

HR in the NHS Plan

More staff working differently

Contents

	Foreword by Secretary of State for Health	3
	Introduction by Director of Human Resources	5
Chapter One	Aims and Objectives	7
	Schematic of the <i>HR in the NHS Plan</i>	9
Chapter Two	More Staff – Working Differently	10
Chapter Three	Making the NHS a Model Employer	14
Chapter Four	The Skills Escalator	19
Chapter Five	Pay Modernisation	21
Chapter Six	Modernising Learning & Personal Development	26
Chapter Seven	Modernisation of Professional Regulation	31
Chapter Eight	Modernising Workforce Planning	34
Chapter Nine	Pillar Three – Improving Staff Morale	36
Chapter Ten	Building People Management Skills	39
Chapter Eleven	Human Resources Performance Management	44
Chapter Twelve	Key Players, their Key Tasks and Responsibilities	46

Foreword by the Secretary of State for Health

Two years ago the *NHS Plan*¹ was published and this Government committed itself to an ambitious programme of reform in the NHS. All of us recognise that world class health care requires investment and the Government's continued commitment to the Health Service is demonstrated not least by the recent increase in NHS funding announced in April.

The Budget secured the position of the NHS. After decades of lagging behind our continental neighbours, the NHS is now the fastest growing healthcare system of any major European country.

This stability is offered at a time of change, but a change that is necessary. The NHS cannot be run from Whitehall yet it can – and should – be run by those at the very heart of delivering healthcare. While the Department will continue to set the strategic framework and national standards, the real power and resources will move to the NHS frontline.

Increasing resources, based on the 'something for something' principle, will help the health service implement a sustained programme of expansion. We need to work together to get the staff, the buildings and the equipment that the NHS needs and that patients deserve.

There is still much to be done to ensure that we see a return on this extra investment but it is very encouraging to see that just two years into our ten year reform plan, substantial improvements are being made. Last year saw the biggest

¹ The NHS Plan. Published 2000.

increase in the nursing workforce on record. Waiting times are down and the largest building programme is underway.

Workforce underpins the modernisation agenda. That is why the *HR in the NHS Plan* is both important and timely. The document lays out clearly the significant contribution that human resources management can make to patient care. In addition for the first time, the *HR in the NHS Plan* brings all the workforce initiatives together and explicitly links the benefits to be had by staff and patients alike.

For frontline staff, this document outlines how and why employers should ensure that all staff are offered both a model career and model employment practices. For managers, this document represents a challenge.

The benefits of delivering the principles outlined in this document are plain to see.

A handwritten signature in black ink, reading "Alan Milburn". The signature is written in a cursive, flowing style.

Alan Milburn
Secretary of State for Health

Introduction by Andrew Foster Director of Human Resources

The NHS Plan set out a vision of what the NHS must become over the next ten years, with faster, more accessible services based on patient needs. Delivering this depends crucially on the efforts of the biggest workforce in Europe – the more than one million people employed by the NHS.

The HR in the NHS Plan builds on the *NHS Plan*, setting out a comprehensive strategy for growing and developing the NHS workforce to meet the challenges in the NHS Plan.

Achieving this will depend on the concerted efforts of everyone who works in the NHS, from frontline staff to management and board members to NHS stakeholder organisations. HR professionals have their part to play managing, motivating and developing staff but providing the highest possible standards of care and patient experience is everyone's business.

The strategy includes a number of outline action plans that sketch out the action needed to turn the rhetoric of the strategy into reality. But these outline plans are high level and do not yet have resources attached to them. These will become clearer later in the year and in the Autumn we will publish a further document, “*Delivering the HR in the NHS Plan*,” setting out firm action plans for delivery.

It is clear, however, that although delivering the principles in this document does not just rely on the efforts of HR professionals, they will not be delivered unless the status of HR is raised within the NHS. HR management should be at the forefront of delivering this document – demonstrating “HR with Attitude.”

Many of the features of this strategy are already happening in some NHS organisations. We want to see them happening everywhere, delivering consistently excellent standards in every part of the NHS. I hope that managers and staff alike see this document as setting the direction for what we need to achieve if we are to build an NHS that is a first class employer, offering first class care to patients.

A handwritten signature in black ink, appearing to read 'Andrew Foster', written in a cursive style.

