

**South West
Pay, Terms and Conditions
Consortium**

**Final Draft - commercially in confidence
and a draft for discussion only**

v1.2

**Project Initiation Document
May 2012**

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1 Purpose of this Document

1.1 Purpose and objectives of this document

This Project Initiation Document (PID) defines the work, governance and funding of the Pay, Terms and Conditions (PTC) Consortium. It defines all major aspects of the Consortium, ensuring that there is a common understanding of scope, deliverables, accountabilities and timescales. It also acts as a baseline against which to monitor progress and ensure effective delivery.

1.2 Approvals and endorsement

This document represents the key mechanism by which Consortium members sign up to the Consortium, and sets out the obligations that are placed upon each member.

Members of the Consortium will have Boards approval to be part of and fund the Consortium and its activities. Each member organisation is required to approve and endorse this PID document, which sets out the underpinned framework by which the member organisations participate in the Consortium. By approving this PID the members are agreeing to the obligations that are placed upon each member. The key obligations;

- Financial contribution to the funding of the Consortium (as set out in section 6).
- Provision of access to as a minimum the Director of Finance and Director of HR for key Trust level pay, terms and condition information.
- Timely agreement of Statutory Board decisions at process Gateways.

In summary, the member organisations will gain the following benefits;

- Be part of and influence a co-ordinated approach to the design of a future PTC framework for the SW, whilst being mindful of national developments via NHS Employers.
- Have access to dedicated HR support, expertise and capacity focussed on PTC design through a dedicated HR Programme Management Office (HRPMO).
- Ensure a co-ordinated cross organisational/region wide approach to staff/trade union engagement on PTC with communications that can be deployed by individual Trusts.
- Production of an individual Trust business case on the options, case for change, potential benefits (both financial and non financial) and risks for consideration by individual Trust boards.

Approved by

Organisation

Date

2 Consortium Background and Context

2.1 The need for change

Background

The purpose of the Consortium is to assist Trusts across the South West in modernising pay, terms and conditions to ensure that they are 'fit for purpose' going forward.. Whilst most Trusts have, independently, implemented a range of measures aimed at compressing their pay costs associated with the current Agenda for Change national terms and conditions, there is universal recognition within the South West Chief Executive Group that a consolidated approach to influencing any changes to the national pay framework is vital. There is also acknowledgement that any consolidated approach needs to take a 'tangible' form. Consequently, it has been agreed to establish a 'Consortium' of Trusts across the South West to progress this work. Whilst the concept of the Consortium originated amongst the acute Trusts, it is not intended that membership will be restricted to just those organisations. Therefore, discussions are also being held with colleagues in Mental Health/Community and Social Enterprise Trusts.

It is recognised that engagement with staff side representatives will be an integral element of latter stages of the project and work towards the implementation of any emerging themes will be informed by the principles of collaborative working and collective consultation and/or negotiation.

Key challenges to the pay agenda

A number of aspirations accompanied the introduction of the new pay system, under agenda for change (AfC) in March 2003 and there is no doubt the implementation of a national pay structure focusing on equity and consistency has been a component in delivering a number of these aspirations. However, the AfC pay system does not address issues of equal importance, such as encouraging 'stretch' performance, or recognising and rewarding excellence.

Since 2003, the pay environment has also changed in other ways. The developing mixed economy of healthcare organisations with respect to NHS, private sector and social enterprise organisations means that a healthcare worker may, through the course of their career, be subject to a number of different pay frameworks. High performing organisations have flexibility in how they appoint staff, the roles they appoint to and the means by which they reward those who make the greatest contribution to the organisation's success. Organisations operating in this way will be our competitors in the future.

Notwithstanding the government-imposed two year pay freeze, across all grades of staff, employers continue to face upward cost pressure on their pay bill equating to approximately 2.4%. This is a combination of the 2% annual increase resulting from pay increments, plus a further 0.4% increase arising from the implementation of the £250 uplift recommended by the Government to be paid to staff earning under £21,000.

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Despite the NHS Employers' submissions to the National Pay Review Body there has been a recent announcement of a pay cap at 1% which opens the door for further rises taking pay inflation towards 3.5%. For an average-sized Trust with a budget of between £150m and £200m, this would produce a cost pressure in the region of £4m to £6m.

The National Pay Review Board has also been asked to consider the application of regional pay awards which have the capacity to create a range of dynamics within and between regions, especially those as geographically diverse as the South West. The engagement of Trusts on a region wide basis provided a forum to consider the implications of such an approach and how any revised pay framework may best be aligned to respond.

