

NHSCBA/20/09/2012/2

**BOARD PAPER - NHS COMMISSIONING BOARD AUTHORITY (NHS CBA)**

**Title:** Recruitment Strategy, associated risks and contingency planning

**Clearance:** Jo-Anne Wass, National Director: HR

**Purpose of Paper:**

This paper provides an update for the Board on the implementation of the recruitment strategy. It summarises the progress that has been made since the July meeting of the Board and presents an updated assessment of the risks associated with the recruitment programme. A diversity profile of staff appointed to date is presented. The paper also provides an update on the development of contingency plans.

**Key Issues and Recommendations:**

While considerable progress has been made since July, successful delivery of the recruitment strategy remains challenging. Outline contingency plans have been developed that can be implemented should it be concluded that the recruitment strategy cannot be delivered to the required timetable. These plans have been developed at directorate/regional level. The Future Design Group (FDG) will monitor recruitment progress on a regular basis and will determine if and when contingency plans should be implemented.

**Actions Required by Board Members:**

- to note progress to date;
- to consider what further steps should be taken to promote diversity in the NHS Commissioning Board (NHS CB) workforce and
- to note the approach to contingency planning and confirm that the FDG should determine the arrangements for implementation of contingency plans.

## **Recruitment strategy, associated risks and contingency planning**

### **Executive summary**

1. This paper provides an update for the Board on the implementation of the recruitment strategy. It summarises the progress that has been made since the July meeting of the Board and presents an updated assessment of the risks associated with the recruitment programme. A diversity profile of the workforce is presented. The paper also provides an update on the development of contingency plans.

### **Introduction**

2. The NHS Commissioning Board Authority (NHS CB) faces a significant recruitment challenge over the coming months. The NHS CB will employ approximately 4,000 people in its core structure, the majority of whom will join the organisation from a large number of 'sending' organisations, such as strategic health authorities (SHAs), primary care trusts (PCTs), and the Department of Health (DH) and its Arm's Length Bodies (ALBs). We are one of a number of 'receiving' organisations for staff affected by the organisational changes which derive from the Health and Social Care Act 2012.
3. Delivering the smooth transition of people from sending organisations to receiving organisations is a significant challenge and requires close collaboration between sending organisations, receiving organisations and the trade unions (TUs) who represent affected employees.
4. The NHS CB's recruitment strategy seeks to deliver two objectives:
  - to ensure that all staff in sending organisations have clarity about their future employment by the end of December 2012; (this is a system wide objective which is the joint responsibility of all sending and receiving organisations to deliver);and
  - to fill the posts in the NHS CB's organisational structure in a timely manner in order to enable the NHS CB to discharge its responsibilities.

### **Progress since July**

5. Papers were presented to the Board in April and July setting out the recruitment strategy for the NHS CB. Considerable progress has been made with the implementation of the strategy since July:

- a system-wide policy for filling posts in receiving organisations has been endorsed by receiving organisations, sending organisations and trade unions. This includes agreement that all staff who join receiving organisations from sending organisations will have the opportunity to do so via a transfer order, which will protect their contractual terms and conditions and continuity of employment;
- the Chief Executive has approved the detailed organisational design. The design has been shared with sending organisations and trade unions and agreement has been reached about the arrangements for filling the majority of posts, with some posts to be filled by job matching and others to be filled by ring-fenced competition;
- the detailed design has been shared with sending organisations and trade unions and agreement has been reached about the arrangements for filling the majority of posts, with some posts to be filled by job matching and others to be filled by ring-fenced competition;
- recruitment plans have been developed for each directorate and for each region in the NHS CB. These confirm the detailed timetable that each directorate/region will follow to fill posts over the coming months. They will also identify contingency plans that could be implemented should recruitment be delayed;
- further progress has been made with recruitment to very senior manager (VSM) posts. Almost all VSM posts have either been filled or are currently subject to ring-fenced/open competition. We anticipate that the large majority of these posts will be filled by the end of September. Recruitment to posts on the Agenda for Change (AfC) pay scale has now started. The latest position on recruitment will be presented at the Board meeting;
- agreement has been reached with TU's to streamline the ring-fenced recruitment process for VSM posts. Where posts remain unfilled after an initial round of ring-fenced competition, it is now possible to proceed directly to open competition provided that preferential consideration is given to applications from individuals who are at risk;
- sending organisations are identifying those staff who deliver Family Health Services (FHS) functions. It has previously been agreed that all these staff will join the NHS CB by 'lift and shift' transfer. A verbal update will be given at the Board meeting;

- additional HR capacity has been secured via our partnership with NHS Employers. This includes engaging Capsticks HRA to provide HR support to the NHS CB over the coming months. This capacity is currently being mobilised; and
- contingency plans have been put in place for each region/directorate (see below).

