West Hertfordshire Hospitals NHS
NHS Trust

Trust Board Meeting

02 March 2017

Title of the paper:	**Review of key workforce related performance indicators**
Agenda item:	**13/46**
Lead Executive:	**Paul Da Gama, Director of Human Resources**
Author:	**Richard Wilkes, Workforce Information Manager**
Trust aims :	Double click on the box to mark as appropriate: ☒ To deliver the best quality care for our patients ☒ To be a great place to work and learn ☐ To improve our finances ☐ To develop a strategy for the future
Purpose:	The aim of this paper is to provide a high level overview of issues and key actions being undertaken to improve a number of workforce related metrics which are currently under performing compared to target. In addition it also proposes additional reporting to assist in providing better understanding and assurance in relation to key workforce metrics
Link to Board Assurance Framework (BAF)	**PR1** **PR2**

Previously discussed:	
Group	**Date**

Benefits to patients and patient safety implications

Recommendations

To provide the Trust Board with assurance that actions are in place to improve underperforming key workforce metrics and to approve a revised way of reporting upon these metrics.

Agenda Item: 13/46

Trust Board Meeting – 02 March 2017

Review of HR Key Performance Indicators

Presented by: Paul Da Gama – Director of Human Resources and Organisational Development

1. Purpose

The aim of this paper is to provide a high level overview of issues and key actions being undertaken to improve a number of workforce related metrics which are currently under performing compared to target. In addition it also proposes additional reporting to assist in providing better understanding and assurance in relation to key workforce metrics

2. Analysis/Discussion

Whilst over the last 18 months there has been considerable improvement in the performance of a number of key workforce metrics, nevertheless these continue on a monthly basis to under performance against target. Principally the metrics in question relate to:

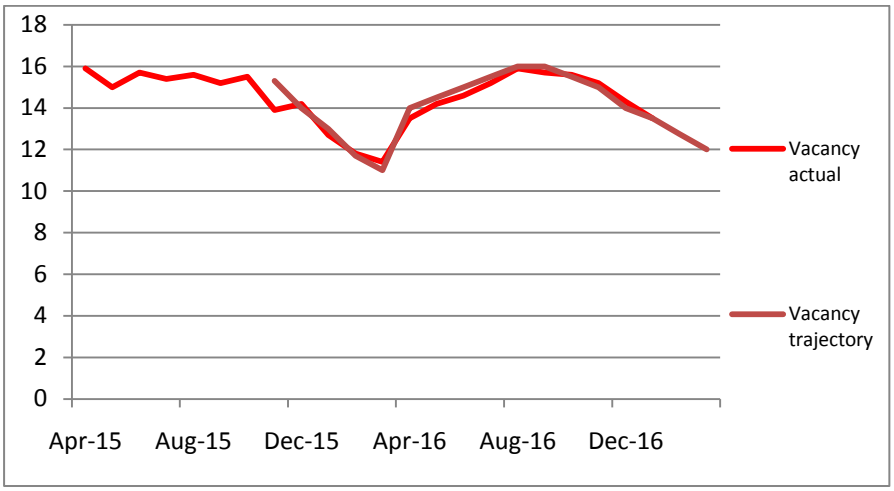
2.1 Vacancy rates

In January the Trust's vacancy rate fell for the fifth consecutive month, from 14.3% to 13.5%, within this, the vacancy rate for nursing and midwifery workforce fell from 15.3% to 13.1%. Despite this positive trend this level of performance is still failing to meet a target vacancy rate of 9%.

The current average vacancy rate for thirteen other local NHS organisations (including four acute hospitals) is 12.5%. Out of this group West Herts currently has the third highest level of vacancies.

It is important to state that since the end of March when the vacancy rate was at 11.4%, the Trust's establishment has increased by 306 WTEs. Had the establishment remained at the March's level, the vacancy rate would now be only 7.6%.

The table below demonstrates the trajectory and actual vacancy rate from April 15 to December 16.