Andrew Foster
Director of Human Resources for the NHS

1

Aims and Objectives

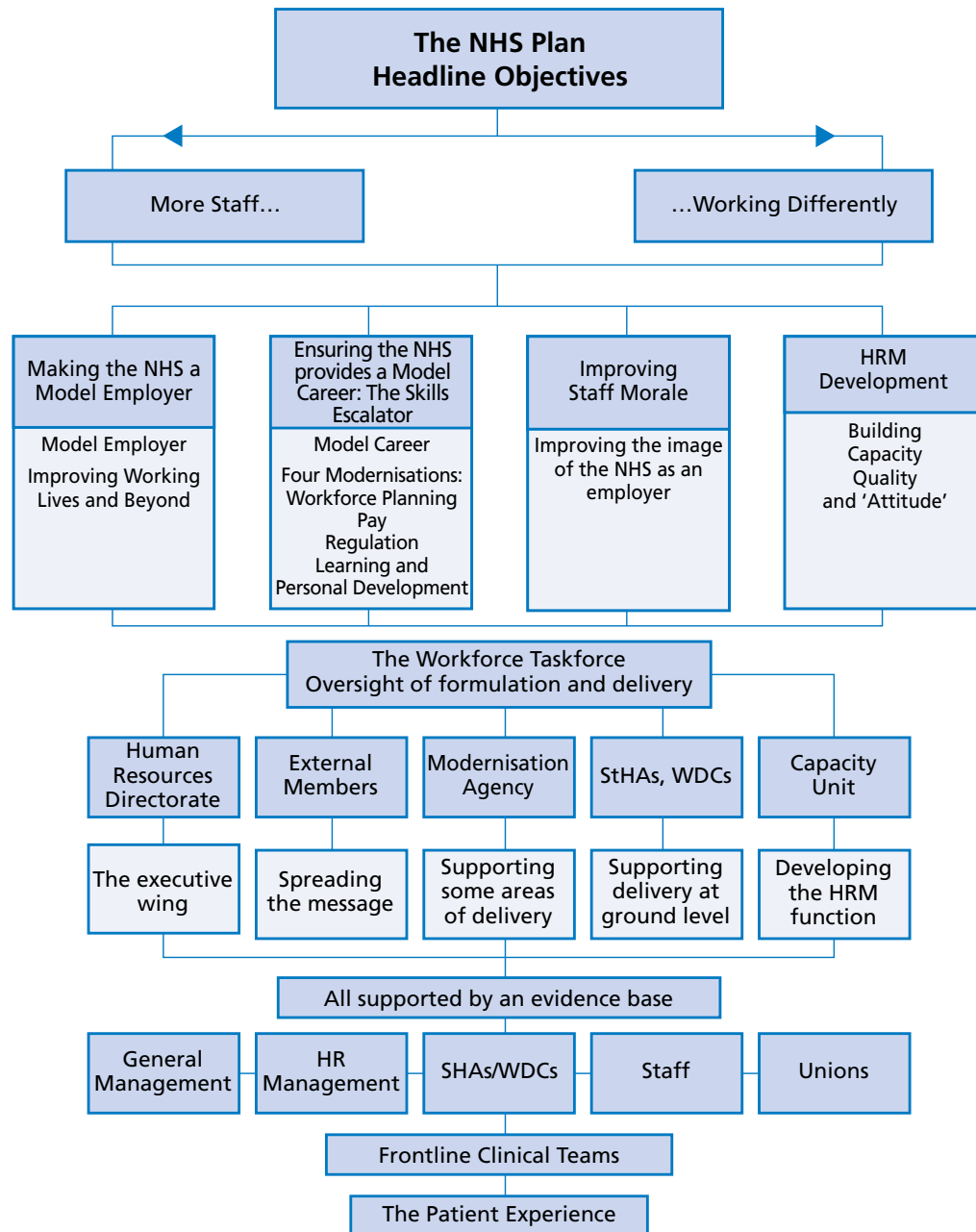
Aims and Objectives

- 1.1 Two overarching and ambitious objectives underpin both the NHS Plan and this strategy: a major expansion in staff numbers and a major redesign of jobs. Both of these objectives are challenging. Unemployment is at its lowest for over a quarter of a century, and many employers, in both the public and private sectors, are recruiting. The NHS' public image has been unfairly mauled in the media, yet we must persuade huge numbers of young people that the NHS does offer a very attractive career. We need to be able to demonstrate that working for the NHS gives staff stimulating and varied careers and that as employers we will treat them well.
- 1.2 Redesigning jobs will be equally challenging. We need to build jobs round patients, rather than round professions and to reduce the '*Procession of Faces*' the patient sees, by creating smaller integrated teams, specialising in their particular patient or disease treatment.
- 1.3 To meet these challenging objectives the *HR in the NHS Plan* is built on four pillars:
 - Making the NHS a *model employer*
 - Ensuring the NHS provides a *model career* through the concept of the *Skills Escalator*
 - Improving *staff morale*
 - Building *people management* skills

- 1.4** The *model employer* must embrace best policies, practices and facilities.
- 1.5** A *model career* is one in which there is an expectation of lifelong learning and development, with opportunities for advancement and progression. The *Skills Escalator* encapsulates this approach. Staff are encouraged and assisted to move up the escalator by renewing and extending their skills and knowledge. At the same time roles and workload are delegated down the escalator, generating efficiencies and skill-mix benefits.
- 1.6** Improving *staff morale* is too often regarded as unnecessary or impossible. Poor morale stems from many factors – for instance, increasing workloads, poor management, fear of litigation and growing patient expectations – but much can be done to understand the causes and take steps to tackle them.
- 1.7** Good human resources management is crucial to delivering cultural change. We intend to develop *people management skills* by building the capacity and skills of the human resources function. The aim is not just to develop human resources knowledge and skills but, as David Ulrich² describes it, to have ‘Human Resources with attitude’, a function with the confidence to insist on people-based solutions to NHS problems.
- 1.8** Finally, the *HR in the NHS Plan* will not succeed unless it connects directly with staff and involves them in its implementation. There must be strong long-term partnership with the unions, regulatory, educational and other staff and professional organisations to reach frontline clinical teams. Promoting learning, leadership and devolved management to small teams is the major factor in organisational effectiveness. We intend this to be the hallmark of the NHS.

² David Ulrich, Professional of Business Administration, University of Michigan

Schematic of the HR in the NHS Plan



2

More Staff – Working Differently

- 2.1** Health and social care has changed radically in recent years with a huge increase in patient numbers and patient expectations. Delivering improved patient access and choice, shorter waiting times, and improved standards of care needs more staff working in different ways.
- 2.2** We have already made considerable progress in delivering this but there is more to be done.

More staff

- 2.3** The NHS Plan set targets for staff increases in key groups by 2004.
- 7,500 more consultants and 2,000 more GPs;
 - 20,000 extra nurses and over 6,500 extra therapists;
 - 5,500 more nurses and midwives trained each year;
 - 4,450 more therapists and other key professional staff trained;
 - 1,000 more medical school places on top of the 1,100 already announced (by 2005);
 - 550 more GP Registrars and 1,000 more specialist registrars.
- 2.4** We are already well on the way to delivering these – indeed we have hit the 20,000 more nurses target two years early. *Delivering the NHS Plan*³ has now set

³ Delivering the NHS Plan. Next steps on investment, next steps on reform. Published 2002.

further ambitious targets for staff increases, that by 2008 the NHS will have at least 15,000 more consultants and GPs, 35,000 more nurses, midwives and health visitors, and 30,000 more therapists and scientists than in 2001.

- 2.5** Delivering these targets will require concerted action both nationally and locally and Workforce Development Confederations have a key role to play. To help with this we need to ensure that the NHS is seen as an attractive place to work. We need to ensure that all our current staff are ambassadors for the NHS. We need to enhance the reputation of the NHS as an employer committed to equality and positive recognition of diversity to attract people from a wide range of backgrounds and communities into, or back into the service. And we need to invest in retaining existing staff. Becoming a model employer with a model career is central to these objectives.
- 2.6** As well as increasing the number of staff we train – and providing more flexible arrangements for training – we will need to continue to recruit staff from overseas, building on our current successful initiatives. It will, of course, be important that we are sensitive to the needs of developing countries and our code of international recruitment practice, published last October, is now internationally recognised as the model approach.⁴
- 2.7** We need to ensure that staff we train move quickly into permanent jobs. We are developing a range of measures to improve the rate at which GP registrars convert to GPs as well as encouraging others to return to practice. And we are working with the NHS and post-graduate deaneries on ways of helping ensure that specialist registrars and others are given the information and support they need to move into consultant jobs.

Working Differently

- 2.8** Increasing the supply of staff working in the NHS through recruitment and retention will not be sufficient on its own to meet the projected demand over the next few years. Meeting the demands of the NHS Plan needs staff to work more flexibly, enhancing patient care and improving productivity.
- 2.9** The foundations for this have already been laid. *Making a Difference*⁵, published in 1999, set out our plans to extend the roles of nurses, midwives and health visitors. Already over 700 new nurse consultant posts have been agreed out of the 1,000 promised by 2004. *Meeting the Challenge*⁶ – the strategy for allied health

⁴ Code of practice for NHS employers involved in the international recruitment of healthcare professionals. Published 2001.

⁵ Making a difference, strengthening the nursing, midwifery and health visiting contributions to health and health care. Published 1999.

⁶ Meeting the challenge a strategy for the allied health professions. Published 2000.

professionals and *Allied Health Professions – Building Careers*⁷ were launched in November 2000. *Making the Change*⁸ – the strategy for the health care science workforce, was published in February 2001. These all stress the importance of using the skills of staff to the maximum extent possible and commit us to appointing 250 new AHP consultants by 2004. In addition a new grade of assistant practitioner, trained to undertake some tasks currently carried out by radiographers, is being piloted within the National Breast Screening Service and therapeutic radiography services. We plan to have 1000 GPs with special interests taking referrals from fellow GPs in areas such as ophthalmology, orthopaedics, dermatology and ENT by 2004.

- 2.10** But modernising jobs goes beyond simply creating new roles. It needs to start from the needs of patients and the public and identify the skills needed to treat and care for them and who has those skills, rather than starting from traditional professions and roles. The Changing Workforce Programme is central to this work. It will provide the initiatives and supporting tools to help NHS organisations develop new roles through skill mix changes, expanding the depth and breadth of jobs, and shaping tasks and skills around particular client needs. The Changing Workforce Programme provides organisations with a ‘whole system’ approach to making these changes. There are currently 13 pilot sites testing job redesign and identifying and overcoming the blocks to successful implementation. The success of the pilots is measured by improved patient care, enhanced work experience and staff retention, reduced vacancies and staff wastage and contribution to the *Skills Escalator* concept. In addition a Toolkit for Local Change has been developed and more than 150 NHS leaders have been trained to use it and the sharing of good practice is being encouraged through the *Workforce Matters* series of themed guides and the *Role Redesign Database*.
- 2.11** Plans are now being made to provide support to NHS trusts in using the Toolkit for Local Change, to set up an accelerated development programme, and for a scheme to help trusts pump-prime a major redesign of work roles within their own organisation, based on lessons learned from the current pilot sites.

7 Allied Health professions, building careers, capturing the contribution of people in the allied health professions. Published 2000.

