTE. Of these, 4832 hours are bank workers coded to sickness, (29.65 WTE). In addition the Trust books an average of 1916 hours per month of agency cover, coded against sickness for nurses, which would equate to 11.7 WTE.

The People and OD committee are well sighted on the plans for additional grip of the rosters, led by the Chief Nurse.

4.5 Risk of additional agency or temp spend associated with Localisation (Production Plan)

The deputy chief operating officer is leading on recruitment and planning for the localisation plan. The recruitment to these posts is well underway, with just over 50% of posts already at offer stage, with the remainder having start dates up to August 2019. If posts are hard to fill, the clinical group have costed fixed term locums to cover these posts and will put on extra sessions as backup plan, delivered through existing resource.

5.0 Conclusion

Whilst the high level plan and details to deliver the pay position for 19/20 is known, and demonstrated in this paper; more work needs to be completed on a group level plan. There is accelerated grip and control needed in retention of nursing colleagues, retention of medical staff and a plan to address HCA temporary spend. This can then demonstrate impact in Q1 and Q2.

Following the finalisation of the budget setting process by mid-February, pay trajectories can be more fully developed, and then measured against, in order to retain grip and control on the pay spend in 19/20.

Production Plan / Localisation

Posts where we are currently forecasting candidates to commence work with us after April are as follows:

May

Consultant in Gen Surg
Consultant in clinical haematology
Sonographer
Speciality doctor

June

Consultant Anaesthetist
Consultant Cardiologist
Consultant Ophthalmologist
Consultant T&O
Plaster Tech
Optometrist
Orthoptist
SCP's x2
Theatre Team band 6 – approx. 12 wte's.

July

Consultant Urologist

August

Consultant Rheumatologist (hard to fill)
Consultant Dermatologist
Consultant Respiratory

Assumptions are AAC panel date, plus notice period, to predict start date
Liam's production plan posts do not feature in above numbers
Radiologists are not predicted in