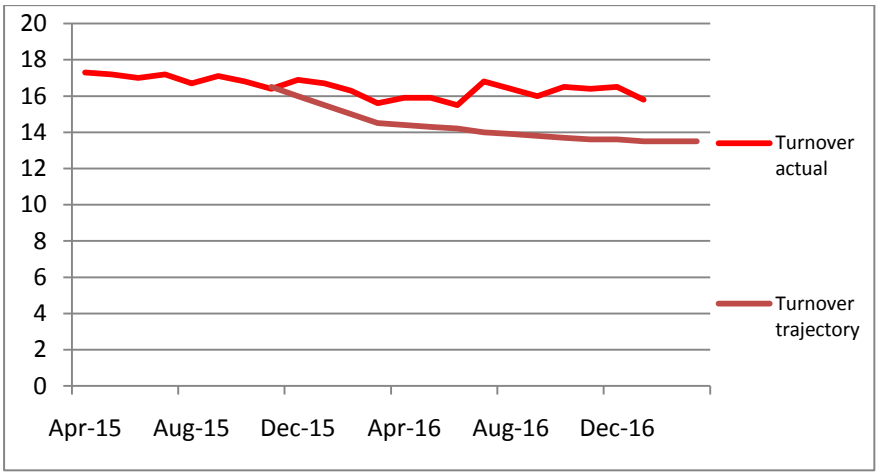
Key actions to reduce vacancy rate

- Continue with current recruitment activity which has built up a large pipeline of new recruits, in particular we currently have 225 registered and 88 unregistered nurses waiting to start at the Trust.
- A new recruitment campaign to recruit 120 Indian nurses is due to take place in March and should see this group join the Trust towards the back end of the year.
- Continue with Medical Workforce Establishment Review Group, which is reviewing all current medical workforce related vacancies to ensure that they are being recruited to or otherwise being actively managed.

Target date to achieve 9% vacancy target: August 2017

2.2 Turnover level

Turnover has fluctuated between 16.9% and 15.5% over the last 15 months, displaying a modest downward trend. For January the 12-month rolling turnover rate fell from 16.5% to 15.8% against a target of 12%. This is just above average compared to our Herts & Beds peers which stands at 15.3%.



Turnover is almost certainly the most difficult workforce metric to control and high attrition has been a long standing issue. The Trust's proximity to London which offers staff the opportunity to work for a range of different organisations, coupled with lower fringe allowance payments of 5% as compared to 20% for London trusts, almost certainly exacerbates this situation.

However as can be seen below, information from our exit questionnaires suggests that there are a number of other less obvious drivers affecting retention. Principally this research suggests that the opportunities for career development, feeling valued and having positive relationships with managers are the three top factors leading to our staff looking for opportunities elsewhere.

Key actions to reduce turnover rates:

- Continue to recruit into vacancies. Anecdotally we know that a major demotivator for our staff is working in areas where there are significant levels of vacancies or increased activity. High vacancy rates, in turn lead to higher turnover and so a vicious cycle ensues. By filling to these gaps we will ease the pressure upon staff which should lessen attrition.
- Whilst the 2016 staff survey offers some positive improvements in staff engagement levels, we need to ensure that we build upon these results by having active staff survey engagement plans which address many of the day to day frustrations which our staff feel.
- Our workforce strategy details changes and improvements to our approach in developing our people and these need to be implemented.

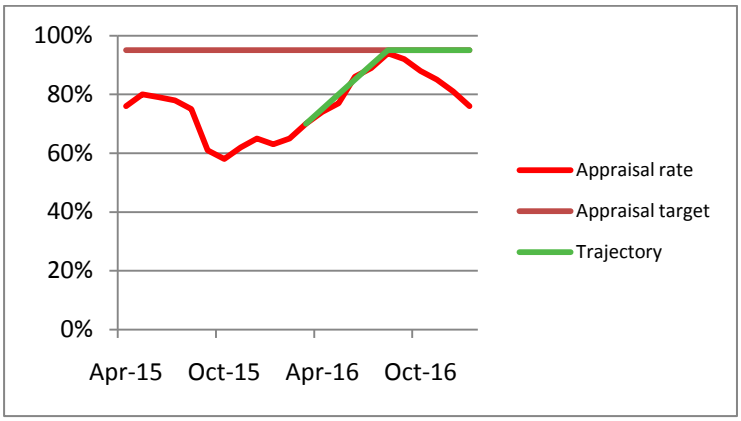
Target date to achieve 12% turnover: March 2018

2.3 Appraisal compliance

In August 2016 the trust's appraisal compliance rate stood at 93.5% as compared to a target level of 95%. Unfortunately since this time we have continued to see a decline in compliance levels. The rate at the end of January was 76%, with the current average compliance rate for comparator organisations standing at 81%.

Anecdotally the principle reasons for this decline appear to be service pressure with managers saying that they are struggling to find the time to complete this activity. A more fundamental issue is that in some areas of the Trust formal performance management is not seen as a priority. Also whilst attempts have been made to link appraisals to incremental uplifts of pay, for various reasons this has had limited success and so there are few incentives or penalties for ensuring for full engagement with the process.