8 Making the change: a strategy for the professions in healthcare sciences. Published 2001.

Outline Action Agenda

Action	Delivered by	Timescale
1. Continue to support organisations in role redesign to include: <ul style="list-style-type: none"> ● Toolkit for Local Change ● Publications of series of Workforce Matters themed guides ● Publish learning tools from Phase 1 	CWP	Ongoing Ongoing By March 2003 September 2002
2. Seek advice on role re-design from CWP	NHS Organisations	Ongoing

3

Making the NHS a Model Employer

- 3.1** The NHS needs to be a model employer not just because it is good for staff but because it is good for patients. A recent major UK study showed that fewer patients die where there are good human resources practices.⁹ Prime factors in lowering the levels were high-level and extensive appraisal, sophisticated training and a high percentage of working in small teams. A Canadian¹⁰ study found similar links.
- 3.2** We already have the excellent *Improving Working Lives* initiative, but making the NHS a model employer requires much more. It should offer better working conditions, model employment practices, the ability to balance life in and outside work, job security, lifelong learning, fair pay, staff involvement and good communications.
- 3.3** But above all a model employer is characterised by its management style. This needs to be facilitative and involving, not hierarchical and controlling, seeking to help each individual to make the most of themselves through coaching, mentoring, development and devolving authority to small, integrated teams. Staff should be involved in decisions affecting them and the care they provide. Managers need to accept that staff involvement is a long-term objective relying on staff commitment and a management partnership with their representatives.
- 3.4** Leaders and leadership are at the heart of making all parts of the NHS model employers – not just leaders at the top of NHS organisations but leaders at all levels and in all professions. Delivering the changes needed to transform the

⁹ A Matter of life and death, People Management. Borill and West 2001.

¹⁰ Laschinger and Sabiston, 2001.

workforce and through them the way the NHS provides care will require leadership which involves, consults and develops partnerships and a culture that encourages challenge and debate to secure radical improvements in service delivery.

- 3.5** Development programmes for all staff, nationally and locally, will need to support these changes and to reinforce the importance of good HR management practice to the achievement of organisational goals. The work of the NHS Leadership Centre will be particularly important here.

The Vision

- 3.6** Our vision is one in which the NHS is seen as ‘the’ place to work, where staff feel valued and invested in, whatever their background or role. Younger workers should be able to realise their full potential with supportive career development programmes and the experience of older staff will be respected and utilised while allowing them to prepare for retirement. The NHS provides not just employability for life but for future generations too. It is a vision in which achieving model employer status would symbolise the organisation’s success as strongly as the three star performance rating does.
- 3.7** But the NHS will only become a model employer if this strategy is built into decision-making and business planning processes at all levels – nationally, when workforce policies are developed and locally, where model employer status should be seen as central to all that an NHS organisation does rather than just another competing priority. It is the responsibility of the whole management team to make their organisation a model employer.

Where we are now

- 3.8** We have already made a start in delivering this vision.
- 3.9** The Improving Working Lives Standard (IWL) is a commitment by NHS employers to create well-managed, flexible working environments which support staff, promote their welfare and development, and respect the need for a balance between work and their home life. All acute trusts and most other NHS organisations have achieved *Pledge* status and are working towards accreditation to *Practice* status.
- 3.10** *Positively Diverse* is a programme to help organisations build and manage a diverse workforce. A national network of regional ‘lead sites’ is developing and sharing practical ways of managing diversity in the NHS for the benefits of staff and patients.

- 3.11** The *NHS Childcare* strategy provides good quality, affordable and accessible childcare for staff. More than £70million is being spent in the next three years on 150 on-site nurseries with 6,500 places each subsidised by an average of £30 weekly. They will offer extended hours, bank holiday and weekend cover and emergency places. Up to £100million will also be spent annually on providing before and after-school clubs, holiday play schemes and other childcare, and all trusts will have access to a childcare co-ordinator by April 2003.
- 3.12** *NHS Professionals* is providing temporary staff to ensure the efficient and effective management of temporary healthcare professions to deliver clinical services. The NHS has a target to implement NHS Professionals for all healthcare professions by April 2003. Together with improvements in recruitment and retention, this will reduce our dependence on temporary staffing.
- 3.13** The *Flexible Careers Scheme* is a centrally funded scheme that allows doctors to take a break from full-time working whilst retaining their clinical skills. A new survey of junior doctors found that 57% of those who replied regarded work-life balance as the most important work value. Three-quarters of the women and 29% of the men either planned or were considering working part-time at some stage.¹¹
- 3.14** Various *Flexible Retirement* options exist for NHS staff approaching retirement age who may not want to give up work completely. These options allow staff to continue to make a valuable contribution to the NHS up to and beyond retirement, whilst not reducing their pension entitlements.
- 3.15** The NHS framework for Lifelong Learning '*Working Together, Learning Together*'¹² sets the action agenda for ensuring the NHS becomes a model environment for learning and personal development.
- 3.16** Since the publication of the report of the *NHS Taskforce on Staff Involvement*¹³, we have been working with NHS employers, staff representatives and other agencies to help to introduce staff involvement and partnership working. But there is still work to do to translate good intentions about staff involvement and partnership working into real changes in behaviour and practice at a local level. Some employers still report the difficulty of getting the issue onto Boards' agendas and into mainstream management practices. Many PCTs – in effect green field sites in terms of industrial and union relations – show a real enthusiasm to work in a partnership manner but have difficulty in getting projects off the ground.

11 Improving Working Lives for Doctors Toolkit.

12 Working together, learning together, a framework for lifelong learning in the NHS. Published 2001.

13 Report of the NHS Taskforce on Staff Involvement. Published 1999.

Next Steps

- 3.17** We must ensure the achievements of IWL and the other key NHS workforce policies are spread right across the NHS and apply equally to all staff groups. This is the aim of IWL Practice Plus status, which will provide the foundation for NHS organisations to become model employers.
- 3.18** The IWL accreditation system, which has been developed with the NHS, is currently being implemented through Workforce Development Confederations (WDCs). This will be expanded to include a package of model employment policies and practices, models of staff involvement and partnership working with staff-side bodies, strategies for staff communications and personal development, and model practices of good management supported by training. It will incorporate national policy and standards, but will also be locally sensitive to recognise the different types of NHS organisations and varying local needs.
- 3.19** We need to ensure that all employers and staff build on the opportunities that the Shifting the Balance of Power¹⁴ agenda gives to develop an involving culture. To help with this we shall be taking action to include staff involvement measures in mainstream performance management.

¹⁴ Shifting the Balance of power within the NHS, securing delivery. Published 2001.

Outline Action Agenda

Action	Delivered by	Timescale
Publication of a Toolkit to help the introduction of staff involvement	DH	Autumn 2002
Inclusion of staff involvement criteria included in Controls Assurance assessment	DH	Autumn 2002
Inclusion of staff involvement issues in national development programmes such as CEs, MTS and HR.	HRD, Modernisation Agency	Autumn 2002
Development of performance assessment measures	DH	Autumn 2002
Development of staff involvement awareness raising programmes for non-executive directors	DH, NHS Confederation, Modernisation Agency	Dec 2002
Review activities and programmes to ensure that they reflect the principles and aims of this document as well as directly support its implementation	NHS Leadership Centre	Ongoing

4

The Skills Escalator

- 4.1** *The Skills Escalator* underpins our approach to developing exciting and innovative careers in the NHS.