### **Diversity of the NHS CB workforce**

6. The NHS CB is committed to building an inclusive, diverse and talented workforce able to connect with and relate to the patients and communities it works with, and able to bring different perspectives, experiences, knowledge and skills, to enable the NHS CB to innovate to improve outcomes for patients. It is therefore essential that we take active steps to promote diversity and that we monitor the diversity profile of our workforce.
7. The following actions are being taken to promote diversity within the NHS CB:
  - the National Director: HR has written to all participants on NHS leadership programmes from black and minority ethnic (BME) backgrounds to encourage them to consider job opportunities in the NHS CB;
  - training on diversity is being provided for recruitment managers; and
  - executive search companies that specialise in BME recruitment will be used for senior posts where appropriate (i.e. where posts remain vacant after ring-fenced competition).
8. Monitoring information is provided in annex A. This presents a comparison of the diversity profile of four populations:
  - individuals appointed to date to the NHS CB;
  - individuals who have applied for posts in the NHS CB;
  - all staff currently employed by sending organisations; and
  - VSM staff currently employed by sending organisations.
9. The diversity profile contains information about ethnicity, age, gender, sexuality, religion and disability for the first two populations. However, the

- profile of staff currently employed by sending organisations does not contain information about sexuality or religion.
10. The information about staff currently employed by sending organisations is based on staff in post at the end of June 2012. It is drawn from the DH's 'people tracker', which is based on returns from sending organisations and includes all grades of staff employed by sending organisations.
  11. It should be noted that diversity information in the NHS CB is only currently available for those staff who have applied for posts. Information is not yet available for those staff who have joined the organisation by transfer.
  12. While the recruitment programme is still in its initial stages we are aware that the level of diversity amongst those appointed so far is minimal and is lower than in the population of individuals who have applied for posts.
  13. The Board is invited to consider what further steps should be taken to promote diversity in the NHS CB workforce.

### **Assessment of current position**

14. While considerable progress has been made since July, successful delivery of the recruitment strategy remains challenging. This is reflected in the board assurance framework (BAF) assessment of the risks associated with the recruitment programme. The BAF identifies several potential causes of delay:
  - delay in completing the organisational design: the organisational design has indeed taken longer to complete than anticipated, reducing the time available for recruitment;
  - difficulty in securing agreements with sending organisations regarding functional transfers good progress has been made to agree functional transfers with senders and this is not now considered to be a significant potential cause of delay. However, there is still a risk that the process of job matching (which is led by sending organisations) may cause delays;
  - insufficient capacity for delivery: while capacity to deliver the strategy remains a concern, additional HR capacity has now been secured via NHS Employers and is currently being mobilised. In addition, the DH has invested additional resources in the transition resourcing team (TRT). These developments reduce the risk of delay resulting from lack of HR capacity;

- scale of recruitment required: the timetable requires a large volume of recruitment activity to be undertaken over a short space of time; it relies on the large majority of posts being filled in the first round of recruitment and appointed individuals being available to participate in the recruitment to subordinate posts. Many individuals appointed to the NHS CB continue to have responsibilities in sending organisations and therefore have limited time to undertake recruitment for the NHS CB. These risks will remain until a significant proportion of posts have been filled; and
- TU challenges to elements of the process: we have continued to work closely with TUs to address any concerns. The 'Filling of posts' policy has been confirmed with TU support. However, this risk remains given the scale and complexity of the recruitment strategy.

### **Contingency planning**

15. The position remains that it is necessary to fill a large number of posts in the NHS CB in a short period of time in order to achieve the objectives identified in paragraph four above. It is therefore prudent to develop contingency plans that can be implemented should it be concluded that these objectives cannot be achieved.
16. The first key objective of the recruitment strategy is to ensure that all staff in sending organisations have clarity about their future employment by the end of December 2012. This requires the NHS CB to work with sending organisations to complete job matching in all transferring functions and complete the first two rounds of ring-fenced recruitment to all other posts by this date. There are several contingency plans that could be implemented if it is concluded that this cannot be achieved.
17. The most practicable contingency plan available to the NHS CB is to use the 'lift and shift' model to transfer further specified functions to the NHS CB. This model involves identifying all the staff in sending organisations who deliver a specified function and transferring their employment to the NHS CB. No selection process is required. At present only two functions have been confirmed as 'lifting and shifting' to the NHS CB: the patient safety function (which transferred from the National Patient Safety Agency in June) and the FHS function (which will transfer from PCTs in April next year).
18. However, this model could be extended to include other functions. This would be relatively straightforward to implement where a function is transferring in its entirety from sending organisations to the NHS CB but more problematic where this is not the case. Furthermore, this model has

cost implications for the NHS CB as it is likely to result in greater numbers of staff joining the NHS CB, necessitating rationalisation in 2013/2014.