To date, the primary focus of workforce related cost improvement activity has, almost universally, been on reducing discretionary spend relating to bank/agency use, reducing workforce numbers through natural wastage and the scrutiny of staff vacancies, and on ensuring, through work on skills and pay band mix, that the staffing resources available are being deployed as effectively and efficiently as possible. However, in order to deliver the further savings necessary, employers are increasingly recognising the need to build on the work already undertaken and consider implementing further more radical changes to the pay and conditions of the workforce.

2.2 National and local context

National negotiations

At a national level, the Trade Unions (TUs) have recognised that any movement to implement pay changes at a local level has the capacity to undermine future national negotiations and that exploring changes to the AfC framework may be a better option than forcing employers to operate outside of it. Discussions have taken place within the NHS Staff Council (led from an Employer perspective by the Taunton and Somerset NHS Foundation Trust Chief Executive) with four main areas for agreement being sought, namely:

- Paying sickness absence at the base rate for the Band regardless of when the absence occurred, thus avoiding the need to include, where appropriate, unsocial hours enhancements etc. as presently required. Staff Side have indicated that there is scope for further discussion around this issue.
- Increasing employer flexibility by removing or revising the requirement to offer enhanced payments for night, weekend and Bank Holiday working. Staff Side have indicated that there may be some scope for further discussion.
- Linking pay more closely to outputs by reducing the number of incremental points within existing pay Bands and making progression more clearly dependent on 'excellent' performance, perhaps with upper points being non consolidated and therefore needing to be re-earned. In similar style, staff side have indicated a willingness to enter into further discussion around this point.

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- Reducing annual leave entitlement. Whilst on the surface of it (and particularly given the generous annual leave entitlement enjoyed by NHS staff), this would seem amongst the simplest of measures to implement, staff side have indicated they have no appetite for discussion on this point, citing it as amounting to a genuine reduction in pay.

In these discussions, employer representatives have highlighted the need for rapid progress and indicated that if progress is not made soon enough in early 2012, local employers would need to know that a national agreement is not imminent, thereby providing them with the opportunity to consider local solutions.

The South West Acute Chief Executive Group continue to support and drive these negotiations but must also explore options for developing revisions to the pay framework, within the region.

Local Negotiations

Whilst, across the South West region, there are significant differences in relationships with staff side organisations, the majority of staff side colleagues recognise the significant financial challenges faced by all Trusts and appear to be willing to work in partnership to protect staff employment. To date, local partnership working has enabled some positive changes to be made to a range of 'pay compressors', such as premium payments, pay protection arrangements, relocation allowances, and on-call remuneration. However, attempted consultation and negotiation relating to other, more substantial areas of the national terms and conditions, have been met with reluctance or refusal, largely because local staff side representatives are influenced by the collective views of their regional TU officers. Clearly, there is nervousness amongst regional and national TU leaders that any movement away from national terms and conditions agreed in one organisation is likely to be replicated by other employers.

Legal position

The degree to which Trusts are able to act is partially governed by their status and is described under Annex K of Agenda for Change. Foundation Trusts have the freedom to implement changes to terms and conditions, subject to appropriate consultation and agreement to vary the employment contracts of their employees. Under Annex K, non-foundation Trust organisations have restrictions placed on their freedom to act, which means they are only permitted to act via guidelines agreed through the NHS Staff Council and, where appropriate, with the explicit agreement of their Strategic Health Authority.

Consortium Background and Context

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Therefore, in considering changes to terms and conditions across the South West, it is unlikely that there will be a single approach that will work for all organisations. This does not mean, though, that specific areas of change cannot be delivered across the entire footprint. Any deviation from national terms and conditions would constitute a contractual variation and, as with all such variations, could not be unilaterally applied without the potential for legal challenge. Unless 'voluntary' agreement could be secured via either collective bargaining or majority acceptance following direct appeal to staff, it is likely that Trusts would be obliged to dismiss and re-engage staff to secure such changes.

This might present the opportunity to consider proposing a range of options, as a part of a package, which between them represent a 'sweet and sour' proposition for staff. Such a proposition could include combining some harder measures (e.g. the withdrawal of some existing payments/reward practices) with some other more attractive, performance driven approaches (e.g. the introduction of additional reward for high performing staff). Any such approaches can be used to target the desired performance and behaviours that will help establish a more flexible, engaged and innovative workforce.