Feedback from our staff survey suggests that there has been a very significant improvement in the number of staff saying they have had an appraisal, up from 74% to 86%. More importantly the effectiveness of these appraisals appears to have also improved, with 75% of respondents saying that their appraisals helped them to do their job better.



Key actions to improve appraisal compliance rates:

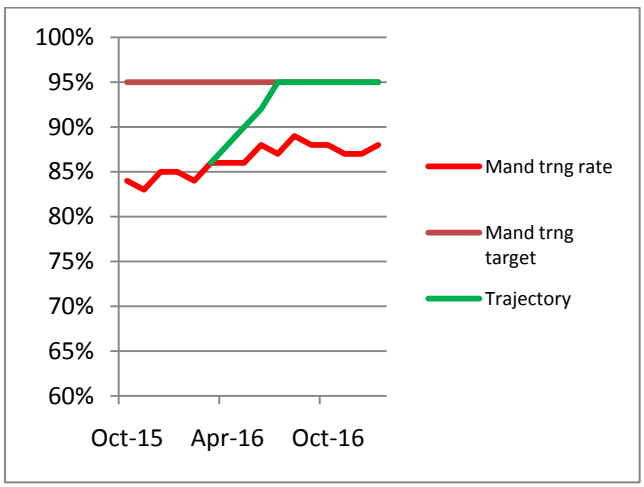
- Divisional ownership: Appraisal compliance is reviewed at every divisional performance meeting and there is a clear requirement from Executives that appraisals are a priority.
- Continuing to link appraisals to increment reviews: We need to devise mechanisms to ensure that there is a completed and satisfactory appraisal in place before awarding an incremental pay increase. This not only ensures the award is merited, but also helps elevate the importance of appraisals and proper performance management.
- Our new on-line training management system will proactively remind staff and managers as to when their appraisals are due to be completed.

Target date to achieve 'green' status in relation to appraisal compliance (as per option 3 below): June 2018

2.4 Mandatory training

As at end of January, core mandatory training rates were at 88% against a target of 95%. In the last six months, training rates have hovered between 87% and 89%. At the end of Q3, WHHT had the fourth highest % compliance out of 10 comparator Trusts in Herts and Beds. Average compliance was also 88%.

Due to service pressures, DNA rates continue to remain an issue for classroom training and hence the focus is on promoting e-learning where possible. In addition from April onwards all new starters will be required to have completed their mandatory training before being allowed to start working at the trust.



Key actions to improve mandatory training compliance rates:

- A new Learning Management System 'ACORN' is currently being implemented in conjunction with IT and an external provider which will improve real time reporting of compliance data. This will also proactively remind people of impending expiry of training compliance.
- Work continues to promote mandatory training via e-learning. The goal being to shift all appropriate mandatory training to e-learning only.
- HRBPs continue to track and monitor within their Divisions and support and advise managers.
- Business case has been developed to bring BLS staffing levels up to the nationally recognised standard and an additional 1.4 WTE Band 7 resus officers have been approved at TEC.

Target date to achieve 'green' status in relation to appraisal compliance (as per option 3 below): June 2018

3. Reviewing the way in which the Trust reports upon its workforce metrics

The workforce metrics currently reported to the Board are sickness, vacancies, labour turnover, appraisals, mandatory training and agency use. **Appendix 1** shows these indicators as they currently stand. They are rated in a simple way, showing either 'green' or 'red' according to if they are above or below their targets.

3.1 The current way of rating metrics as 'red' or 'green' means that the indicator shows red even when only 1% point below the target, as was the case with appraisals in August 2016 being 94% against a target of 95%. There is therefore little context to rate progress.

3.2 Targets are set at high levels reflecting the Trusts high standards and aspirations to meet these. However, it is arguable whether such high levels of compliance are realistic and certainly none of the organisations with whom the Trust benchmarks are able to credibly demonstrate this level of achievement. When not met, this highlights a 'red' RAG rating, and when this continues for a period of time this can act as a disincentive as Divisions are shown as continually 'failing' even if progress has been good and targets only just missed.

3.3 The Trust benchmarks itself against other local organisations in Hertfordshire, Essex, Bedfordshire and Milton Keynes, and compares metrics each quarter. For some metrics such as Mandatory Training Compliance, Appraisals, and Sickness the Trust has been or is currently ranked in the Top 3. However when looking at whether targets are being hit in isolation, this is not reflected. In addition, the current approach does not easily highlight progress made towards targets or shown if good performance is starting to dip.