The Vision

- 4.2** Our vision is of a modernised NHS in which staff have a range of options for developing and extending their careers, supported by high-quality learning and development opportunities. *The Skills Escalator* is at the heart of this. It provides a dynamic approach to supporting career potential and development. Staff are encouraged through lifelong learning to renew and extend their skills and knowledge so they can move up the escalator. At the same time roles and workload pass down where appropriate, giving greater job satisfaction, and generating efficiency gains.
- 4.3** The skills escalator provides benefits for employers, staff and communities alike. For staff, it provides opportunities to develop their careers at any point in their working lives. Age, background or qualifications will not hinder those with the potential and will to progress. By stimulating people with new challenges we hope to produce more dynamic career pathways, reducing the potential of stagnation occurring at any level of the career ladder. Staff will be better placed to take advantage of job openings that occur because of staff turnover and new or increased demand for a service.
- 4.4** Employers benefit from a structured programme of skills development and acquisition that supports the recruitment and retention of staff, developing them to fill posts traditionally hard to cover. They can also ensure that work is done by people with the most appropriate levels of skills and knowledge.

4.5 Individuals and communities also benefit. The socially excluded, older people and unemployed people can find work, and existing staff can develop and enhance their skills to take on new and more challenging careers. There is a dual benefit of increasing the NHS workforce and its diversity, while helping groups with poorer health, to break the vicious circle linking poverty, ill health and unemployment. Huge opportunities exist to expand this further, working with local government and major local employers.

Where we are now

4.6 We are already putting in place some of the changes needed to support the skills escalator. New access or re-entry routes to professional careers such as cadet schemes and role conversion are being introduced alongside traditional entry paths to attract people from other careers, from local communities and sections of the population which have been under-represented in the NHS workforce.

4.7 Under *Agenda for Change*¹⁵, our plans for pay modernisation, employers will be able to fit new jobs into a national framework using a new NHS job evaluation scheme. This will make it easier for employers to introduce new roles and help prevent artificial career ceilings, while maintaining a fair and consistent relationship between pay and job weight. Where staff take on significant new roles and responsibilities they should be rewarded for doing so. There will also be a common language for describing the knowledge and skills required for NHS jobs. A 'career map' is being developed, identifying different skill levels across the range of NHS careers.

Next steps

4.8 Reaping the benefits from the Skills Escalator requires an integrated approach to modernising pay, learning and development, regulation and workforce planning, and more detail on work in these areas is set out in the following sections.

Outline Action Agenda

Action	Delivered by	Timescale
The Skills Escalator concept will be further developed as a strategy, we will test elements of the strategy and publish and promote good practice	DH, OGDs, NHSU, WDCs, NHS Employers, Trades Unions and professional organisations	Existing good practice published by Sept 2002 Further development and evaluation by mid 2003

¹⁵ Agenda for Change. Modernising the NHS Pay System. Published 1999.

5

Pay Modernisation

Introduction

- 5.1** Pay modernisation will be critical to expanding the NHS workforce and re-designing care around the needs of patients. The current pay system has hundreds of separate pay scales and grades that group staff in ways that are increasingly irrelevant to the way the NHS works. It imposes artificial career ceilings and frustrates changes to ways of working.
- 5.2** The new pay system, known as Agenda for Change, is due to be introduced for most NHS staff over the next two years. Pay modernisation also covers complementary reforms to the consultant contract and to the General Medical Services arrangements. (The final details of pay reform will depend on the final outcomes of negotiations, and the changes described in this section – particularly for Agenda for Change – currently have the status of Government proposals.)
- 5.3** These reforms will create a fair pay system that is consistent with the model employment practices and policies described earlier. They will be critical in improving recruitment and retention and encouraging new working practices. Pay reform will underpin the Skills Escalator, facilitating new types of skill mix and providing stronger incentives for staff to acquire new knowledge and skills. It will combine strong national standards to ensure consistency with increased flexibility for local employers.

Agenda for Change

- 5.4** The Agenda for Change proposals have been developed in partnership between the UK Health Departments, staff side organisations and NHS employer representatives. Agenda for Change will mean a much simpler pay system, based

on the principles of equal pay for work of equal value. The new system will provide a more transparent link between job requirements and pay and will properly reward staff who develop into new roles. The majority of staff will gain access to higher pay. There will be comparable reforms to pay and contractual arrangements for the most senior NHS managers.

- 5.5** The myriad of current pay scales will be replaced by a fairly small number of common pay bands. Jobs will be matched to pay bands using a new job evaluation system to ensure fair pay. Leads and allowances will be consolidated into basic pay. There will be a new system of premia to address local labour market pressures and support concerted action to tackle recruitment and retention across wider health economies.
- 5.6** There will be a radical overhaul of pay negotiating machinery. The eleven Whitley Councils will be replaced with a single NHS Staff Council and a single Pay Negotiating Council for staff outside the Review Body remit. The remit of the Nurses and Allied Health Professions pay review body will be extended to include additional healthcare professionals and associated support staff. Changes will be agreed with the Review Bodies to provide added reassurance that their recommendations meet equal pay criteria.
- 5.7** There will be a harmonisation of core national terms and conditions, such as hours and annual leave, with local flexibility in other areas. There will be a new approach to recognising work during unsocial hours and flexible shift patterns.
- 5.8** A *Knowledge and Skills Framework* will help managers and staff identify the core knowledge and skills required for each stage of a career, with annual reviews to assess training and development needs.

New contracts for consultants and GPs

- 5.9** The new *consultant contract*, set out in the Framework agreed by the British Medical Association (BMA) and the UK Health Departments, is designed to support a fundamental shift towards a more consultant-delivered service. This will help improve quality of care.
- 5.10** The new contract, which will be introduced from 1 April 2003, will offer consultants higher career earnings with a more transparent link between those who contribute the most to the NHS and those who receive the greatest rewards. Progression through the new pay scale will be linked to meeting commitments and objectives agreed as part of job plans. This will complement the new clinical excellence award scheme, which will replace discretionary points and distinction awards.

- 5.11** The new contract will also introduce a more structured system of job planning, with greater clarity and accountability in how consultants' time for the NHS is used. There will be a more robust framework for recognising on-call duties and out-of-hours work. There will be a new set of contractual rules governing the relationship between private practice and NHS work and special provisions to ensure that newly appointed consultants establish a full commitment to the NHS.
- 5.12** In order to promote stability during implementation of the new contract, the UK Health Departments and the BMA have agreed to make a joint recommendation to the Doctors and Dentists Review Body that the general pay award for consultants should be 10% over three years from 2003/2004 to 2005/2006, with equal increases of 3.225% in each of these years. This 10% 3 year pay deal will also be offered to other staff in the NHS.
- 5.13** All UK Health Ministers are signed up to the principles of the framework document negotiated between the NHS Confederation and the GP Committee of BMA. The framework is designed to allow GPs to do their job effectively, tackle the concerns they have about working conditions, deliver a positive future for primary care and, most importantly, result in a better deal for patients.
- 5.14** Under the framework proposals GPs are being offered a number of improvements. A greater range of flexible and family-friendly employment options will exist. GPs will be able to vary their workload according to the income to which they aspire, and there will be a new ability to seek to opt out of 24 hour, 365 days a year responsibility. GPs will be provided with a recognised career pathway involving skills development, special interest development and clinical leadership. They will be incentivised and rewarded for improving the quality of care they provide for their patients through a graded system of quality payments and they will receive additional rewards for providing an expanded range of services.
- 5.15** The framework also provides, through additional investment, the prospect of an increase in the profitability of general practice and new additional personal earning opportunities for GPs. The GP committee is expected to make the results of the GP ballot public in the summer of 2002.

Benefits for NHS patients

- 5.16** Patients will benefit from pay reform in several ways.
- 5.17** Pay reform will help design new ways of delivering care. If, for instance, a service could be delivered better by creating a job that combines nursing and therapy roles, the employer can define this job and determine its pay without having to negotiate a new grade. Pay modernisation will help break down artificial boundaries between different occupational groups and enhance team-working.

