

Trust Board Meeting in Public: Wednesday 10<sup>th</sup> May 2017

TB2017.50

<b>Title</b>	<b>Quarterly Report on Organisational Development and Workforce Performance - Quarter 4, 2016/17</b>
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<b>Status</b>	For comment and noting
<b>History</b>	The Quality Committee receives reports for Q1 and Q3. The Trust Board receives reports for Q2 and Q4. The Workforce Committee receives all quarterly reports.

<b>Board Lead(s)</b>	Mr Mark Power, Director of Organisational Development and Workforce			
<b>Key purpose</b>	Strategy	<b>Assurance</b>	Policy	<b>Performance</b>

**Executive Summary**

<p>1. This report provides summary information relating to OD and Workforce Performance for the Quarter 4 (Q4) period, 1 January 2017 to 31 March 2017, and comments upon a range of OD and Workforce activity.</p>
<p>2. A further increase in substantive workforce capacity during the reporting period, predominantly associated with clinical roles, contributed to a reduction in the overall staff vacancy rate, from 6.8% to 6.3%.</p>
<p>3. The Q4 average total pay expenditure (i.e. substantive, and bank and agency staff) exceeded the Q3 out turn by £1.2m, and total pay expenditure for 2016/17 exceeded the pay budget by £5.6m. Expenditure on agency staff in Q4 was marginally higher than in Q3, but continued to track well below the £18.1m cap. Total agency expenditure for 2016/17 was £9.9m less when compared with the previous year.</p>
<p>4. There was no discernible movement in overall staff turnover in the reporting period, and the Q4 out turn (14.8%) represented an increase of 0.9% since April 2016. There was no deterioration in turnover associated with band 5 clinical roles, where staff retention remains challenging.</p>
<p>5. The sickness absence rate was consistent with the Trust target of 3.2%, which compares well with both the NHS and Shelford Group averages.</p>
<p>6. Although compliance with statutory and mandatory training requirements improved during Q4, to reach 86.3%, this is still below the 90% Trust target. Similarly, the non-medical appraisal rate target was not met.</p>
<p>7. Section 2 of the report provides commentary on a number of important areas of activity associated with OD and Workforce, including staff recruitment and retention; responding to the 2016 NHS Staff Survey outcomes; junior doctor contract implementation; and the appointment of Freedom to Speak Up Guardians.</p>
<p>8. Appendices are included, which provide the Trust-level OD and Workforce Dashboard for Q4, and further summary information (in the form of a recent presentation to the Quality Committee) relating to staff recruitment and retention.</p>
<p>9. The Trust Board is asked to note the contents of the report.</p>

## 1. INTRODUCTION

1.1 This report provides summary information relating to Organisational Development (OD) and Workforce Performance, and associated activity, for Quarter 4 (Q4), 1 January 2017 to 31 March 2017.

1.2 The Trust-level OD and Workforce Performance Dashboard is presented in **Appendix 1** and provides both in-month and rolling 12 month data relating to the principal Workforce KPIs. This information is provided on a monthly basis to respective Divisional management teams, and at specialty/departmental level, such that areas of concern can be readily identified and addressed in a timely manner.

## 2. PERFORMANCE AGAINST PRINCIPAL WORKFORCE KPIs

### Substantive Workforce Capacity

2.1 Between Q4 and Q3, substantive workforce capacity increased by 38 WTE (i.e. 0.4%). The total increase in capacity for the period 1 April 2016 to 31 March 2017 was 140 WTE (i.e. 1.3%). At year end, substantive staff in post totalled 10,775 WTE, against a budgeted establishment of 11,503 WTE. This represents a shortfall (vacancy gap) of 6.3%, compared to 6.8% in Q3.

2.2 The majority of the increase in substantive workforce capacity is attributable to both registered and non-registered clinical posts.

### Workforce Costs

2.3 The quarterly average total pay expenditure (i.e. substantive, and bank and agency staff) for Q4 was £48.2m, compared to £47.0m in Q3.

