

# Board of Directors Meeting

**Subject:** Workforce Report – Quarterly and Yearly Position  
**Date:** 30<sup>th</sup> April 2015  
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**Lead Director:** Karen Fisher, Interim Chief Executive

## Executive Summary

Staff in post numbers remained broadly comparable in Q4 (3676.52 wte's) when compared with Q3 and throughout the 2014/2015 financial year the Trust has made significant progress in terms of increasing staff in post numbers with an increase of 85.62 wte's staff in post throughout the year. The Registered Nursing staff in post increased by 36.91 wte's throughout 2014/2015 due to a significant amount of work from local and international recruitment campaigns. Throughout 2014/2015 the Trust recruited 47 international Registered Nurses from Italy and Spain, with further campaigns planned for 2015/2016 within and outside of the EU to recruit 80 international Registered Nurses. Despite the increase in staff in post vacancies remain high for Registered Nurses due to the Trust operationalizing the Registered Nurse Keogh plan which brought closing Registered Nurse vacancies at the end of March to 73.06 wte's, high risk areas include:

**EAU**–11.13 wte (25% of Reg Nurse budget); **Stroke Unit**–13.94 wte (29%); **Ward 52**–8.98 wte (37%); **Ward 33**–8.45 wte (44%); **Newark Hospital** – 20.88 wte (26%). HR, Nursing and operational teams are in discussions regarding utilising staff flexibly between wards to ensure safe staffing and reduce variable pay spend.

**Trust budgeted establishment** was 11.92 wte's above annual plan at the end of Q4 and 2014/2015 and decreased by 15.32 wte's in Q4 when compared to Q3 bringing the closing establishments to 3886.71 wte's. During the 14/15 financial year budgeted establishment increased by 78.92 wte's, 55.61 wte's were attributable to the Keogh investment funded from June 2014.

The **vacancy rate** at the end of Q4 was 5.41% with 210.19 wte vacancies at the end of March 2015, this compared to 5.87% at the end of Q3. Vacancies have decreased by 6.70 wte's throughout the 2014/2015 financial year. Changes have been due to increased staff in post, turnover and movements in budgeted establishments. Medical vacancies at the end of Q4 stood at 2.46%. There are substantive Consultant and Specialty Doctor Medical posts that have been funded via variable pay throughout the 2014/2015 financial year. From April 2015 these posts will be funded via fixed pay and therefore an increased budgeted establishment and vacancy rate will be expected. In a bid to reduce Medical vacancies and variable pay spend the Trust have now engaged with an A&E Medical agency who are supplying potential candidates to Trust's within the region. The Trust has been given referrals and if candidates are appointable will benefit from reduced sourcing rates due to signing up to the agency via the regional agreement. An area of risk for the Trust in terms of Medical staff is Geriatrics where there are 3.9 wte Consultant vacancies in Geriatrics with only 1 substantive Consultant in post, the vacancies are being covered by premium agency staff. A recruitment and retention premium for new and existing staff has been agreed and an advert has been placed in the BMJ to attract candidates. It is likely the Trust will incur premium rate costs for at least 4 months until potential candidates have been appointed, March variable pay stood at £94k. This has been an area of risk throughout 2013/2014.

**Pay spend** totalled **£44.57m** in Q4, this compared to a **£43.60m** spend in Q3, an increase of **£968k** in quarter. **Total pay spend for the 2014/2015 financial year was £174m this compares to a total spend of £166m in 2013/2014 financial year (increase of £8m).** Further analysis is being undertaken into areas of pay spend increase throughout the year. **Pay budget** for Q4 was £40.48m, an overspend of £4.08m compared to £2.9m in Q3. **Fixed pay spend** increased in Q4 to £37.63m compared to £37.19m spend in Q3. Fixed pay in Q4 was underspent by £1.04m. Fixed pay in the 2014/2015 financial year was £148m compared to £144m in 2013/2014 financial year. **Variable pay spend** increased by £531k in Q4 to £6.94m which compared to £6.40m in Q3, nursing variable pay has been impacted by an increase in requested shifts for bank and agency staff throughout Q4 (increase of £459k between Q4 and Q3). Total variable pay spend for 2014/2015 financial year was £26m compared to £21m in 2013/2014 financial year, an increase of £5m. End of year pay spends have increased due to the Trust accounting for £430k annual leave accrual for those staff who did not take all of their annual leave throughout 2014/2015 financial year.

**To support a decrease in variable pay spend and high vacancies the Trust is undertaking a number of recruitment initiatives that include:**

- Further work will be undertaken throughout 2015/2016 financial year to recruit a further 80 Registered Nurses from the international market.
- A Registered Nurse open day is due to take place on 25<sup>th</sup> April 2015, and alongside this the Trust has launched its recruitment campaign called '**Care to be proud of**' which has involved the development of a video, local newspaper interest, radio adverts and a new website.