4. Options

4.1 There are possible 3 options discussed in this report. **Option 1 (Appendix 1) - a 'do nothing'** or '**current method'** option which is to carry on with the metrics as currently

presented. There are some things to recommend this method, including the fact that it is a simple and clearly understood approach. However, as outlined in 4.2, 4.3 and 4.4 there are various issues that mean that supporting information is limited or non-existent and this does not help to give any context, trends or targets / objectives in the data presentation. **Appendix 1** shows the current or 'does nothing' option.

4.2 **Option 2 (Appendix 2)** - **'current method plus'** option keeps the current simple layout and easy to understand format. In addition though, it adds a further outcome to the rating system by showing a more graded RAG rating based on the distance to target that the indicators are showing. The approach is as set out below:

Key	
Achieving 80% of the target	
Achieving 60% to 80% of the target	
Achieving 40% - 60% of the target	
Achieving 20% to 40% of the target	
Achieving Under 20% of the target	

As an example, the current sickness target is 3.2%, while the December sickness rate was 3.5%. This means that it is 0.3 percentage points above (off) target. 0.3 percentage points represents 9% of 3.2%, and so is 91% towards the target (100% - 9%). While a more complex measure, it does help show distance to target and reflects progress made.

4.3 **Option 3 (Appendix 3) - 'detailed scorecard'** option. This shows a graded RAG rated approach as set out in option 2, but shows far more supporting and context information. This include current performance, the performance target, the distance to target, the performance 3 months ago, the performance 12 months ago, and a local benchmark average figure. The scoring system is as outlined in 5.2 above. However there is also an overall RAG rating to summarise all measures.

Key	
Achieving 80% of the target	
Achieving 60% to 80% of the target	
Achieving 40% - 60% of the target	
Achieving 20% to 40% of the target	
Achieving Under 20% of the target	

Overall Scoring Key	
Red	2 or more indicators Red
Green	One amber indicator, all other indicators Green
Amber	All other combinations

Appendix 3 shows a template and recent data of how this will be displayed, including a more detailed graded RAG rating reflecting distance towards target. The report displays:

- **Benchmarking metrics against surrounding NHS organisations**
- **Performance 12 months ago**
- **Performance 3 months ago**
- **Current Performance**
- **Indicator Target**
- **Distance to Target**
- **An indicator showing if performance has improved over the last 3 months**

Performance is the measured against distance to target. If the metric is within 80% - 100% of the required target this is rated as Green – the scale is as shown above and for Option 2.

An individual summary will be completed for each Division.

5. Risks

5.1 The current format of reporting is simple and easily understood. Progressing towards a more detailed approach may take time to be thoroughly understood. The advantage of this approach is that Divisions will feel the targets are more realistic, be better placed to achieve these and so help ensure resources are available to do so.

6. Recommendation

6.1 The above discussion sets out the options and recommendations regarding presenting Workforce metrics in the future.

6.2 The Workforce and OD Committee discussed and agreed to recommend to the Trust Board that at a graded approach to workforce metrics along the lines of **Appendix 3** be the way metrics are reported to the workforce committee and to the Trust Board

6.3 The Trust Board to approve Option 3 as the revised way of reporting workforce metrics.

Paul Da Gama

Director of Human Resources and Organisational Development

February 2017

The 'do nothing' option Appendix 1

Dec-16

Division	establishment wte	wte In post (wte)	vacancies (wte)	vacancy rate %	Pay Agency (£)	Pay Agency (%) of paybill	Pay Bank (£)	Pay Bank (%) of paybill	Sickness Rate (%)	Turnover Rate (%)	Stability Rate (%)	Appraisal Rate %	Statutory / Mandatory Training
Clinical Support	690.9	601.1	89.8	13.0%	£199,648	7.8%	£54,841	2.1%	4.10%	18.2%	80%	79%	94%
Corporate	540.5	474.6	65.9	12.2%	£214,256	10.7%	£57,055	2.8%	0.90%	12.7%	84%	88%	91%
Environment	107.8	80.5	27.3	25.3%	£60,280	17.6%	£1,327	0.4%	1.00%	22.8%	78%	88%	90%
Medicine	475.2	423.5	51.7	10.9%	£314,796	16.5%	£109,854	5.7%	3.70%	15.9%	85%	79%	88%
Surgery	1084.8	935.1	149.7	13.8%	£794,300	15.4%	£467,982	9.1%	3.40%	18.8%	80%	85%	87%
Unscheduled Care	1215.9	1000.5	215.4	17.7%	£829,823	18.2%	£378,337	8.3%	3.20%	15.1%	74%	78%	83%
Womens	652.4	569.9	82.5	12.6%	£208,287	7.8%	£234,536	8.8%	3.70%	16.3%	75%	75%	86%
Trust	4767.5	4085.2	682.3	14.3%	£2,621,390	13.7%	£1,303,932	6.8%	3.50%	16.5%	79%	81%	87%