- 5.18** The new pay systems will also help promote higher quality care. The Knowledge and Skills Framework will help staff develop new skills. The new consultant contract will support the move towards more hands-on consultant care. Greater scope to arrange consultant-delivered emergency care during evenings will improve the quality of emergency care.
- 5.19** Pay modernisation will also help provide more services at evenings and weekends, where this meets patients' needs and preferences, for instance evening clinics or operating lists.

Benefits for NHS employers

- 5.20** Pay modernisation should significantly increase recruitment, retention and motivation of staff, through higher inclusive salaries, better career and development opportunities, and a better system for tackling labour market pressures.
- 5.21** The new pay system will, in conjunction with the Skills Escalator, improve skill mix and enhance cost efficiency.
- 5.22** Pay modernisation will mean less processing time for payroll staff and largely eliminate the need for monthly time sheets, freeing up time for clinical work. It will also greatly reduce the risk of successful equal pay claims.

The next steps

- 5.23** Pay reform will remove many traditional barriers to service modernisation, but it will only achieve its full benefits if it is implemented in a way that links to the wider changes described in this document.
- 5.24** To ensure successful implementation of Agenda for Change, there will be an initial testing phase in 'early implementer' sites. The system will be monitored and evaluated to test whether it is beginning to release the expected benefits for staff, patients and employers without unexpected consequences for costs or capacity. The Modernisation Agency will oversee a comprehensive programme of training and development. It will also establish teams of facilitators to spread best practice and help prepare the rest of the NHS for implementation, working closely with local *Strategic HR Intelligence Networks (SHRINE)*. The testing and implementation process will be conducted jointly with staff side representatives.
- 5.25** There will be similarly robust arrangements to help achieve the maximum benefits from the new consultant contract and the new General Medical Services contract.

5.26 It is critically important to build capacity across the service to implement pay reform and re-design services effectively, with carefully managed programmes of communications, training, IT support and organisational development. Employers must work effectively together across local health economies to devise appropriate pay solutions to recruitment and retention pressures; and the need to address in more detail the implications for partnership arrangements involving NHS and social care.

Outline Action Agenda

Action	Delivered by	Timescale
Complete negotiations on new pay systems	Health Departments, staff side organisations, NHS Confederation	Summer 2002
Consultation	Staff side organisations	Autumn/ Winter 2002
Prepare national implementation programmes	Modernisation Agency	Autumn 2002
Begin local implementation planning	NHS employers and commissioners, GP practices, local staff side organisations, Workforce Development Confederations, Strategic Health Authorities	Autumn 2002
Establish Agenda for Change 'early implementer' sites	Modernisation Agency	By end of 2002
Begin implementation of new consultant contract and GMS contract	NHS employers and commissioners, GP practices	2003
Begin national implementation of Agenda for Change	NHS employers	2004

These timescales will depend on progress in completing negotiations and are therefore provisional at this stage.

6

Modernising Learning and Personal Development

6.1 Opportunities for staff to learn and develop their skills throughout their working lives are critical to delivering the changes we need to see in the ways in which staff work together and for patients. Our plans were set out in detail last November in *Working Together-Learning Together* – A framework for lifelong learning in the NHS. The key elements of our approach include:

- the development and application of the *Skills Escalator*,
- strengthening health and education sector partnerships, and
- the commitment to establish the proposed *NHS University (NHSU)* by 2003.

6.2 Delivering this means we need to re-design established education and training programmes to ensure more flexible and accessible learning, transferable skills and career pathways; develop the NHSU so that it reaches out to as many staff as possible; and commission learning programmes which reflect new role developments, support patient focussed care and service change. To do this we need to ensure that every NHS organisation has in place:

- a robust learning and development strategy capable of being regularly evaluated and monitored;
- local champions and locally agreed arrangements with staff and trade union representatives for ‘protected time’ to learn; and
- arrangements for learning to be increasingly accessible in the workplace

6.3 The principles of modernising learning apply to all, from individuals considering working in the NHS through to those who have worked in the NHS for many years. We now need to take these proposals forward and turn the principles into reality.

Future and existing employees

6.4 A systematic commitment to future employees, offering high-quality career counselling and careers information is an important element in attracting people to work in the NHS from more diverse backgrounds and to promoting the skills escalator strategy from the earliest stages. ‘Taster’ or employment orientation experiences should be offered to the unemployed or people unsure of their career options, leading to starter jobs linked to structured and flexible learning and skills development. All new employees should have a robust corporate induction programme covering core skills and knowledge.

6.5 All staff must have wide-ranging opportunities to enable them continually to update their skills. In order to unlock talent and realise the benefits of the *Skills Escalator*, Workforce Development Confederations will work with employers and other partners such as the NHSU, the Sector Skills Council for Health and Learning and Skills Councils to ensure that our commitments about access to literacy, numeracy and language skills development, vocational qualifications, post graduate education and management and leadership development are taken forward. All learning programmes should increasingly take innovative forms to cater for diverse learning needs and styles.

6.6 Additional investment is already benefiting many thousands of staff without professional qualifications through access to *NHS Learning Accounts* and *National Vocational Qualifications*. The development of *National Occupational Standards* is central to this. They play an important part in defining new roles and skills emerging from the Changing Workforce Programme, the public health workforce agenda and *National Service Frameworks*. There are also critical links between these and other relevant standards and the *Knowledge and Skills Framework* to support pay modernisation.

Students and professionals in training

- 6.7** Programmes for those in training or professional education are increasingly reflecting the changes set in train through strategies for nursing and midwifery, allied health professions and healthcare scientists. Key features include new access routes through cadet schemes and NVQs, more flexible curricula, opportunities to step off and back on to programmes, more inter-professional learning and more emphasis on accrediting prior and experiential learning. New avenues into medical education are being developed alongside increases in medical school places. We are developing proposals for more systematic training and development opportunities for senior house officers and Postgraduate Deans are exploring opportunities for junior doctors in training to learn with other professions. In addition we are working with colleagues in higher education to ensure that through more sensitive recruitment, selection and curriculum development approaches, the NHS secures a future health professional workforce reflecting the diversity of the community it serves. And we are putting in place a core curriculum for communication with patients, families and carers.
- 6.8** Increasingly we need to see students from different professions learning together and we are funding four leading edge Higher Education Institution/Workforce Development Confederation partnership sites to take forward and share learning arising from radical developments in inter-professional pre-registration education. We are also developing an inter-professional framework for post-registration education and CPD through collaborative work with higher education, employers, Postgraduate Deans, Workforce Development Confederations, regulatory and professional bodies.

NHSU

- 6.9** The NHSU will work with and through its partners to ensure learning and development translates directly into benefits for patients as well as for staff and organisations. Its role will be to support lifelong learning and the skills escalator strategy through tackling variations in access to learning and quality, through the delivery of modern and blended forms of learning including e-learning with face to face support, and through a more corporate and co-ordinated approach to learning provision. Part of its early portfolio of learning programmes will be a corporate approach to induction. There will be opportunities for staff to shape the future NHSU agenda and learning portfolio through conference events and roadshows.

- 6.10** We are also working with the health, social and education sectors to develop *Health and Education Sector Partnerships (HESPs)*, which will support the establishment of national and local agreements on workforce objectives across health care, public health, learning and research. We will issue an enabling framework to support the local development of HESPs. At the same time, we are reviewing national advisory mechanisms which will need to reflect the multi-disciplinary and whole workforce agenda set out in *Working Together – Learning Together* and delivery of the NHS Plan.
- 6.11** In summary, investment in, and modernisation of, learning and development will ensure care is provided by competent and skilled professionals and support practitioners – working effectively together, placing patients at the centre of care plans and delivery. Public and patient safety and protection will be enhanced through staff whose skills are updated, refreshed and extended in line with changes and advances in knowledge.
- 6.12** For staff, lifelong learning which is valued and recognised will be highly motivating, increase job satisfaction and career opportunities through the skills escalator strategy. Staff will see their employer's commitment to investing in them and through systematic appraisal and personal development plans, they will know what is possible for them.