3 Consortium Definition

3.1 Purpose of the Consortium

Economic challenges require health providers to continue to reduce costs over the next three to four years, and probably beyond. Changes to systems and processes will assist in delivering savings, through achieving changes in workforce establishments, but the scale of change required is unlikely to be met (and will not be sustainable) without reducing the pay bill. Some pay reforms may be achieved nationally, however it is likely that national 'agreements' may be enabling in nature and therefore requiring that detail is negotiated and agreed locally.

The purpose of the Consortium is to facilitate collaborative working across health providers on modernising pay, terms and conditions, and to support providers in working in concert. By acting in unison, as a consortium, health providers will demonstrate both the importance of the issue and the collective resolve to achieve long term change for the benefit of all stakeholders.

There are a number of key principles that under pin the Consortium definition and approach:

- All Trusts will need to reduce their pay bills, which account for the majority (60-70%) of the overall cost base. Whilst effecting reductions in posts through necessary reorganisation will remain important, a key component of this will be redesigning the pay structure for both existing and future staff.
- Greater staffing flexibility is required in all areas of the workforce.
- The overriding objective of any intervention is not simply to achieve pay 'compression', but to attempt to future proof services with an affordable pay structure and a focus on broader elements of the total reward package and items that will help to drive the transformational change and adaptation of behaviours that Trust's require moving forward.
- Quality and safety of services must not be compromised. Therefore, staff engagement must remain a priority and mechanisms established to monitor, maintain and, wherever possible, increase engagement levels.

3.2 Consortium objectives and outcomes

The key objective of this Consortium is to deliver a balanced set of terms and conditions change proposals which:

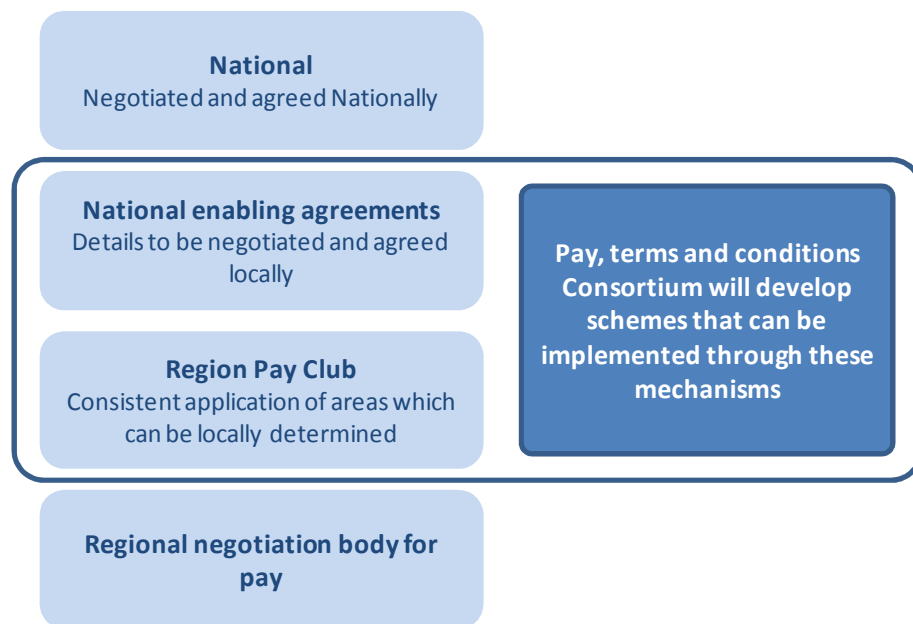
- Reduce the pay bill in the South West through working collectively to define areas which can be consistently implement - aim to move from 68% running cost to 60% (stretch target) and increase the time paid at 'plain' time.
- Create terms and conditions that are focused on improving engagement of staff and aligning to create a fit for purpose, flexible workforce able to respond to any qualified provider.
- Reward the right behaviour and culture.

- Come together into a simple, easy to understand package which can be easily related to the goals and challenges of the organisations.

3.3 Proposed Consortium scope

The scope of this Consortium includes the pay, terms and conditions of all staff. Figure 1 illustrates the broad spectrum of mechanisms that could be deployed to modernise pay and where the focus of the Consortium will be on this spectrum.