The 'Current Method Plus' option 2 Appendix 2

Jan-17

Division	establishment wte	wte In post (wte)	vacancies (wte)	vacancy rate %	Pay Agency (£)	Pay Agency (%) of paybill	Pay Bank (£)	Pay Bank (%) of paybill	Sickness Rate (%)	Turnover Rate (%)	Stability Rate (%)	Appraisal Rate %	Statutory / Mandatory Training
Clinical Support	690.9	602.8	88.1	12.8%	£149,569	6.0%	£50,222	2.0%	3.60%	18.4%	80%	74%	93%
Corporate	540.9	479.2	61.7	11.4%	£66,296	3.6%	£54,411	3.0%	3.10%	11.4%	86%	81%	90%
Environment	107.8	81.5	26.3	24.4%	£42,152	11.5%	£696	0.2%	2.40%	25.1%	78%	82%	93%
Medicine	475.5	430.1	45.4	9.5%	£256,502	13.3%	£134,159	7.0%	3.60%	13.8%	85%	77%	88%
Surgery	1084.8	952.5	132.3	12.2%	£743,044	14.2%	£465,538	8.9%	3.90%	17.3%	81%	81%	89%
Unscheduled Care	1217.9	1006.1	211.8	17.4%	£876,789	19.4%	£272,133	6.0%	4.10%	15.1%	76%	64%	84%
Womens	652.7	573.6	79.1	12.1%	£153,162	5.8%	£215,377	8.1%	3.60%	15.7%	77%	83%	87%
Trust	4770.5	4125.8	644.7	13.5%	£2,287,514	12.0%	£1,189,560	6.3%	3.80%	15.8%	80%	76%	88%
Target				8%		10%			3.20%	12%		*95%*	*95%*

Key	
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Achieving 60% to 80% of the target	
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Workforce Indictors - Progress Table

Progress against target - Dec 2016

KPI	Benchmark average	Performance 12 months ago	Performance 3 months ago	Current performance	Target	Distance to target	Better / worse than 3 months ago	Remaining Progress to target needed (%)
Vacancy	12%	12.7%	15.7%	14.3%	8.0%	6.3%	↘	79%
Turnover	16.2%	16.7%	16.0%	16.5%	12.0%	4.5%	↗	38%
Total Sickness	3.80%	3.6%	3.1%	3.5%	3.2%	0.3%	↗	9%
Sickness Short Term		1.8%	1.6%	1.8%	1.6%	0.2%	↗	13%
Sickness Long Term		1.8%	1.5%	1.7%	1.6%	0.1%	↗	6%
Non-Medical Appraisal	82%	66.0%	92.0%	81.0%	95.0%	-14.0%	↘	15%
Medical Appraisal		99.0%	99.0%	99.0%	95.0%	4.0%	→	-4%
Core Skills Framework	85%	85.0%	88.0%	87.0%	95.0%	-8.0%	↘	8%
Agency as a % of Paybill	9.60%	15.8%	11.3%	13.7%	10.0%	3.7%	↗	37%
Friends and Family Test	60.00%	58.4%	57.5%	66.7%	66.0%	0.7%	↗	-1%
Overall Summary								

a minus figure indicates over-performance

Key	
Achieving 80% of the target	
Achieving 60% to 80% of the target	
Achieving 40% - 60% of the target	
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Overall Scoring Key	
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Explanatory Notes - Benchmarking Information

Vacancy	Average of Bedfordshire and Hertfordshire NHS / FT Trusts Q216/17 - Local Survey
Turnover	Average of Bedfordshire and Hertfordshire NHS / FT Trusts Q2 16/17 - Local Survey
Sickness	Average of Bedfordshire and Hertfordshire NHS / FT Trusts Q2 16/17 - Local Survey
Appraisal	Average of Bedfordshire and Hertfordshire NHS / FT Trusts Q2 16/17 - Local Survey
Core Skills Framework	Average of Bedfordshire and Hertfordshire NHS / FT Trusts Q2 16/17 - Local Survey
Friends and Family Test	Based on 2015 staff survey results for all acute Trusts using Quality Health / F&FT - target is the 2015 figure plus 10%.

Vacancy % is obtained by taking current vacancy wte as a % of the workforce planning establishment return.

NB - Sickness is broken down into 3 separate targets (overall, short term and long term) - However only the total sickness contributes to the overall score.

Benchmark data taken from Herts & West Essex and BLMK STP workforce