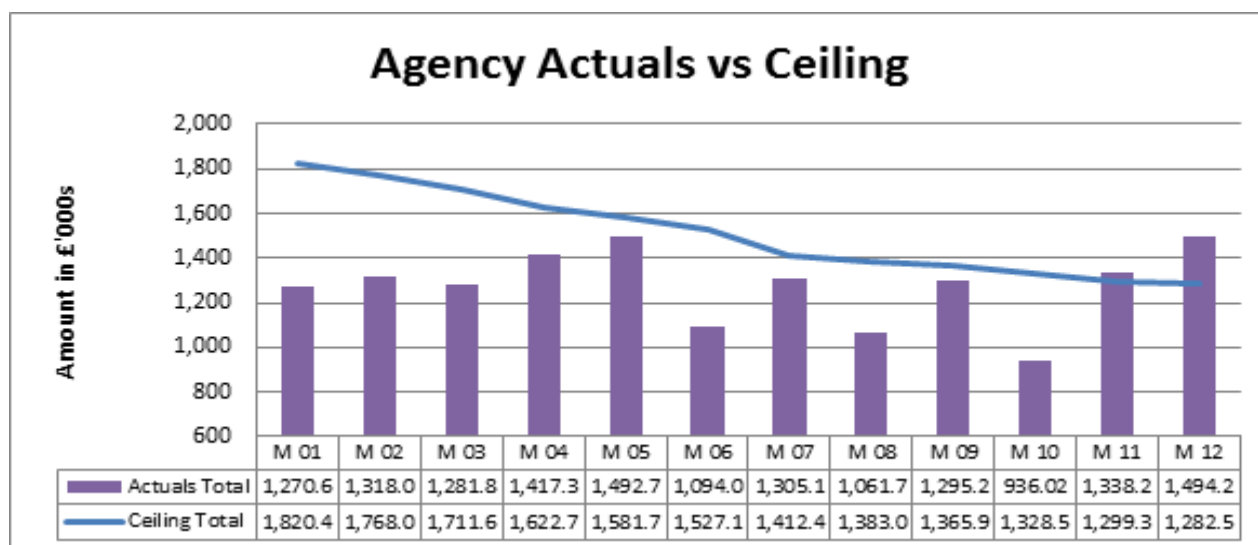
2.4 Total pay expenditure for the twelve-month period, April to March, was £563.4m. This total exceeded the pay budget for the same period by £5.6m.

2.5 Expenditure on agency staff for Q4 was £3.8m, compared to £3.7m in Q3. This expenditure continues to track below the Regulator's imposed agency cap of £18.1m, and the Q4 position was within the ceiling by £2.8m. Tables 1 and 2, below and overleaf, refer.

Table 1: Year to Date Agency Expenditure Comparisons - 2015/16 and 2016/17

£'m	M 01	M 02	M 03	M 04	M 05	M 06	M 07	M 08	M 09	M 10	M 11	M 12	YTD
Agency Spend 2015-16	2.30	2.56	2.79	2.99	2.40	2.74	2.23	1.53	1.44	1.10	1.53	1.62	<b>25.23</b>
Agency Spend 2016-17	1.27	1.32	1.28	1.42	1.49	1.09	1.31	1.06	1.30	0.94	1.34	1.49	<b>15.31</b>
Change	<b>-1.03</b>	<b>-1.24</b>	<b>-1.51</b>	<b>-1.57</b>	<b>-0.91</b>	<b>-1.64</b>	<b>-0.92</b>	<b>-0.47</b>	<b>-0.15</b>	<b>-0.16</b>	<b>-0.19</b>	<b>-0.13</b>	<b>-9.92</b>

Table 2: Year to Date Performance against Agency Cap



2.6 Total annual expenditure on agency and bank staff, combined, was £37.6m, representing 6.7% of the total pay bill.

### **Staff Turnover**

2.7 Between Q3 and Q4 staff turnover remained consistent (14.9% and 14.8%, respectively). The current level of turnover represents an overall increase of 0.9% over the twelve-month period April 2016 to March 2017.

2.8 Consistent with previous reporting periods, staff turnover remains highest within clinical support, and nursing and midwifery staff groups. However, there has been no recent deterioration in the turnover of registered nurses staff occupying band 5 roles.

