

From: Bown, Chris
Sent: 10 July 2012 09:05
To: 'nic.greenfield@dh.gsi.gov.uk'
Subject: Fw: MPs details and draft email to consortium CEOs
Attachments: briefing SWPTCMP - confidential.rtf

Sent via a mobile device.

From: Jon [<mailto:perniciousviper@gmail.com>]
Sent: Monday, July 09, 2012 11:56 AM
To: Guppy, Sarah; Bown, Chris
Subject: MPs details and draft email to consortium CEOs

Hi Sarah, MP details are below. Please find attached MP briefing to attach to the emails, agreed with Chris - can you also apply the appropriate letterhead etc please?

Chris, is this draft text below OK for the covering email to the MPs?

...

Dear Annette/Robert (*delete as applicable*),

I have pleasure in attaching a briefing note on the recently established south west pay, terms and conditions consortium, which comprises 19 NHS trusts throughout the region, including Poole Hospital NHS Foundation Trust. I am chairing the steering group responsible for this work.

I would be happy to provide you with a more detailed summary, or answer any questions you may have - please contact my office to arrange this.

Kind regards,

...

MP details (can you cc: the constituency office as well):

Annette Brooke MP:
brookea@parliament.uk
Constituency office:
mackayj@parliament.uk

Robert Syms MP:
symsr@parliament.uk
guyrn@parliament.uk
Constituency office:
symsr@pooleconservatives.org

Thanks,

Jon.

south west pay, terms and conditions consortium

Briefing note – confidential 9.7.12

Dear Annette/Robert,

My purpose in writing is to provide you with a summary of the recently established south west pay, terms and conditions consortium, which comprises 19 NHS trusts, including my own, representing community, hospital and mental health services. A full list of member trust's is reproduced at the end of this note.

The consortium was established in response to the serious financial and operational challenges facing the NHS, both now and in the future, and will work to identify ways in which taxpayer funding may be more efficiently used in order to protect both employment and the continued delivery of high quality healthcare.

More than two thirds of NHS expenditure is on staffing costs. In recent years NHS organisations have largely exhausted other avenues of potential cost-saving (including reducing reliance on bank or agency staff and implementing service improvement initiatives). Monitor, the independent regulator for NHS foundation trusts, has also estimated that NHS organisations with a turnover of around £200m will need to produce savings of around £9m a year for each year until 2016/17 to remain in financial health.

We believe these challenges cannot be met without more innovative ways of cost-saving being explored. Financially healthy organisations are in a stronger place to preserve employment and services, and have a reduced need to make redundancies.

Therefore the consortium is looking at how pay costs may be reduced, whilst maintaining a transparent and fair system that is better able to reward high performance, incentivise the workforce and support the continued delivery of high quality healthcare.

It is important to stress that this project is not about establishing pay based on where staff live, or introducing a system that reflects the health or otherwise of local economies, but about a region-wide approach to pay, terms and conditions.

The consortium's steering group, at its first meeting on 29 June, agreed to develop detailed plans to identify and quantify the financial and operational challenges facing the NHS, and work towards providing potential solutions to these.

A business case will be prepared for consideration by each member trust's board – the consortium will make recommendations only, it is the responsibility of each trust's board to decide on any implementation of these recommendations.

You may be aware of national negotiations taking place over the past 18 months or so between employer representatives and unions, which are looking at modernising the current Agenda for Change pay model. The consortium is fully supportive of this work, and is closely following developments.

I and my consortium colleagues believe that rather than watch these negotiations from a distance, we can and should work in the background, as responsible employers and healthcare providers, to give us the best opportunity to be sustainable organisations in the years ahead.

Two unions – Unison and the Royal College of Nursing – have indicated that they will not engage with the consortium whilst these national negotiations are taking place.

We, as individual organisations and as a consortia, are committed to continuing to seek to work positively and constructively with staff as well as unions as the detailed plans which will form part of the full business case are developed. A comprehensive stakeholder engagement plan will form an important part of these plans.

The business case will identify, and outline options to help meet, the serious challenges facing the NHS over the medium term. It is anticipated that this case will be completed by the end of this calendar year before being presented for consideration at each consortium member's board.

To allow the procurement of professional advice, for example legal and HR support, each member of the consortium has agreed to contribute £10,000 towards the project's costs. This also covers the appointment of an external advisor and project manager, as well as administration. It is imperative that this programme of work is appropriately resourced and has access to the expert opinion its success relies upon.