Figure 1 : Spectrum of mechanisms for modernising pay



Broadly there will two mechanisms for the delivery of the schemes being considered by the Consortium;

1. Nationally enabled and locally negotiated, agreed and implemented.
2. 'Region Pay Club' - locally determined but could be consistently applied across the region.

The current scope of proposed schemes to be worked up by the Consortium are summarised in Table 1.

Table 1 : Proposed schemes

Proposed Scheme	Scheme Aim
1. Schemes - Nationally and regionally enabled, locally negotiated and agreed	
Reduction in unsocial hours payments	Review current unsocial hours against common working patterns to remove costs which currently prohibit the most efficient utilisation of resources, and are consistent with the desire of many Trusts to extended working hours beyond the standard working day.
Incremental progression	Aligning progression more explicitly with performance and the delivery of organisationally defined aims, objectives and

Proposed Scheme	Scheme Aim
	behaviours. Rewarding excellence / high performance.
Review working hours	Explore the potential impact of increasing working hours (currently at 37.5hrs per week).
Review annual leave	Review annual leave entitlements and specifically those for individuals that have ten or more years of NHS services.
Review pay levels	Review pay levels and there link with Job Evaluation and the consistent application of pay bands for existing and new roles.
Remove sickness absence enhancements	Review sickness absence enhancements and specifically the entitlement of staff who are absent for work to receive additional enhancements relating to unsocial hours.
2. Regional Pay Club - consistent application of locally determined schemes	
Clinical excellence awards	Develop a consistent approach for clinical excellence awards, aligning progression more explicitly with performance and the delivery of organisationally defined aims, objectives and behaviours and therefore rewarding excellence and high performance.
Medical locum rate	Review medical locum rates across the region to reduce competition and the potential for inflationary wage spirals
Medical study leave and travel	Develop a regional approach to medical study leave and travel with consistent practice and benefits being received.
Job evaluation and consistency locally and regionally	

3.4 Approach and timetable

Approach and proposed schemes

Recognising the significance of the work anticipated to be undertaken by the Consortium, a timetable for decision-making is proposed, which includes three key 'Gateways'. The provision of these Gateways will enable participating Trusts to make the collective decisions required before moving to the next stage or, if uncomfortable with any agreed actions, to opt out at any Gateway. The proposed Gateways are as follows:

Table 2 : Three key Gateways

Gateway 1	Trust Boards approve decision to be part of 1st stage Consortium for change.	March 2012
Gateway 2	Trust Boards receive individual benefit analysis to pay framework and details of further work required	August 2012

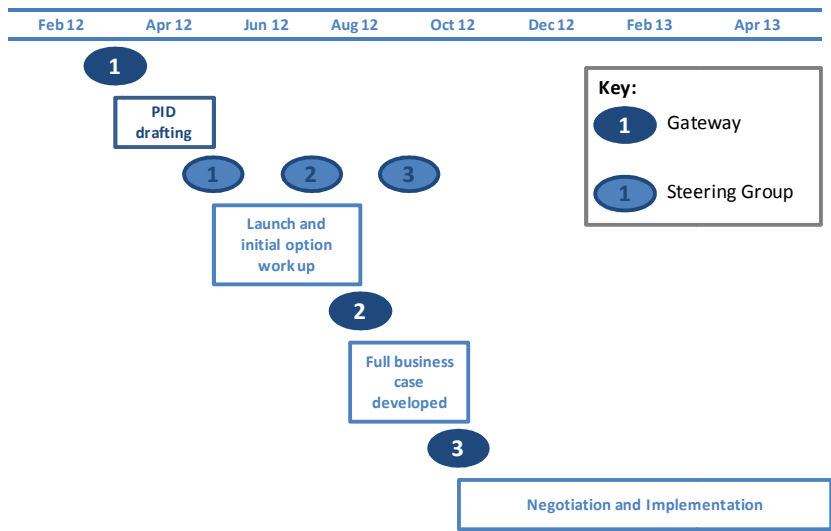
	to progress to full option appraisals	
Gateway 3	Full Business Case presented to Trust Boards for approval	October 2012

If schemes, specifically the Regional pay club schemes can be implemented at a faster pace than the other schemes, the Consortium Director (through the governance and communication processes set out in this PID) will support members in collaboratively implementing them.

Timetable

The timetable for the Consortium is set out in Figure 2.

Figure 2 : Timetable approach and timetable



Key activities

The key activities for each of the elements in the Consortium approach are set out in Table 2. A detailed project plan will be produced by the Consortium Director (when appointed) as part of setting up the Consortium.