2.9 Further commentary relating to staff recruitment and retention is provided in Section 2, below.

### **Sickness Absence**

2.10 At the end of Q4 the Trust's sickness absence target of 3.2% was achieved. This compares favourably with an average of 4.1% for the NHS and 3.7% across the Shelford Group of trusts. A sustained focus on reducing sickness absence, combined with the benefits associated with the continued use of the FirstCare absence management system and the Employee Assistance Programme Employee Assistance Programme contributed to this positive performance.

### **Statutory and Mandatory Training**

2.11 At the end of Q4, the overall statutory and mandatory training compliance rate was 86.3% against a Trust target of 90.0%. Performance at a Divisional level is highlighted in table 3, overleaf.

Table 3: Statutory and Mandatory Compliance Rates by Division

Division/ Function	2016/17			
	Q1	Q2	Q3	Q4
Clinical Support Services	91.4%	91.0%	92.0%	92.0%
Children's and Women's	86.8%	86.4%	86.0%	87.0%
Corporate Services	87.8%	88.6%	90.1%	91.0%
Medicine, Rehabilitation and Cardiac	81.5%	80.7%	80.3%	82.0%
Neurosciences, Orthopaedics, Trauma and Specialist Surgery	86.2%	86.0%	84.7%	87.0%
Operational services	94.9%	94.0%	93.0%	82.0%
Surgery and Oncology	89.6%	88.8%	89.6%	91.0%
<b>Trust Average</b>	<b>85.1%</b>	<b>85.3%</b>	<b>85.4%</b>	<b>86.3%</b>

### Non-Medical Annual Appraisal Compliance

2.12 Between the reporting periods there was no discernible improvement in non-medical annual appraisal compliance. The Q4 performance (74.0% against the 90.0% Trust target) represented an in-year increase of 10%. Table 4, below, shows compliance rates by Division/Function.

Table 4: Annual Appraisal Compliance Rates

Division/Function	2016/17			
	Q1	Q2	Q3	Q4
Clinical Support Services	73.0%	79.0%	79.1%	80.0%
Children's and Women's	53.0%	58.0%	69.1%	73.0%
Corporate Services	52.0%	61.0%	71.8%	67.0%
Medicine, Rehabilitation and Cardiac	60.0%	66.0%	65.7%	64.0%
Neuroscience, Orthopaedics, Trauma and Specialist Surgery	72.0%	76.0%	78.2%	73.0%
Operational Services	70.0%	75.0%	76.4%	73.0%
Surgery and Oncology	69.0%	77.0%	81.2%	77.0%
<b>Trust Average</b>	<b>67.0%</b>	<b>69.0%</b>	<b>73.9%</b>	<b>74.0%</b>

2.13 The 2016 NHS Staff Survey local outcomes highlighted that, whilst there is an increase in the number of staff participating in an appraisal, almost two thirds of respondents stated that the appraisal discussion did not include the agreement of clear objectives, and did not help them to improve their performance. Furthermore, values and behaviours were not consistently discussed. Therefore, an opportunity exists to more effectively use the appraisal process to reinforce the importance of the Trust's values and positive behaviours, and to align personal and team objectives with key operational and strategic goals. In response, key interventions will include the full implementation of new

'Values into Action' appraisal training for line managers and senior leaders, aimed at improving the quality of appraisal activity, combined with the provision of audio-visual guidance and instruction relating to effective objective-setting. Concurrently, the existing appraisal process, including recording, is to be re-evaluated and improved.

### **Raising Concerns**

2.14 During 2016/17 a total of five concerns were raised via the formal mechanisms identified in the Trust's Raising Concerns Policy. All concerns were proactively managed and resolved at a local level.

## **3. OD AND WORKFORCE ACTIVITY UPDATE**

3.1 The following section summarises a number of key work programmes and initiatives which are being led by the OD and Workforce Directorate. Other principal areas of focus for 2017/18 are also highlighted.