Outline Action Agenda

Action	Delivered by	Timescale
Achieve the actions set out in <i>Working Together – Learning Together</i> , pages 59 – 64	DH, Workforce Development Confederations, NHSU, Sector Skills Council for Health (SSC) and employers, working in partnership with regulatory and professional bodies, education providers and individuals	2002 through 2005
An enabling framework for new <i>Health and Education Sector Partnerships</i> will be published, and working arrangements will be evaluated	DH, DfES, StHAs, WDCs, education providers, SSCs, LSCs	during 2003 by 2005/6
Establish the NHSU	DH, WDCs, education providers, NHS employers, trades unions, regulatory, professional and statutory bodies	By summer 2003
Modernisation of pre-registration education will be evaluated	DH	By 2005/6
The Department will work collaboratively to promote coherent credit and competency frameworks which support access to qualifications; new role developments, work-based learning; post-registration education and CPD; and the <i>Skills Escalator</i>	DH, NHSU, WDCs, Postgraduate Deans, Regulatory and professional bodies, trades unions and professional organisations, UUK, HEFCE, SSC, LSC	By 2005/6

7

Modernisation of Professional Regulation

- 7.1** Protecting patients is at the heart of professional regulation. Our comprehensive programme for modernising the current arrangements, together with the NHS' own quality assurance arrangements and effective employer checks and support for staff development, aims to assure patients and the public that the staff treating them are fully qualified and skilled for the work they do. Our reform programme is based on ensuring regulatory bodies are more accountable, open and transparent, responsive to change and operate with greater consistency of approach and with better integration between them.
- 7.2** Professional regulation covers education, registration, training, and continuing professional development and revalidation. It also includes setting standards for entry into the profession, and determining people's fitness to practise. It needs to be flexible to assist new job design and to support the new roles which are being developed in the NHS; help movement up the *Skills Escalator* by recognising training avenues for different staff groups; and break down traditional hierarchies.

Where we are now

- 7.3** Self-regulation has been a cornerstone of the NHS since its inception, yet recent events such as the Bristol Inquiry and the Alder Hey scandal have highlighted the need for effective systems. The Government is committed to self-regulation, but a system strengthened by modernisation of its practices and reform of its statutory basis. Its objectives were set out in *Supporting Doctors, Protecting Patients*¹⁶ in November 1999. They include clarity of standards, maintaining public confidence, transparency in tackling fitness to practice, and responsiveness to and protection

¹⁶ Supporting Doctors, protecting patients, a consultation paper on preventing, recognising and dealing with poor clinical performance of doctors in the NHS in England 1999 Publication.

of patients. The NHS Plan built on this by setting out clearly the need for the regulatory bodies to change so that they:

- are smaller, with much greater public and patient representation
- have faster, more transparent procedures
- develop meaningful accountability to the public and the health service.

7.4 It also proposed a new Council to co-ordinate approaches across the various bodies.

7.5 A new *Council for the Regulation of Healthcare Professionals* is being established. Bringing together a patient and NHS majority with people from the existing regulatory bodies, it will help the regulators to build a common framework which explicitly puts patients first, allows for robust public scrutiny and promotes consistency between different professions.

7.6 *The NHS Plan* also supported the extension of statutory self-regulation to support workers who increasingly have significant day-to-day contact with patients. Some healthcare scientists and other unregulated professionals are working towards that. However it might prove expensive and unnecessary for all staff. Instead a range of systems, some operated by employers, designed around roles and responsibilities and the training and skills needed in a patient-centred NHS are being considered.

7.7 The new *Health Professions Council* will help to extend professional regulation. It will be able to take on new groups of staff who are currently not subject to statutory regulation. Other regulatory bodies, such as the *General Dental Council*, may also take on new groups. These will bring into registration new staff titles, reflecting new training and qualifications and new sets of competencies.

7.8 Regulation must cover newly-emerging hybrid roles. The regulatory bodies will all need to recognise that their existing registrants' professional roles will be changing, so that they take on roles demanding competence in areas where standards have been set by another regulatory body. The regulatory bodies will therefore need to co-operate with each other so that the same standards can be applied to the same functions carried out by staff regulated by different bodies.

7.9 The Health Professions Council and the new *Nursing and Midwifery Council* have a statutory duty to co-operate with other regulatory bodies and with education providers and employers of healthcare professionals. This helps greatly in setting cross-professional common standards of competence. Established in April 2002, they are significantly smaller than their predecessors, and have flexibility to

streamline current procedures. The statutory duty to co-operate is a model we expect to follow when legislating about the other regulators in future.

- 7.10** *The National Patient Safety Agency* is implementing changes which will protect patients and support staff by minimising the possibilities for human error. For instance, clearer labeling of drugs can help reduce dispensing errors and over-dosage, and tightening the procedures can minimise risk of mistakes surrounding spinal injections.
- 7.11** *The National Clinical Assessment Authority* is now in place providing a support service to NHS health authorities and primary care, hospital and community trusts, the Prison Health Service and the Defence Medical Services when they are faced with concerns over the performance of an individual doctor. In order to help doctors in difficulty, the NCAA provides advice, takes referrals and carries out targeted assessments where necessary. Once an objective assessment has been carried out, the NCAA will advise trusts or health authorities on the appropriate course of action. The NCAA complements the work of regulatory bodies and seeks to promote and support local systems for resolution of concerns about a doctor's performance.
- 7.12** The Government has published proposals for the reform of the *General Medical Council* which include an overhaul of the fitness to practise processes; and the introduction of revalidation for doctors.
- 7.13** It is also publishing plans for compulsory continuing professional development in dentistry and for bringing complementary workers in dentistry into formal regulation. *The General Dental Council* will be smaller and have a higher lay membership.
- 7.14** Proposals are being developed for mandatory continuing professional development for opticians and for the modernisation of performance review and fitness to practise.
- 7.15** Reform of pharmacists' fitness to practise (and possibly the introduction of revalidation) is also being considered.

8

Modernising Workforce Planning

- 8.1** *The NHS Plan* vision of a modern and dependable health service requires us to make the best use of all staff and their skills. Achieving this needs a fully-integrated system of workforce planning and development which is simple and transparent, with clear lines of accountability, full involvement of all key players and communication of objectives, feedback and achievement, to and from the service.
- 8.2** We have put in place new workforce planning structures and funding arrangements both nationally and locally, following the recommendations in *A Health Service of all the Talents*¹⁷.
- 8.3** The new arrangements bring together:
- bottom-up planning from stakeholders represented in the *Workforce Development Confederations* and their partner *Postgraduate Deaneries*,
 - top-down planning from the *National Workforce Development Board*, and the *Workforce Numbers Advisory Board* and
 - patient pathway planning across the whole service by *Care Group Workforce Teams*.

¹⁷ A health service of all the talents developing the NHS Workforce Consultation document on the review of workforce planning. Published April 2000.

