

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 March 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 achieved in 18/19, by avoiding £11,489m pay spend, delivered through a reduction in temporary spend (bank and agency) with an increase in the number of substantive staff.

This paper gives more detail to the phasing of the pay improvements. This is set alongside the detail of the agency spend for 18/19 to date for medical staff, including in appendix one and an extract for nursing from January 19. The paper provides key worked examples of the substantive staff start dates that will enable agency spend to reduce. The paper then sets out a target operating model for maintaining grip and control on the pay spend, to ensure that control of our paybill is maintained throughout Q 1 and Q2.

The Board is invited to discuss:

- Assurance on medical staff paybill reduction in Q1 and Q2
- Assurance on nursing staff paybill reduction in Q1 and Q2
- The target operating model approach for maintaining paybill grip, led by the Director of People and OD.

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
Public Trust Board

4. Recommendation(s)

The Trust Board is asked to:

- | | |
|----|------------------------------------------------------------------------------------------|
| a. | DISCUSS and CONFIRM the medical and nursing paybill reduction in Q1 and Q2 |
| b. | CONFIRM support for the proposed operating model |
| c. | |

5. Impact *[indicate with an 'X' which governance initiatives this matter relates to and where shown elaborate]*

Trust Risk Register		Risk 114				
Board Assurance Framework		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 HOSPITALS NHS TRUST

Report to the Trust Board: 7th March 2019

19/20 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	Budget Adjustments	Revised Budget	Actual	Variance
	£000's	£000's	£000's	£000's	£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
	-				
TOTAL	310,697	-£5,600	-£316,297	327,778	-11,481

There is a route to £8,681 of the plan, with the remaining £2.8m to be finalised.

3.0 Pay Plan for 19/20

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

Table 3.2 Financial reduction 19/20

: £'000's		M12 £000's	Pred 19/20 £000's	Movement £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 for delivery.

3.3 Phasing- 3 worked examples

The clinical groups are working through a detailed recruitment trajectory to deliver the 19/20 paybill plan. This was tabled in draft at the Urgent Care Board in February, chaired by the Chief Operating Officer, and further detail is being developed during March. The following three examples take the high spend agency areas from appendix one, and pull out examples from the recruitment trajectories where there are known start dates, and assumed start dates for the high spend areas. This demonstrates there are start dates planned for the first two quarters of the year. This will be on a name by name basis (but not detailed in this report to protect confidentiality).

These examples do not include the production plan posts.

3.4 Medical Staffing

The two tables above assume the trust recruits 21.77 WTE staff, and reduces spend overall by £115k per month.

3.4.1 Emergency care Appendix one demonstrates that the Trust has spent an average of £210k per month on agency medical staff in emergency care and urgent care.

There are agreed start dates against 19 posts in this area. Agency costs will therefore start to reduce in Q1 on a named, post by post basis.

- A. 10 WTE medical staff have agreed start dates in March 2019. There will be a 3 month period of transition for doctors to settle in, with full savings estimated in June 2019
- B. 6 WTE A&E speciality doctor commencing March 2019
- C. 1 WTE cross site consultant commence May 19
- D. 1 WTE cross site A&E consultant commencing Sep 19
- E. 1 WTE Speciality A&E Doctor commencing Sep 19
- F. 1 WTE cross site A&E doctor commencing Oct 19
- G. 1 WTE cross site A&E doctor commencing Nov 19
- H. 1 WTE cross site A&E doctor commencing Dec 19

3.4.2. Paediatrics Appendix one demonstrates that the Trust has spent an average of £50k per month on paediatric consultants.

There are planned start dates for 2WTE paediatric consultants to commence in August 2019 We would expect an immediate reduction in agency spend associated with these posts.

3.4.3 Internal Medicine Consultants. Appendix one demonstrates that the Trust has spent an average of £228k per month on internal medicine consultants.

There is agreed start dates for 6 consultant roles during Q1 and Q2. We would expect an immediate reduction in agency spend against these posts.

- A. 1 WTE respiratory consultant commences March 19
- B. 1 WTE cardiology consultant commences April 19
- C. 3 WTE respiratory consultant commences August 19
- D. 1 WTE cardiology consultant commences Aug 19

4.0 Nurse Staffing - 19/20 Payplan reduction

The tables above demonstrate that the Trust needs to increase its substantive nursing establishment by 36.93 WTE in order to meet the 19/20 paybill position. The position assumes an increase in net spend per month of £147k, with an equivalent reduction in bank and agency spend.

4.1 Nursing Agency spend was £499k in January 2019 (hours booked)

This cost is broken down as follows:

Sum of Shift Cost	Column Labels						
Row Labels	Increase in Capacity	Maternity Leave	Production Plan-Sickness	Unity Training	Vacancy	Grand Total	
SMAMA - EAU		£3,004		£3,144	£38,854	£45,002	
SWTHE - Theatres					£43,042	£43,042	
SNLY5 - Lyndon 5				£867	£33,537	£34,404	
SNPR5 - Priory 5		£2,654		£7,575	£17,803	£28,032	
CMD05 - Coronary Care Unit	£8,139	£446		£5,096	£11,438	£25,118	
CMD15 - D15	£1,827		£7,372	£238	£13,576	£23,012	
NKRAD - Radiography				£3,688	£17,804	£21,492	
SBSIT - Critical Care Services	£5,920	£1,419		£3,966	£8,303	£19,608	
SWSSA - Surgical Assessment Unit SGH	£1,469			£2,732	£15,048	£19,249	
SYLY1 - Lyndon 1					£18,585	£18,585	
SWPR2 - Priory 2	£263			£9,109	£342	£8,454	
SMOPU - OPAU - Older Persons Assessment Unit					£17,126	£17,126	
CXTEY - Ophthalmology Theatres					£15,964	£15,964	
CWTGN - Theatres				£5,139	£9,282	£14,422	
SNPR4 - Priory 4		£1,366		£4,520	£7,246	£13,133	
SYLYG - Lyndon Ground					£13,094	£13,094	
CBITU - Critical Care Services	£3,586	£3,507		£4,533	£402	£12,028	
CWD21 - City Surgical Unit		£1,971		£820	£263	£8,667	
NMEC1 - Lyndon 4				£4,246	£7,239	£11,486	
SNACE - A & E Dept - Nursing Staff				£3,377	£7,497	£10,874	
SWNT3 - Newton 3				£1,025	£9,173	£10,198	
SWLY3 - Lyndon 3	£526		£2,917	£850	£263	£4,463	
NYNEO - Neo Natal Unit	£342			£1,522	£7,098	£8,961	
NNONN - Oncology Nursing Newton 5				£5,492	£2,785	£8,277	
SWLY2 - Lyndon 2	£3,225			£1,866	£1,243	£6,333	
NWFRA - T&O OPD/Fracture Clinic			£5,244			£5,244	
CMAM1 - MAU	£103			£1,230	£3,429	£4,763	
NSMF2 - Medically Fit for Discharge Ward - D43				£1,025	£2,791	£3,816	
NSPOT - Physiotherapists & Occupational Therapists					£3,754	£3,754	
CNCIU - Respiratory Physiology					£3,679	£3,679	
NSRRA - Re-ablement Team				£342	£2,575	£2,917	
CYEGU - Emerg Gynae Assess Unit					£2,765	£2,765	
SNNT4 - Newton 4				£2,128	£388	£2,517	
NSICS - Intermediate Care Sheldon D47				£346	£1,866	£2,212	
CMTED - Endoscopy				£417	£1,188	£1,605	
CMD11 - D11 Acute Elderly (Male)					£1,567	£1,567	
BWASU - Amb Surgical Unit Team				£1,366		£1,366	
NSICM - Medically Fit For Discharge McCarthy	£342				£841	£1,182	
NSMF1 - Medically Fit for Discharge - Eliza Tinsley				£342	£762	£1,104	
SNHIT - Hit Team		£475			£178	£653	
CYGCW - Gynae Cancer Ward	£178				£327	£505	
CMAED - A & E Dept - Nursing Staff					£342	£342	
CXEY1 - Ophthalmology In-patient Ward					£320	£320	
NYSAL - Children's Therapy Service					£212	£212	
CKRPH - Radiopharmacy					£193	£193	
(blank)							
Grand Total	£26,392	£14,366	£15,533	£77,001	£867	£364,899	£499,058

This table demonstrates that:

- A. Surgical services generate c £100k in agency costs in January in Theatres and SAU. The recent Theatres Recruitment Event offered 15 WTE nursing posts, who have planned start dates for Q 1.
- B. Nursing trajectory included earlier in board papers should be closely scrutinised and monitored for start dates in key agency and bank spend areas
- C. Lyndon 5 and Priory 5 are highlighted in the Chief Nurse's Ward Dashboards that are scrutinised by PMC monthly and are the focus of an improvement plan.
- D. Further work will take place in groups to ensure that offers and start dates for nursing posts are closely aligned to the delivery of the paybill plan for 19/20.
- E. The Deputy Chief Nurse will closely align the nursing retention plan for the wards who are the highest users of agency in Q1
- F. Rostering compliance for the highest areas of agency use needs to be closely monitored

5.0 Further Opportunities

There is further opportunity for paybill reduction in the following areas:

- 1) Nurse agency spend. Effective rostering compliance to agreed establishments. Moving agency to bank (difference of £8 per hour)
- 2) Focussed care spend on HCA and nurse Bank and Agency Spend
- 3) Residual medical agency spend (appendix 1)
- 4) HCA Bank spend (approx. £240k per month)

6.0 Proposed Governance

The Director of People and OD will set up a Paybill PMO to ensure that effective grip and control measures are in place for Q1 delivery. This will ensure that the control measures already in place are not lost such as:

- 1) Chief Nurse approves focussed care shifts
- 2) Chief Nurse approves additional capacity shifts
- 3) Chief Nurse and Chief Executive scrutiny of rosters and establishments
- 4) Chief Operating Officer approves AHP Agency

- 5) Chief Operating Officer approves Admin and Clerical Agency, with CEX approval for corporate directorates
- 6) Chief Executive approves locums over £100 per hour
- 7) Reporting to relevant external bodies on pay spend
- 8) FIC oversight of paybill delivery

In addition the PMO will need to oversee:

- 9) Alignment of start dates of substantive staff to removal of agency spend
- 10) A focus on rostering improvements that are obvious in temporary spend reduction
- 11) A group by group assessment of reducing paybill in line with trajectories
- 12) Close assessment of bank rates, agency rates and 'holding the line' in line with regional decisions
- 13) HCA recruitment and temporary spend
- 14) Development and implementation of further pay opportunities
- 15) Risks, Issues and Dependencies

Support will be sought from the Improvement Team for the setting up and delivery of the PMO, which will be chaired by Raffaella Goodby as the Director responsible for the People Plan.

7.0 Conclusion

The detail of the paybill reduction is more fully developed since the Trust Board paper of February 2019. This paper gives specific examples of recruitment trajectories, the full detail of which sits in clinical groups and is led by the HR Business Partner for that area. There is evidence of delivery of the paybill reductions in the hot spot areas in Q1 and Q2. The Director of People and OD will set up a PMO to closely monitor the implementation of the plan.

Raffaella Goodby
Director of People and OD

28th February 2019