### **Staff Recruitment and Retention**

#### **Retention Initiatives**

3.2 The Trust's recruitment activity is broadly keeping pace with current turnover. However, the previous report on OD and Workforce Performance highlighted the continued challenges associated with retention within particular staff groups. These challenges are most evident with respect to qualified clinical staff at pay band 5 level. With the aim of improving staff retention, a number of initiatives have been developed and implemented. These initiatives recognise the need to assist staff in meeting the financial pressures associated with living and working in the Oxford area, support personal and career development, and provide greater opportunity for the most capable members of staff to advance more rapidly.

3.3 At its April meeting, the Quality Committee received a presentation summarising the principal current retention initiatives, and their impact to date. The presentation also highlights an important new initiative being implemented in support of band 5 clinical staff. The summary presentation is provided at **Appendix 2**.

#### **International Recruitment**

3.4 During Q4 the Trust recruited 35 registered nurses from mainland Europe. The recent introduction, by the Nursing and Midwifery Council (NMC) of International English Language Testing (IELTS) to a standard of level 7 has significantly impacted on the numbers of registered nurses recruited from beyond the UK. In response, the Trust is piloting a twelve-week English language programme that aims to assist non-UK nursing staff in achieving the enhanced standard required for NMC registration. Whilst undertaking the programme, participants are employed as nursing assistants. Assuming the pilot programme is successful it will be implemented on a wider scale across the clinical Divisions.

3.5 In partnership with a specialist recruitment company, the Trust's international recruitment programme continues to be applied to attract experienced intensive care and theatre nurses. The relatively poor uptake from India and the Philippines is, in the main,

attributable to similar recruitment activity by trusts in other areas of the UK where the overall cost of living is lower. Other regions, such as the Middle East are being explored as potential alternatives for registered nurse recruitment. More locally, OUH employees working in unregistered nursing positions, but who have nursing registration gained outside of the EU, are being encouraged to receive support in meeting both the mandatory standards associated with both the IELTS level 7 and the Objective Structured Clinical Examination (OSCE) assessments.

### **Oxford Brookes University Nursing Graduates**

3.6 The Associate Chief Nurse is reviewing the pathway currently in place for the recruitment of Oxford Brookes nurse graduates. The aim of this review is to ensure all Oxford Brookes graduates are in possession of a conditional offer of employment in their second year of study. This will enable individuals to enter their third year with a guaranteed route to registered nurse status within OUH. This initiative, which is supported by Oxford Brookes faculty, aims to further improve graduate recruitment and reduce under graduate attrition.

### **Theatres**

3.7 In response to the relatively high turnover in theatres, in Q4 the Trust commenced a successful rolling programme of targeted recruitment to band 5 posts within the JRH, West Wing, and Horton Theatres. To date, a total of 24 band 5 registered nurses and operating department practitioners have been recruited via through this programme, which will continue for the foreseeable future.

### **Response to NHS Staff Survey Outcomes**

3.8 At its meeting in March 2017, the Trust Board received a report detailing the local outcomes of the 2016 NHS Staff Survey, which was conducted between October and December 2016. The report proposed that three key themes should receive particular attention during 2017/18, namely: staff health and wellbeing; bullying and harassment, and staff appraisals. The associated work programmes are being led by the OD and Workforce Directorate, as follows:

### **Staff Health and Wellbeing**

3.9 Despite continued investment in the provision and expansion of occupational health and wellbeing services over recent years, two thirds of staff considered that the organisation is not taking sufficient positive action in this area. This is consistent with an increase in the percentage of staff who reported that they routinely work beyond their contracted hours, and a rise in the number of staff being treated for musculoskeletal problems. In response, the Centre for Occupational Health and Wellbeing is developing and implementing initiatives that reflect the Trust's commitment to the NHS Healthy Workforce Programme, and which also support the achievement of specific 'commissioning for quality and innovation' (CQUIN) criteria. These include: the provision of support across musculoskeletal health, mental health, and physical activities; the uptake of flu vaccinations by frontline healthcare staff; and ensuring the food and drink provided and sold on the Trust's various sites promotes healthy choices. Further work is being undertaken to ensure maximum benefit is derived from the reporting and data analysis

available through the FirstCare management system, and to raise awareness amongst the workforce of the range of support and assistance available to individuals and teams.