- 8.4** Locally *Workforce Development Confederations* are the key bodies for workforce planning. They bring together NHS and non-NHS employers to plan and develop the workforce, working to increase numbers, improving training and education and ways of working, and ensuring the retention of staff by enhancing working life. There is widespread support within the NHS, and beyond, for these inclusive organisations.
- 8.5** The *National Workforce Development Board*, in close association with the *Workforce Taskforce*, provides a national forum for stakeholders to provide a strategic oversight of the workforce strategy required to deliver the NHS Plan. It takes advice from experts on the *Workforce Numbers Advisory Board* on the numbers of undergraduate and postgraduate training commissions for all staff groups, and from the seven *Care Group Workforce Teams*.
- 8.6** *Care Group Workforce Teams* take a national view of the workforce issues in their care areas, looking across all staff groups and all sectors. They will explore and identify different ways of training, educating and deploying staff to deliver improvements in services, and to the working lives of the healthcare teams. In doing this they will work closely with the *Workforce Development Confederations*. Each Care Group will have a lead Confederation and Postgraduate Dean, to provide a conduit for communication on workforce development for their respective services, and to support the work of the CGWT. This could include supporting the implementation of NSFs; reviewing the workforce pressures and priorities within the service in the local community, and collating this information from other WDCs; helping to disseminate information about good practice, helping in the selection of pilot sites or research projects and providing intelligence about impending problems or issues which the CGWT should consider.
- 8.7** These planning arrangements are supported by integrated funding arrangements. The Multi-Profession Education and Training budget (MPET) was created in 2001 from three previously separate budgets. It is currently being reviewed to ensure that it is used most effectively to support education and training for all NHS staff.
- 8.8** We are looking at the long-term future of the health and social care workforces and working out different service models and the options for workforce development. Three quantitative models are being developed: a whole-systems model of patient flows, one which maps projected activity onto workforce demand, and a supply model showing the available workforce under a number of options.

9

Pillar Three – Improving Staff Morale

- 9.1** Almost all staff in the NHS work very hard and many work well beyond the call of duty. But the media often present a picture of low morale and extensive failures. Of course there are some things in the NHS that need improvement, but they should not detract from the very many good things which happen daily.
- 9.2** However staff and the public are influenced by the media, and it would be wrong to regard morale as purely an issue of perception. Society has changed and with it the public's and patients' expectations of the health service and its staff. For instance, while the increased rights of patients is a welcome feature of NHS modernisation, the fear of litigation can hit morale. Equally staff can feel pressured by increased workload.
- 9.3** Research has shown that staff attitudes to their work have a direct effect on patient care. In the US, hospitals with progressive human resource practices are awarded *Magnet*¹⁸ status. Those practices have led to better patient care through increased staff numbers, lower turnover and higher staff satisfaction. Nurses stay at these hospitals for around nine years compared to an industry average of 3.5 years and they enjoy their jobs more. Crucially though, the studies also found better clinical outcomes. For example, pressure sores were reduced, stays were shorter and they enjoyed reduced post-operative mortality rates.

¹⁸ A report into Magnet organisations. Prof James Buchan, Queen Margaret University College, Edinburgh.

- 9.4** Research for the DH by Loughborough University¹⁹ found that confidence in the NHS as an employer was affected by staff shortages which meant that they had insufficient time with patients and had to cut corners.
- 9.5** Morale is a complex issue involving things such as professional status, pay and working practices and management style. Much has already been done to address those through the Improving Working Lives programme, changes to the pay system, action to reduce injuries and violence at work and policies to tackle harassment and promote equal opportunities. Increasing staff numbers will also ease workload. It might take time for the improvements to be felt, but just two years into the NHS Plan's ten year programme the trends are encouraging.
- 9.6** Staff need to be consulted about low morale, nationally and locally to understand its causes and develop plans to address them. Staff also need to feel that they matter as much as patients. There are lessons to be learnt from the independent sector – both in the healthcare arena and outside. A recent study by the UKCC into staffing morale and conditions in the independent healthcare sector, for instance, found high levels of employee satisfaction and morale.
- 9.7** The negative and often unhelpful portrayal of the NHS and of its staff by the national media can and does have a detrimental effect on the morale of NHS staff. Often local reporting is more encouraging and reflects positively where progress is being made or where standards are being improved.

Next Steps

- 9.8** All of the measures outlined in this document will contribute to improving the morale of staff in the NHS. The increase in staff numbers will help to reduce the workloads of individual staff – a common cause of stress – as will making the best and most flexible use of staff. Making the NHS a model employer and building on the IWL initiatives will have a positive impact on staff as they experience the effects of a fairer system of pay, more involvement in decisions that affect them and service delivery, better communications and management practices, improved access to education and development, and different ways of working.

¹⁹ Looking Good? The Attractiveness of the NHS as an employer to potential nursing and allied health professional staff. Loughborough University November 2001.

9.9 But we also need to work with NHS organisations, professional and staff organisations and individual staff to express publicly all that is good about the NHS and to spread a sense of optimism about the improvements and the investment that are spreading throughout the service. While we need to recognise that there will be genuine differences of view on some issues – for instance on pay – we need also to recognise and build on areas where we and staff side organisations share a common goal – for instance wanting to attract more people into attractive careers in the NHS. We want to engage with stakeholders to build a positive image of the service – not one that glosses over the real difficulties of delivering a complex, high profile service but one that acknowledges the realities as well as celebrating the successes.

Outline Action Agenda

Action	Delivered by	Timescale
Commission research into how the NHS can learn from other employers about model employment practices and morale	DH	Research commissioned Summer 2002 Research to report Winter 2002
Consider implications of moving to longer term pay deals	Workforce Taskforce in the first instance	Winter 2002/03
Develop national communications strategy to present more positive image of NHS	DH	Spring 2003
Consider support to local communications systems to encourage more positive local reporting	DH, Employers, WDCs	Spring 2003

10

Building People Management Skills

- 10.1** There is still some scepticism about the value of Human Resources management in spite of around 30 studies in the UK and US mainly in the private sector which show its benefits. And some people have questioned whether the benefits from Human Resources management in businesses can be meaningfully translated into the NHS. But evidence such as the US Magnet Hospitals mentioned earlier has shown good Human Resources practices lead to better outcomes, clinically and for staff.
- 10.2** Professor James Buchan of Queen Margaret University College, Edinburgh and a member of the National Workforce Taskforce reviewed Magnet organisations and HRM in healthcare for us. He concluded that “the message from the key research on Human Resources management and organisational performance is that the evidence base, although relatively ‘young’ and limited, does provide general support that good practice Human Resources management (defined and measured by different sets of indicators in different studies) can make a positive difference to the performance of the organisation”.
- 10.3** An Aston University study²⁰ also linked appraisal and small-team -working with a reduction in post-operative death rates and the Chartered Institute of Personnel and Development has established a clear link between people management and business performance. It concluded that “The relationship is positive, and that it is cumulative: the more and the more effective the practices the better the result”.

²⁰ Borrill & West, 2001.

- 10.4** We have also funded two phases of a major R&D programme into Human Resources issues in the NHS to inform policy developments and influence practice. A third phase is currently being developed.
- 10.5** In short, effective Human Resources management sustains efficient organisations by supporting their objectives, ensuring effective recruitment, retention and development of highly competent people with the skills required, developing a supportive culture which promotes partnerships, communication and staff involvement and improves morale and individual performance.
- 10.6** Based on this increasing evidence to suggest that enlightened and progressive people management is a crucial ingredient in improving organisational performance – what is the future for HR in the NHS?
- 10.7** First, the delivery of high-quality, effective healthcare requires all executives, including professionals in management positions, to appreciate HRM issues and the strategic role that they play in enabling organisational excellence. HR is everybody's business. But clearly there are particular responsibilities for HR professionals and we need to strengthen the capacity and capability of HR management in the NHS. A striking result from the Aston University Survey was that where the HR Director was a member of the hospital board (only half of those surveyed), the association between HR practices and patient mortality was even stronger. This gives a further incentive to strengthen HR capacity in the NHS as a whole. We launched a national human resource management development programme, *Leadership through Effective HRM*, in January 2001 for senior HR professionals and other NHS leaders. Participants are trained as experts in the management and development of people and to enable them to contribute as full members of the team delivering change in our healthcare organisations. In addition, some of the *Strategic HR Intelligence Networks* are working on development for junior and middle managers. As local programmes develop there may need to be closer integration between national and local development programmes.
- 10.8** Future development needs are being considered through the completion of a profile of HR staff.
- 10.9** A *Human Resources Management Development Plan* is being developed which will include a broad range of human resources leadership development programmes, (linking to the wider work of the *NHS Leadership Centre* and the *Modernisation Agency*) to provide a combination of multi and uni-professional development from junior to Board level in NHS organisations. *Management Development Action Groups* involving participation from across the service are an option to support initiatives where appropriate.