If you have any questions arising from this briefing, or would like to discuss the work of the consortium in further detail, please do not hesitate to contact my office to arrange this.

Yours sincerely,

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Consortia members

1. 1. Poole Hospital NHS Foundation Trust
2. 2. Dorset County Hospital NHS Foundation Trust
3. 3. The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust
4. 4. Gloucester Hospitals NHS Foundation Trust
5. 5. Great Western Hospitals NHS Foundation Trust
6. 6. North Bristol NHS Trust
7. 7. North Devon Healthcare NHS Trust
8. 8. Plymouth Hospitals NHS Trust

- 9. 9. Royal Cornwall Hospitals Trust
- 10. 10. Royal Devon and Exeter NHS Foundation Trust
- 11. 11. Royal United Hospital Bath NHS Trust
- 12. 12. Salisbury NHS Foundation Trust
- 13. 13. Taunton and Somerset NHS Foundation Trust
- 14. 14. University Hospitals Bristol NHS Foundation Trust
- 15. 15. Weston Area Health NHS Foundation Trust
- 16. 16. Yeovil District Hospital NHS Foundation Trust
- 17. 17. 2gether NHS Foundation Trust
- 18. 18. Devon Partnership NHS Trust
- 19. 19. Somerset Partnership NHS Foundation Trust
- 20.

ENDS.



From: Challice, Angela
Sent: 21 August 2012 16:39
To: 'nic.greenfield@dh.gsi.gov.uk'
Cc: 'joe.buckley@dh.gsi.gov.uk'
Subject: Confidential - SWC Press Release and Lines to Take
Attachments: SWC Briefing 22 August.doc; Media release documents published 22 8 12.doc; FAQ for SWPTC August 2012.doc

Importance: High

Dear Mr Greenfield

Chris Bown has asked me to forward this email and attachments to you, which have been sent to SWC Trust CEOs and HRDs this afternoon, as he thought you would want to have sight of the documents circulated prior to the launch of further SWC documents on Wednesday 22 August.

I hope this is helpful.

Kind regards

Angela Challice
Executive Services Manager

To: All SWC Trust CEOs and HRDs

Dear All

Please find attached an embargoed press release which is also being sent to your communications leads to send to local media at 12 noon tomorrow. I will also be sending this to the professional media/appropriate nationals. You can of course use this release as the basis for your own staff comms earlier than midday if you wish.

I have also attached a confidential suggested 'lines to take' that will support the two SWC documents being sent to you at 9am on Wednesday 22 August.

The documents will be circulated to the regional union officers at 12 noon.

Finally, I have attached a further copy of the FAQs to use in support of the above two documents.

If you have any queries please let me know.

Regards

Chris

Chris Bown
Chief Executive
Chair of SWC

SOUTH WEST PAY, TERMS AND CONDITIONS CONSORTIUM

PUBLICATION OF DISCUSSION DOCUMENTS: 22ND AUGUST 2012

INTRODUCTION

This briefing has been produced for executive directors involved with the publication of the documents on 22nd August. This briefing can be read alongside the two discussion documents, press release and the latest version of the FAQs.

KEY POINTS

THE SOUTH WEST CONSORTIUM (SWC)

- 20 NHS employers have joined the SWC to pool resources in order to look at ways to address the economic, financial and service challenges facing the NHS. In each case, trust boards took the decision to join the SWC.
- More than 68,000 staff are employed across these trusts – covering all staff groups, all of whom are included in the SWC's scope of work.
- The regional trade unions have been invited to engage with the SWC – trusts have briefed staff locally about their membership of the SWC.
- There has been media coverage about the SWC since its launch – with considerable criticism from the trade unions.
- The plan is to produce a full business case for consideration by each trust by the end of the calendar year.

LATEST DEVELOPMENTS

- The SWC has formally written to the health care regional trade unions to invite them to engage with the participating trusts.
- The SWC has been coordinating its activities and/or liaising with national organisations such as, the Department of Health, NHS Employers, the Foundation Trust Network, and the NHS Trust Development Agency.
- The SWC has not put forward any proposals regarding pay, terms and conditions – it will be for individual, sovereign NHS employers to make decisions based on recommendations contained within the full business case.
- The SWC is totally dedicated to engaging with staffside organisations and staff – but it will not undertake any form of consultation as this responsibility rests with individual NHS organisations.