- The Trust is also introducing 'introduce a friend' incentives to staff at the Trust for Registered Nurse recruitment and is also looking into further recruitment initiatives that will attract candidates.
- Early engagement with Newly Qualified Nurses to ensure the Trust as a preferred employer.
- Commencing Registered Nurses as Health Care Support Workers whilst they await confirmation of their NMC pin to ensure retention of newly appointed candidates

Average turnover for Q4 was 1.41% an increase of 0.38% between quarters. The increase is due to the February Junior Doctor changeover and an increase in Registered Nurse turnover from 0.78% at the end of Q3 to 1.14% at the end of Q4. Turnover for the 2014/2015 financial year was 14.15%. The Trust has seen an increase in Registered Nurse turnover and this will be monitored closely going forward. It is also recognised that the Trust has an ageing workforce with a high number of retirements during Q4 (23 flexi retirements and 19 retirements compared to 13 flexi retirements and 15 retirements in Q3) and plans have been submitted as part of the annual planning process where service leads have identified potential retirements in the coming years and plans to mitigate the impact of loss of experience. Staff satisfaction scores from Exit Interviews increased during Q4 when compared to Q3.

**Total sickness absence in Q4** stood at **4.17%** this compares to **Q3** which was **4.11%**, this was an expected increase due to the pressures the Trust faced during the Winter period. The Trust hit the target of reducing sickness absence by 0.5% in the 2014/2015 financial year with the rolling YTD figure standing at 4.12% compared with 4.63% in 2013/2014 (a 0.51% reduction). The cost of sickness in **Q4** totalled **£1.15m** in line with increases in the sickness rate, this compared with **Q3** which was **£1.08m**. The 2014/2015 total cost of sickness was £4.57m compared with £4.84m in 2013/2014 financial year. The highest sickness absence reason for the quarter was anxiety/stress/depression related illnesses, losing 2451 working days within the quarter, which was an increase of 567 working days when compared to Q3. The Trust recognises there is a problem with stress/anxiety/depression related illnesses and there have been a number of Stress Focus Groups that have taken place to understand issues further. An action plan as an outcome of the focus groups will be developed and shared with divisions throughout May 2015. The HR department will also produce a new sickness absence action plan for the 2015/2016 financial year in order to continue driving reductions in sickness absence.

**Appraisal compliance** improved by the end of Q4 by 3%, closing at 88% at the end of the quarter. Appraisal compliance has improved by 6% throughout the financial year which is a positive achievement given the pressures the Trust faced throughout the Winter period. The Trust continues to drive the 98% compliance target with areas of low compliance being addressed via divisional confirm and challenge meetings and directly with line managers. There have been noted improvements in particular areas for appraisal compliance with NHIS, Radiology, Ward 31 and Ward 32 all being areas with 30 or more staff with 100% compliance.

**Mandatory training** increased by 1% at the end of March to 83%. The target of reaching 90% compliance by the end of the financial year has been impacted by the Trust's recent operational pressures when mandatory training courses were cancelled to support clinical services. The Trust does not incur a financial penalty from the CCG for not reaching this target. The Training, Education and Development Department have a number of key pieces of work being undertaken at present with the launch of the new Care Certificate being one of the top priorities going forward for 2015/2016, please see the body of the report for further detail.

The **HEEM action plan** is progressing well and further visits is planned with foundation trainees on 7<sup>th</sup> May 2015 and T&O trainees in June 2015. The ED Department has now been placed on enhanced monitoring by the GMC due to concerns with the variable quality of locums and lack of supervision for trainees. The GMC will be visiting the ED Department in June 2015. A detailed update is available in section 8.0.

The **Staff Survey** action plan as an outcome of the 2014 results has now been completed and monitoring will begin throughout Q1. The Trust has decided to focus on improving results for 3 key questions and actions have been put in place to reflect this.

There were 25 **employee relations** cases on-going at the end of March 2015, this is a decreased number compared with Q3 due to a number of cases being brought to an end. The HR department do anticipate an increase in Information Governance disciplinary cases as an outcome of the new Fairwarning system being implemented that tracks staff activity with regards to accessing patient records.

Key focus for the HR department during 2015/2016 will be on recruitment to vacancies across the Trust in order to reduce variable pay spend; continue to drive improvements in sickness absence rates; supporting the implementation of Allocate rostering roll out and the launch of the Staff Engagement Strategy.

**Recommendation**

Note the workforce information presented and acknowledge the actions being taken to improve performance.

**Relevant Strategic Objectives (please mark in bold)**

To consistently deliver safe, effective high

To eliminate the variability of access to and

quality care achieving a positive staff and patient experience	outcomes from our acute and community services
To reduce demand on hospital services and deliver care closer to home	To develop extended clinical networks that benefit the patients we serve
To provide efficient and cost effective services and deliver better value healthcare	

<b>Links to the BAF and Corporate Risk Register</b>	Strategy items impact on all strategic objectives
<b>Details of additional risks associated with this paper</b> <i>(may include CQC Essential Standards, NHSLA, NHS Constitution)</i>	
<b>Links to NHS Constitution</b>	
<b>Financial Implications/Impact</b>	
<b>Legal Implications/Impact</b>	
<b>Partnership working &amp; Public Engagement Implications/Impact</b>	
<b>Committees/groups where this item has been presented before</b>	
<b>Monitoring and Review</b>	
<b>Is a QIA required/been completed? If yes provide brief details</b>	