## **Bullying and Harassment**

3.10 Survey outcomes related to perceived bullying and harassment perpetrated by both staff and patients or visitors are of concern. Although the national Survey results confirm that the Trust is not an 'outlier' in this respect, nevertheless bullying and harassment continues to be an issue across the whole of the NHS. Bullying, harassment, discrimination and victimisation are inconsistent with OUH values and desired behaviours. With a the aim of identifying and responding appropriately to inappropriate behaviour, the OD team is leading a further 'Values in Action' work programme that seeks to support Divisional management teams and line managers in associated Trust-level and more specific local activity. A Bullying and Harassment Working Group is leading the implementation of a number of key initiatives, including:

- provision of awareness training for staff and line managers (to include unconscious bias);
- implementation of guidance for staff who experience harassment, bullying or abuse by patients or visitors;
- provision of a series of staff conferences, commencing in May 2017, entitled 'Bullying and Harassment in a Modern NHS' (to cover current issues, such as the role of social media in bullying, how to handle bullying behaviour exhibited by patients and visitors, and the impact of the European Union referendum vote);
- further local surveying.

## **Staff Appraisals**

3.11 Contemporary research and associated literature highlights the importance of regular appraisal activity in the context of staff engagement and motivation, and the improving the overall patient experience. Whilst the Staff Survey outcomes indicate an increase in the number of staff participating in an appraisal, almost two thirds of respondents stated that the appraisal discussion did not include the agreement of clear objectives, and did not help them to improve their performance. Furthermore, values and behaviours were not consistently discussed. Therefore, an opportunity exists to more effectively use the appraisal process to reinforce the importance of the Trust's values and positive behaviours, and to align personal and team objectives with key operational and strategic goals.

3.12 In response, key interventions will include the full implementation of new 'Values into Action' appraisal training for line managers and senior leaders, aimed at improving the quality of appraisal activity, combined with the provision of audio-visual guidance and instruction relating to effective objective-setting. Concurrently, the existing appraisal process, including recording, is to be re-evaluated and improved.

## **Junior Doctors Contract Implementation**

3.13 In December 2016 the Trust commenced the implementation of the 2016 junior doctors contract, in accordance with the national implementation timeline and guidance. In preparation for the introduction of the new contract, local actions included the establishment of an appropriate governance framework within which the transition process



is managed. Importantly, this framework includes the participation of elected representatives of the junior doctor body, which is recognised as being essential in ensuring success. The Trust's appointed Guardian of Safe Working Hours is also making a full and valuable contribution in the implementation process.

3.14 In leading this important programme of work, the Medical Staffing team is engaged in the following key activities:

- managing the implementation of the new contract against the project plan;
- providing expert and timely advice to all junior doctors affected by the implementation;
- providing training to rota co-ordinators, educational supervisors and Divisional management teams;
- reviewing rotas and testing against the 2016 contractual limits on working hours and protected rest periods;
- preparing work schedules for issue to junior doctors prior to transition;
- ensuring basic pay and other allowances are amended by Payroll and applied in accordance with the new nodal pay points (to include pay protection, where required);
- issuing new contracts of employment that reflect the 2016 terms and conditions of service;
- providing administrative support to the Guardian of Safe Working Hours;
- working with the Guardian of Safe Working Hours to manage any exception reports received from doctors once they have transitioned to the new contract.

3.15 To date, almost 200 junior doctors have transitioned, and the main August 2017 rotation intake will culminate in an estimated 650 doctors being employed under the new terms and conditions of service. The Medical Staffing Team is confident that the prescribed implementation timetable, which culminates in October 2017, will be met.

### **Appointment of Freedom to Speak Up Guardians**

3.16 The Trust Board is aware that every NHS trust and NHS foundation trust was mandated to have appointed a Freedom to Speak Up Guardian by the end of April 2017. In establishing this mandate, the Department of Health emphasised that this is not an appointment to be rushed and that care should be taken, locally, in ensuring the person selected has demonstrated the essential qualities required of an effective and credible Guardian. A further mandate is that every trust must apply the same title to their local Guardian roles. The basis for doing so is to ensure clarity and provide support for members of staff who move between NHS organisations. Beyond the generic title, trusts have the freedom to establish local job descriptions, provided they are consistent with the guidance issued by the Office of the National Guardian.