Table 3 : Key Consortium activities

Process	Key activities
Steering Group 1	Agree and sign up to Consortium PID.
Initial option workup	Consortium Director to confirm the detailed plan for the work up of schemes outlined in 3.2, including benefits analysis for each organisation and risks and mitigation. This will include close working with each of the organisations Human Resource Director and the Finance Director Legal advice will sought where appropriate on the proposed schemes.

Process	Key activities
2 Steering Group 2	Proposed schemes reviewed by Steering Group
2 Gateway 2	Trust Board review of individual benefit analysis of pay framework and schemes and details of further work required to progress to full option appraisals. Trust Board agreement to continue to Gateway 3 and review funding of the Consortium.
<input type="checkbox"/> Full business case development	Development of the full business case including work up of all schemes, and sizing and agreement of each members' opportunities.
3 Steering Group 3	Review of full business case by Steering Group. Review of the ongoing requirement for a resources Consortium and proposed monitoring arrangements.
3 Gateway 3	Trust Board approval of full business case Trust Board endorsement to move into negotiation and implementation.

3.5 Consortium deliverables

Within the stated timetable the Consortium will deliver a business case that sets out a package of changes to pay, terms and conditions for member Board agreement.

The business case will include;

- Proposed changes to pay, terms and conditions, including legal advice and assessment of risk.
- Overall regional benefit of the proposed changes.
- A personalised schedule of benefits for each member organisation, broken down by change area.
- Suggested implementation method by change scheme - i.e. nationally, regionally and locally.

4 Consortium Organisation and Governance

A contractual model will most appropriately support the delivery of the objectives of the Consortium. It allows for the desired collaboration between member organisations and also retains each participant organisation's independent decision processes (through its Statutory Board) and the ability to take the best organisational path given their local context. The model is characterised as the association of the Consortium members as independent organisations, rather than members in a company. It is underpinned by a framework consisting of an agreement among the members of the Consortium to work together, setting out member obligations, and including the establishment of a Steering Group, but without an additional legal entity in the shape of a joint body being formed. This PID represents the key mechanism by which the member organisations participate in the Consortium and it sets out the obligations that are placed upon each member.

In the first instance the Consortium will be a temporary structure, and the ongoing support for the Consortium will be part of the Gateway process set out in section 3.4.

Membership

Whilst the concept of the Consortium originated amongst the acute Trusts, it is not intended that membership will be restricted to just those organisations. The Consortium wishes to create sustainable health systems for core teams, which supports the transfer of staff along care pathways and across health systems. Therefore the Consortium is open to other local health provider partners, such as mental health, Community and social enterprise Trusts.

The SW Acute CEO Group has agreed with the South West Social Enterprise CEO Group that Social Enterprise organisations will not be members of the Consortium but will be engaged by the Consortium on a scheme by scheme basis.

In order to join the Consortium, a member organisation must have the agreement of its statutory Board to be part of the Consortium and contribute to its funding. The current list of members (as at Gateway 1) is set out in Appendix 1.

Members can leave the Consortium at any time, but will not be re-funded the financial contribution they have made to date. The continued agreement of each representative member's Statutory Board is required at every process Gateway.

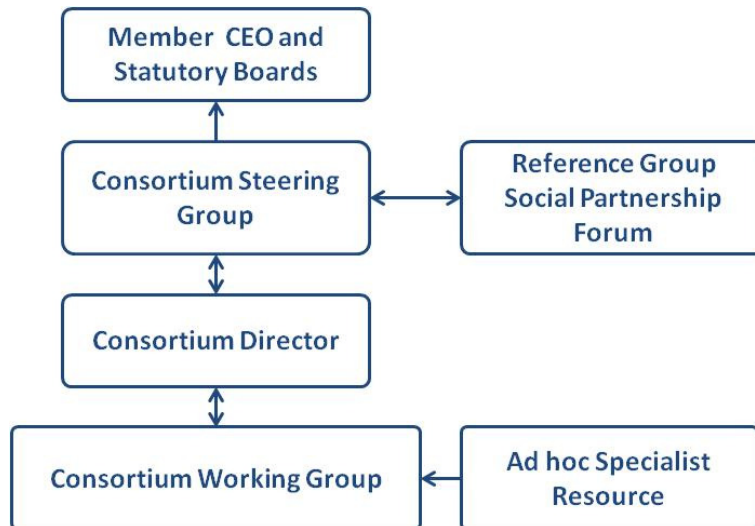
The obligations of each member include; the following

- Financial contribution to the funding of the Consortium (as set out in section 6).
- Provision of access to as a minimum the Director of Finance and Director of HR for key Trust level pay, terms and condition information.
- Timely agreement of Statutory Board decisions at process Gateways.