PUBLICATIONS

- The SWC Steering Group has published two discussion documents, whose highlights are described in the next two sections of this briefing, on 22nd August. This does not signal the start of consultation but a determination to promote engagement and understanding. The discussion prompted by these two documents will support the SWC in its production of a full business case by the end of the calendar year.
- The SWC has decided to place these discussion documents into the public domain in line with its commitment to operate in a transparent and open fashion throughout its work. Both documents include an extensive list of references in order to provide an evidence-base to the points which are made – and inform discussion.
- The timing of the publication has been designed to allow for a short period (3 hours) of pre-briefing to key parties (eg local staffside, FT governors, non-executive and executive directors) by each individual NHS employer.
- There are two discussion documents, which cross-reference each other and are intended to be read together. The decision to have two separate discussion documents reflects the SWC's primary role to quantify and forecast the economic, financial and service challenges over the next three years and beyond

THE ECONOMIC, FINANCIAL AND SERVICE CHALLENGE DOCUMENT

- This discussion paper advances the original PID and is the central purpose of the work of the SWC – as it sets out what the nature and size of the financial and service challenges are over the next three years and beyond.
- It examines the economic circumstances within which the NHS currently operates – and looks at the national economic forecasts which ultimately determine the level of funding which the NHS can plan on getting.
- It sums up the key clinical and business drivers which influence how much and what quality of care trusts will need to plan on providing within the predicted levels of resources. These drivers include: national service targets; demographic changes; regulatory demands; and service-related cost-pressures (eg IT).
- This paper identifies that, taking a sample trust employing 3,500 staff with an annual turnover of £220m with a need to make savings each year for the next three years of 5%, up to 6,000 NHS jobs may be safeguarded through revisions to pay, terms and conditions. It proposes, for discussion, that 65% of this will need to come from workforce efficiencies and improved productivity – and that there is a gap of around £5m each year as traditional methods (eg skill-mix changes, “back office” rationalisations) can only contribute about a third of this amount. This is a key proposition to be tested during the discussion around this document.
- The paper includes data about workforce costs, lists potential staff cost reduction opportunities and compares each trust with the sample trust referred to above.

ADDRESSING PAY, TERMS AND CONDITIONS DOCUMENT

- This paper directly addresses matters relating to current pay, terms and conditions. It includes a summary of the pay reforms of the past decade and refers to the learning which has occurred since their implementation. It notes that there have been twenty-four changes to Agenda for Change since 2004 – all of which have been beneficial to staff.
- It records the position regarding the national negotiations and that the SWC is working in parallel to these as well as being supportive of finding a national route to producing fit for purpose terms and conditions. It notes that even if there is agreement nationally on the specific proposals, there will still need to be locally-agreed frameworks to achieve implementation.
- It records the long list of developments which have brought changes to the workforce (eg end of Cabinet Office “Two-tier working” agreement, improved pay and conditions for temporary staff, creation of social enterprises, and PEB review of “market-facing pay”).
- It sums up the Government’s policy on the future of pay negotiations (set out in the White Paper – “Liberating the NHS”, which promotes employer—led negotiations on changes to pay arrangements. It also proposes that the original Agenda for Change governing principles should be adopted for determining future arrangements.
- It emphasises that changes are best achieved through voluntary agreement - and there is considerable opportunity to exchange them for greater job security, the reduced need for out-sourcing and a more planned approach to managing financial viability.
- It sets out a long list of potential staff cost reduction opportunities– it should be strongly confirmed that these potential savings should not be added up, but represent a responsible assessment of all the options should changes to pay, terms and conditions be addressed. In order to test whether changes should be considered, it is important to test what could be saved so that informed proposals can be shared at a later stage in the process.
- It sets out what the full case could be for seeking changes to pay, terms and conditions – this can be examined during the discussion period on this document. This section is designed to reflect the wide range of interests which exist and how they can be satisfied by a responsible, open, and realistic full business case for trusts to consider.

NEXT STEPS

- The SWC plans to consider these two discussion documents throughout September – as the basis for then working on a full business case to be completed by the end of the calendar year.
- The SWC awaits the outcome of the national negotiations expected in early September – and what results will inform these discussions.
- The full business case will incorporate a final view on the nature of the challenge facing the twenty trusts – and an option appraisal of the long list of options for

closing any gap over the next three years and beyond. While the FBC is likely to produce a recommended approach – it will be for individual trusts to take any decisions and lead on any relevant consultation and engagement. The SWC will not be taking any direct decisions regarding pay, terms and conditions nor will it lead any form of formal consultation at any stage.

22nd August 2012