19. An alternative model would be to use the 'lift and shift' model to transfer all sender staff on specified grades to the NHS CB. Broadly speaking, our recruitment plans involve filling the most senior posts first before progressing with recruitment to other posts. This means it is likely to be the least senior posts that remain unfilled in December. If, for example, it was concluded that recruitment was unlikely to extend below AfC band six by December, it would be possible to transfer all staff in sending organisations on AfC bands one to five to the NHS CB.
20. While this model would provide some short term certainty for staff in sending organisations, it would result in greater numbers of staff joining the NHS CB and would necessitate rationalisation in 2013/2014. The practicability of this option is dependent on the extent to which other receiving organisations have completed their recruitment. This model would not be appropriate if there were recruitment delays across multiple receiving organisations.
21. The second key objective of the strategy is to fill the posts in the NHS CB in a timely manner in order to enable the organisation to discharge its responsibilities. Directorates are currently heavily reliant on a transitional workforce, but it is anticipated that the transitional workforce will steadily be replaced to a permanent workforce over the coming months. If it is concluded that the permanent workforce will not be recruited fast enough then it would be possible to extend the use of the transitional workforce or procure additional time-limited support from external contractors to deliver key pieces of work.
22. It is acknowledged that the contingency plans outlined above are not desirable options for the NHS CB or for staff in sending organisations. None-the-less it is important that contingency plans are developed and ready to implement should recruitment be significantly delayed.
23. Each NHS CB directorate and region has developed a recruitment plan. These plans confirm the detailed timetable that each directorate/region will follow to fill posts over the coming months. It is recognised that directorates/regions will progress their recruitment at different paces, although all will aim to complete consideration of at-risk staff by December. Outline contingency plans have been developed for each directorate and region, for implementation should recruitment be delayed.
24. It is proposed that contingency plans should initially be implemented at directorate/region level rather than at organisation level. This is because it is assessed that the use of contingency plans should be minimised and

restricted to those parts of the organisation that are experiencing significant delays with recruitment.

25. The Future Design Group (FDG) will monitor recruitment progress on a regular basis and will determine if and when contingency plans should be implemented.

### **Recommendation**

26. The Board is asked:
  - to note progress to date;
  - to consider what further steps should be taken to promote diversity in the NHS CB workforce; and
  - to note the approach to contingency planning and confirm that the FDG should determine the arrangements for implementation of contingency plans.

**Tom Easterling**  
**Programme Director, People Transition**

**Jo-Anne Wass**  
**National Director: HR**

**September 2012**



## Annex A

### Diversity profile of staff appointed to the NHSCB (30 July 2012)

Ethnicity	Staff appointed %	Staff applied %	Total staff affected %*	VSM staff affected %*
<b>White</b>				
British	97.1	84.0	74.2	91.2
Irish	0	3.4	1.3	n/a
Any other white background	2.9	1.1	5.2	n/a
<b>Black/black British</b>				
African	0	0	1.5	n/a
Caribbean	0	1.1	1.4	n/a
Any other black background	0	1.1	0.5	n/a
<b>Chinese/other</b>				
Chinese	0	0.4	0.5	n/a
Any other background	0	0	0.6	n/a
<b>Asian/Asian British</b>				
Bangladeshi	0	0	0.4	n/a
Indian	0	0	3.6	n/a
Pakistani	0	2.6	1.2	n/a
Any other Asian background	0	1.1	1.1	n/a
<b>Mixed</b>				
Asian and white	0	0.4	0.3	n/a
Black African and white	0	0	0.1	n/a
Black Caribbean and white	0	0	0.2	n/a
Any other mixed background	0	0	0.4	n/a
Do not wish to disclose	0	4.9	7.6	5.5
All ethnic groups other than White British	2.9	11.1	18.2	3.3

Age range	Staff appointed %	Staff applied %	Total staff affected %*	VSM staff affected %*
<b>19 and under</b>	0	0	0.1	0
<b>20-29</b>	0	0	9.1	0
<b>30-39</b>	2.9	3.3	24.3	3.7
<b>40 – 49</b>	57.1	40.1	32.5	40.6
<b>50 – 59</b>	34.3	48.3	27.1	52.0
<b>60 and over</b>	5.7	3.3	6.2	3.3
<b>Do not wish to disclose</b>	0	4.8	0.7	0.4

Gender	Staff appointed %	Staff applied %	Total staff affected %*	VSM staff affected %*
Male	65.7	56.0	29.8	45.9
Female	34.3	40.3	70	53.9
Do not wish to disclose	0	3.7	0.2	0.2

Sexuality	Staff appointed %	Staff applied %	Total staff affected %*	VSM staff affected %*
Lesbian /Gay /Bisexual / Transgender / Transsexual	0	2.2	n/a	n/a
Heterosexual	94.3	84.8	n/a	n/a
Do not wish to disclose	5.7	13	n/a	n/a

Religion	Staff appointed %	Staff applied %	Total staff affected %*	VSM staff affected %*
Atheism	17.1	17.8	n/a	n/a
Buddhism	0	0	n/a	n/a
Christianity	68.6	57.4	n/a	n/a
Hinduism	0	0.7	n/a	n/a
Islam	0	1.9	n/a	n/a
Jainism	0	0	n/a	n/a
Judaism	2.9	0.4	n/a	n/a
Sikhism	0	0	n/a	n/a
Other	0	2.2	n/a	n/a
Do not wish to disclose	11.4	19.6	n/a	n/a

Disability	Staff appointed %	Staff applied %	Total staff affected %*	VSM staff affected %*
People with a disability	2.9	0.4	2.9	2
People without a disability	88.6	98.4	50.6	53.3
Do not wish to disclose/not known	8.6	1.2	46.4	44.7

\* as at end June 2012