4.2 Overview of Consortium organisation and governance structure

The Consortium governance structure will be a temporary structure specifically designed to manage the Consortium to successful conclusion of Gateway 3. This structure is illustrated in the figure below.

Figure 3 : Consortium organisation and governance structure



Supporting business processes

The effective delivery of the Consortium outputs and outcomes will need to be facilitated by clear and quick decision making processes. As a minimum the following decision protocols will be in place;

- Ultimate decision making on the schemes to be implemented by each member sits with the statutory Board of each member organisation.
- Disagreements to be managed through the Steering Group.

Month progress reports will be produced by the Consortium Director for the Consortium Steering Group and circulated to member Chief Executives. The report will include as a minimum;

- Activities undertaken in the previous month.
- Activities planned for the next month.
- Key decisions taken.
- Key risks.
- Key communications.
- Budget position.

Consortium Organisation and Governance

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4.3 Roles and responsibilities

4.3.1 Member Statutory Boards

The Chief Executive of each member organisation will be responsible for the effective communication and timely decision making of its Board. The following decisions will be taken by Consortium Member Statutory Boards;

- Joining and leaving the Consortium.
- Ongoing commitment to remain a member of the Consortium via the process gateways set out in the Consortium approach.
- Agreement to take forward the recommendations set out in the Full Business Case.

4.3.2 Consortium Steering Group

The purpose of the Consortium Steering Group will be to oversee and provide directional guidance to the Consortium. Chaired by a member organisation Chief Executive, the group will be accountable to the Chief Executives of each member organisation. Steering Group minutes and the Consortium monthly report will be electronically shared with all member organisations.

The Chair of the Steering Group will be the nominated day to day contact for the Consortium Director.

The Consortium Steering Group terms of reference are set out in Appendix 2.

4.3.3 Staff Partnership Reference Group

The Consortium will look to the existing Social Partnership Forum as its reference group. Its role as a reference group to the Consortium will include considering Consortium scheme information and providing well founded advice, comment and recommendations, which will be considered by the Consortium. It will aid in the development of robust and workable schemes. The Consortium Director will be the main point of contact for the Reference Group.

4.3.4 Consortium Director and Working Group

Consortium Director

The Consortium Director is the senior responsible officer for the Consortium. The post holder reports to the Consortium Steering group and is responsible for leading and managing the Consortium to ensure it meets its objectives.

The Consortium Director will be responsible for:

- Establishing the Consortium - including creating the Consortium Steering Group and Work Group, and developing the detailed programme plan.
- Ensuring the Consortium is underpinned by sound governance.
- Effectively leading and directing the Consortium and ensuring robust pragmatic programme management arrangements are implemented.

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- Leading and directing the establishment of appropriate Consortium communication and engagement activities.

A draft job description for the Consortium Director is set out in Appendix 3.

Consortium Working Group

The purpose of the Consortium Working Group will be to undertake the activities outlined in the Consortium approach, in order to deliver the Gateway process and the defined deliverables. The Consortium Director will be responsible for sourcing and managing the Consortium Working Group. It is anticipated that this group will require the following expertise and input:

- Programme and project management support.
- HR Director and Finance Director input from each member organisation.
- Communication specialist support.
- Specialist HR resource.
- Specialist legal resource.

Stakeholder Management and Communication Strategy

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5 Stakeholder Management and Communication Strategy

The development of a communication strategy will be crucial in ensuring co-ordination of communication activities and messages across the member organisations. The communication strategy should include key messages and communication channels to be used, and mechanisms to help maintain staff engagement. It is recognised that implementation of any change will be controversial and require careful management in terms of detailed consultation and implementation plans.

The aim of the communication strategy is to ensure that through the Consortium Director:

- Member CEOs, Human Resource Directors and Communication Leads remain up to date with progress against the work plan and are briefed on any issues arising from the work that may cause national or local trade union/media interest.
- The regional Staff Partnership Forum remains engaged through planned communications and briefings.
- That the messages from the Consortium are consistent and can be applied consistently across all member organisations.
- That the DH/Monitor/SHA are informed of any issues arising from the work that may cause national media interest.