3.17 In-mid 2016 the Trust implemented a recruitment process, with the aim of appointing a Freedom to Speak Up Guardian by September 2016. Although a number of applicants were short-listed and formally interviewed (which included the application of value based interviews) none were deemed to be suitable appointees. In response to this unsuccessful undertaking, it was determined that a revised approach should be taken in attracting a wider field of applicants. A second process was established in January 2017. The first step in this process invited the submission of expressions of interest from OUH staff with respect to two separate roles and four associated positions, namely a Freedom

to Speak 'Lead' Guardian, and three Freedom to Speak Up 'Local' Guardians. In implementing more than one Guardian role, the Trust recognises the benefit of ensuring there is an accessible FTSU presence across all of our hospital sites. The multiple Guardian roles represent a unique opportunity for the right people to be directly involved in establishing mechanisms, in addition to our formal processes, which empower and encourage staff to speak up safely, and which further develop an open culture based on listening and learning.

3.18 Following the conclusion of the competitive internal process, it has been confirmed that Jane Herve has been appointed to the role of Freedom to Speak Up Lead Guardian. Jane will retire from her substantive role as Head of Midwifery in July 2017, following which she will continue to fulfil her Lead Guardian responsibilities on a part-time basis. In the interim, Jane is leading the final stages of the appointment of the Trust's three Local Guardians.

3.19 Through the appointed Lead Guardian, the team of Guardians will develop strong and open working relationships with the Chairman, Chief Executive and other members of the Trust Board, and will have direct access to (but remain independent of) the Trust's senior leadership teams. Guardians will also work with HR leads to ensure that speaking up guidance and procedures are clear and accessible, reflect best practice, and address any local issues that may hinder the raising concerns process.

### **Equality, Diversity and Inclusion**

3.20 Throughout 2016/17 good progress was made in progressing the Trust's equality, diversity and inclusion objectives. The Equality, Diversity and Inclusion Annual Report will be presented to the Trust Board in July 2017, before publication via the OUH website. The Report will detail the achievements of the 2016/17 objectives, and confirm the Trust's priorities for 2017/18. These priorities will be determined via the Equality, Diversity and Inclusion Steering Group.

### **HR Policies and Procedures**

3.21 All HR policies and procedures are subject to regular review and revision to ensure they remain legally compliant, reflect good employment practice, and meet the needs of the Trust. During 2016/17, a total of 18 policies and procedures were reviewed, namely:

- Professional Registration Policy
- Payment of Expenses Procedure
- Trade Union Recognition Agreement
- Sickness Absence Management Procedure
- Disciplinary Procedure
- Linking Pay Progression and Performance Policy
- Work Experience Procedure
- Alcohol and Drug Misuse Guidelines
- Working Time Regulations Policy
- Appeals Procedure
- Flexible Working Procedure

- Voluntary Services Procedure
- Disclosure and Barring Service Checks Policy (previously Criminal Record and Barring Checks Policy)
- Honorary and Observer Contracts Procedure
- Retirement Procedure (Previously Flexible Retirement Procedure)
- Job Evaluation Procedure
- Buying and Selling of Annual Leave Procedure
- Bullying and Harassment Procedure

3.22 One new procedure was developed and implemented. This was in response to the new requirements associated with NMC revalidation. All changes and amendments to existing policies and procedures, and all new documents, are considered and informed by the membership of the Workforce Committee, and the Trust Alliance Committee.

#### **4. RECOMMENDATION**

4.1 The Trust Board is asked to receive and note the contents of this quarterly summary report.

##### **Appendices:**

1. OD and Workforce Performance Dashboard 2016/17 - Q4
2. Staff Recruitment and Retention Initiatives Update (presentation to Quality Committee)

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##### **Contributors:**

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