10.10 However a concerted and co-ordinated approach to strengthening HR management is the responsibility of staff at all levels across the service – the Department of Health, Strategic Health Authorities, Workforce Development Confederations, NHS Trusts and Primary Care Trusts. Each part of the NHS system needs to develop imaginative and innovative strategies and implementation plans for delivering the *HR in the NHS Plan*.

Developing new HR practices to improve HR capacity

10.11 There is scope for applying the learning of national *Finance Shared Service* pilots to HR transactional work. The two pilots have been established to test the feasibility of adopting the commercial sector's Shared Services model. They involve a small number of national *Shared Service Centres* where all high volume, standardised transactional finance work is carried out, using remote IT, process redesign and standardisation, and critical mass to release efficiency savings that can be replicated elsewhere in the system. The results of the feasibility pilots will be known in 2003.

10.12 With transactions delivered primarily within Shared Service Centres, any efficiency savings or capacity released by handing HR transactional work in this way could be re-invested in strategic and transformational HR.

10.13 The *Electronic Staff Record* system being implemented by 2005 will introduce for the first time into every NHS organisation a single national HR and Payroll system that will reduce duplication and improve the quality of data on the workforce of the NHS. We will need to look further at the feasibility of delivering the ESR in a shared service environment.

10.14 A number of local 'sharing' initiatives, have been developed primarily to meet the needs of the new Primary Care Trusts. They include the pooling of human resource and other support services, in some cases serving several employers. The impetus for the introduction of these emerging models in the NHS is usually a shortage of skilled human resource professionals and a desire to achieve financial savings.

10.15 While we have made a start we need to do more to ensure that excellence in Human Resources management is at the heart of excellence in service delivery, and to ensure that we make the best use of the resources in this area.

Outline Action Agenda

Action	Delivered by	Timescale
Recruitment to a third intake of the Senior HR Leadership Programme	NHS Leadership Centre	early 2003
The development of a HR Induction Programme for those in HR roles within the NHS, aligned to the work on induction led by the NHSU.	NHS Leadership Centre	early 2003
The development of a HR Leadership Capabilities Framework, linking with HR technical competencies developed across parts of the service	NHS Leadership Centre	2003
The implementation of Research into Practice projects, (linked to and in support of work on the national HR R&D Programme)	NHS Leadership Centre	3 projects commissioned in 2002-2003
The establishment of a programme for newly appointed HR Directors	NHS Leadership Centre	2003-2004
Support for the development of middle and junior HR staff	NHS Leadership Centre in collaboration with the NHS and SHRINE networks	2003 onwards
The consolidation and development of links with the CIPD at national level in respect of research and the identification & dissemination of best HR practice and to encourage membership and the obtaining of professional qualifications amongst those HR staff in the NHS	NHS Leadership Centre and HRD	Ongoing
Further development activities will be put in place to support particular initiatives e.g. the move towards shared services, Agenda for Change implementation	HRD in conjunction with the Shared Services Unit, Modernisation Agency and NHS Leadership Centre	

Action	Delivered by	Timescale
Consideration will also be given to the HR development needs in Primary Care, particularly in PCTs, and how these can be met through both existing and new programmes	Modernisation Agency in conjunction with NHS Leadership Centre and HRD	
The development of OD skills (management of change, internal consultancy etc) among HR staff, both through existing programmes at national and local level and through new forms of support will be considered	NHS Leadership Centre and HRD	2002 – 2003

11

Human Resources Performance Management

- 11.1** The NHS Plan gave a commitment that the way NHS employers treat staff would be part of core NHS performance measures and linked to the resources they receive. That commitment has been realised through the introduction of the current HR Performance Framework (HSC 2000/030) and the requirement on all NHS employers to be accredited as putting the Improving Working Lives standard into practice. The 2000/2001 NHS Performance Ratings for acute trusts included progress towards implementing the Improving Working Lives standard as a key indicator, and a number of other indicators were included in the staff element of the balanced scorecard.
- 11.2** To support implementation of *HR in the NHS Plan*, we will develop, in partnership with Strategic Health Authorities and Workforce Development Confederations, a new approach to HR performance management in the NHS. This new approach will aim to:
- address the tension between a centrally driven system of performance management and the need for local management tools for self assessment and continued quality improvement; and
 - remove unnecessary bureaucracy and duplication by integrating national and local systems of performance management.

11.3 Using the balanced scorecard concept, the new approach to HR performance management in the NHS will allow a single HR measure to be arrived at through analysis of performance against a small number of targets relating to:

- the NHS Plan headline objectives of expanding staff numbers and redesigning jobs; and
- the four pillars of delivery described in the *HR in the NHS Plan*.

Development of the balanced scorecard, including identifying individual performance targets, will be undertaken during 2002/03 in consultation with key stakeholders in the NHS. Implementation of the new approach to HR performance management in the NHS will be staged and will take account, where appropriate, of existing performance targets, including IWL accreditation.

11.4 At the same time as introducing the balanced scorecard, we will work with WDCs to encourage and support NHS employers to adopt the European Foundation for Quality Management (EFQM) Excellence Model for business planning processes. The EFQM model provides organisations with a self-assessment framework to assess performance, identify opportunities for improvement and measure improvements. As well as providing a planning tool to support local performance management and quality improvement, the EFQM model will also provide a mechanism for producing performance data at local level to meet the reporting requirements for the new balanced scorecard.

12

Key Players, their Key Tasks and Responsibilities

NHS Employers are the key drivers to delivering this strategy. Through communicating its messages to staff, employers can help to embed the principles of the document at a local level. NHS Employers also need ensure that HR is made a full business partner within local organisations.

Strategic Health Authorities will work closely with Workforce Development Confederations on local HR issues, and ensure pay modernisation implementation strategies are in place.

Workforce Development Confederations should ensure that the issues in this document are taken forward locally. They have a pivotal role in the modernisation of learning and personal development, pay and staff increases.

The national *Workforce Taskforce* has a strong role to play in furthering the Plan, championing the message of the NHS as a model employer, promoting a positive image and providing a forum for national policies.

The *Department of Health* sets the strategic framework and produces action plans for key HR issues in the light of government policy, supports the development of leading-edge HR and promotes changes to the law to meet the needs of the modern health service. The Department has a role to play in disseminating examples of good HR practice and an evidence base throughout the NHS.

The *Modernisation Agency* helps the NHS improve services, develop leadership at all levels, ensure development of HR staff, support the Agenda for Change reforms and identify and spread good practice.

The *NHS Confederation*, *Royal Colleges* and the *Health Unions* should educate members about staff involvement. Joint training and development should become the norm for managers and staff or union representatives. These bodies should work in partnership with the above organisations to help deliver this strategy.

The *NHSU* will work with and through its partners to ensure learning and development translates directly into benefits for patients, staff and organisations

The *Strategic HR Intelligence Networks (SHRINE)* should support local organisations implementing the HR in the NHS Plan and encouraging joint working on staff involvement.

All *stakeholders* should support these proposals by promoting a positive image of the NHS, engaging staff in discussions about morale and the mainstreaming of staff involvement.

This document can be found on the internet at www.doh.gov.uk/hrinthenhs

The NHS Plan itself can be found on the internet at www.nhs.uk/nhsplan

Further copies of this document are available free of charge from:

Department of Health
PO Box 777
London SE1 6XH
Fax: 01623 724524
E-mail: doh@prolog.uk.com

© Crown Copyright

Produced by Department of Health

28361 1p 6k July 02 (CWP)