5.1 Key messages

It is important the Consortium and its member organisations communicate pro-actively, such that there is a transparency to its purpose and activities.

To date the following three key imperatives have been communicated as the drivers for creating the Consortium:

- The future proofing of our services and the importance within that of a right sized workforce which is involved, engaged and motivated to provide an exceptional service.
- We have a future pay structure that enables performance and productivity to be appropriately recognised and rewarded.
- We are inviting Staff Side representatives to work with us in achieving these objectives.

Message sent to CEO to communicate with staff side:

'The Board has agreed to engage in further work with other organisations in the South West, to explore alternative and more flexible ways of rewarding and incentivising staff, in the delivery of services that improve quality and productivity and reduce cost.'

Stakeholder Management and Communication Strategy

South West PTC Consortium - PID - commercially in confidence and a draft for discussion.

Statement shared with Social Partnership Forum February 2012:

'Acute provider organisations in the South West acknowledge and support the work of the NHS Staff Council in its on-going discussions relating to potential changes to some elements of the agenda for change national pay framework. Currently, there is little indication as to what changes, if any, might be introduced and when they are likely to be effective. South West employers are keen that terms and conditions of employment are fairly and consistently applied, but also more appropriately and effectively recognise and reward individual contribution, encourage innovation and support efficiency improvements. This is particularly important when all organisations continue to face such significant challenges to their finances and work hard to protect employment. Therefore, employing organisations aim to work more collaboratively in seeking to ensure the national pay framework represents value for money and delivers benefits for employers, staff and patients, alike. We look forward to working with staff side representatives to achieve these aims'.

Statement shared with Social Partnership Forum 2nd April 2012

The Board of this Trust has agreed to work with other organisations in the South West, to explore alternative and more flexible ways of rewarding and incentivising staff, for the delivery of services that improve quality and productivity and reduce cost. So what does this mean in practical terms?

The South West Chief Executive forum has formed a small group to specifically look at this issue and come up with recommendations. There are a number of drivers behind this. Every single NHS organisation in the country faces the twin challenge of efficiency savings and improving quality of care for our patients. These aren't hypothetical challenges, they are real. Every single organisation also recognises the direct link between engaged, motivated staff and improving the patient experience. Again, not a hypothetical link and a frequently trotted out cliché, but proven, time after time not just in our sector, but in a number of different environments. The difference between our sector and others is the limited ability to use reward as a stimulus to impact on efficiency or quality of care. There is recognition of many of the benefits that national pay systems such as AfC can bring, particularly in establishing equity and fairness across a number of pay groups.

In the South West we are also conscious of and highly supportive of the discussions that are taking place at a national level between NHS Employers and our Trade Union colleagues. Within these discussions, there is recognition that for the benefit of all parties, some things need to change. But it is also true to say that discussions at national level on a number of issues have proven difficult to move to a position of agreement, whether it has been on 'on call' arrangements, RRP's or pay arrangements for the Royal Wedding. All of these issues have defaulted back to individual Trusts to broker agreements. We are also conscious of some of the pronouncements in the recent budget and in particular, the ideas around 'regional pay' in the public sector. Whilst much of the detail around this is still to be worked out, the directional steer suggests that this will become a more important feature over time.

So against this background, it would be remiss of Trusts in the South West not to commence a programme of work to consider all of these issues. A couple of things are clear from early discussions. Firstly, this must not be just about depressing pay and in particular, for those at the lower end of the pay spectrum. If this was the outcome, the engagement and motivation we need to deliver the service would be lost, so we also need to determine how to use our pay bill (up to 70% of our overall spend) to achieve the quality improvements that we need. Secondly, this review must be all encompassing and across all staff groups.

Finally, it is highly likely that a number of the questions being considered at national level will also be on the agenda within the South West and there will be an opportunity for each of the groups to inform each other of progress. What is absolutely clear is at this early stage, none of the answers are apparent, only some of the questions.

Stakeholder Management and Communication Strategy

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5.2 Key stakeholders

- Staff employed by member organisations
- Trade Unions (via the Social Partnership Forum)
- SW CEO Group
- Member Statutory Boards
- Social Enterprises
- Mental Health and Community Providers
- NHS South England
- Monitor/DH
- NHS Employers

5.3 How will we communicate - Communication system

The Consortium Director will be responsible for managing communications from the work programme and set up an email address to all CEOs, HR Directors and Communications leads of member organisations. Where required the Consortium Director will seek advice/views from the Steering Group members prior to circulation. (It may be helpful for the Director to have access to comms expertise?)

6 Resourcing

6.1 Resource requirement

The following minimum resource requirement has been identified for the delivery of the Consortium set up and activities defined in this PID. This requirement will be confirmed by the Consortium Director.

Table 4 : Resource requirement

Resource type	Details
Consortium Director	Externally appointed individuals 3 days per week
Project manager	Full time project manager of band 6/7 level, capable of developing business case content and liaising with Consortium members
Member HRD and FD input	Each Consortium member organisation will commit to providing timely access to key financial and HR personal. In the first instance this will be via the Director of Finance and the Director of HR, who may then delegate engagement to a member of their team.
Ad hoc specialist HR support	Consultancy basis for specific tasks (Consortium Director to sign off requirement)
Legal advice	Use one of the legal firms already contracted with in SW. Consortium Director and lead FD to arrange.

6.2 Financial funding

The Consortium will be funded by a pooled budget which will be hosted by one of the member organisations. All payments for resource will be handles by the host organisation.

Each member will contribute equally to the Consortium budget. The initial funding of the Consortium to deliver the planned activities has been estimated as a £10,000 contribution per member. The Consortium budget position and funding will be formally reviewed at Gateway 2.

The Consortium Director will have overall responsibility for the allocation of budget to tasks and activities, and will provide monthly reporting of spend against budget to the Steering Group as part of overall reporting activities.

7 Risks and Mitigation

Implementing potentially significant changes to the terms and conditions of employment of staff is not without risk, in terms of legal challenge, industrial relations unrest, impact upon staff morale and engagement and reputation management. Such changes are likely to resonate in the local, regional and national media, particularly if the South West is one of the first regions to take such action.

Alongside appropriate processes, consistent with legal requirements and recognised best practice, the following actions can be taken to mitigate these risks and will form part of the work programme:

- Timely and consistent communications with staff side, media and other key organisations.
- Up to date and ongoing understanding of the national position through NHS Employers.
- Feedback from individual Trusts on the 'temperature' of their staff side engagements.
- Good and reliable legal and HR advice.

A comprehensive risk and mitigations plan for the Consortium will be developed and agreed by the Consortium Director at the outset and reviewed regularly by the Project Team, and form part of the Consortium Directors report to the Steering Group.

Appendix 1 **Current Member Organisations**

The following organisations all have Board approval to be members of the Consortium:

1. Royal Cornwall Hospitals NHS Trust
2. Plymouth Hospitals NHS Trust
3. North Devon Healthcare NHS Trust
4. Royal Devon and Exeter NHS Foundation Trust
5. Taunton and Somerset NHS Foundation Trust
6. Yeovil District Hospital NHS Foundation Trust
7. Dorset Country Hospital NHS Foundation Trust
8. Poole Hospital NHS Foundation Trust
9. The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust
10. Salisbury NHS Foundation Trust
11. Great Western Hospitals NHS Foundation Trust
12. Royal United Hospital Bath NHS Trust
13. Weston Area Health NHS Trust
14. North Bristol NHS Trust
15. University Hospitals Bristol NHS Foundation Trust
16. Gloucestershire Hospitals NHS Foundation Trust

Appendix 2 Consortium Steering Group - Terms of Reference

Purpose

- To oversee and provide directional guidance to the pay terms and conditions Consortium on behalf of the member organisations.

Accountability

- Accountable to the Chief Executives of the member organisations.

Frequency of meeting and communications

- The Group will meet face to face bi monthly during the currently defined timescales for the Consortium (Currently planned for May, July and September 2012).
- Papers will be prepared and distributed at least five working days prior to the meeting.
- Where urgent business is conducted by the Chair and Consortium Director between meetings this will be fully reported to the next Steering Group meeting.
- A monthly progress report will be produced and distributed by the Consortium Director to the Steering Group and member CEOs.

Membership of Steering Group

Membership will include:

- Chair, a Chief Executive from one of the member organisations.
- Two Chief Executives (who, along with the Chair, broadly cover the geographies within SW), one of whom will be nominated as the Vice Chair;
- Two member HR Director - to provide a clear link to/from the SW HRD Network;
- One member Finance Director
- Consortium Director
- Communications Lead

Whilst members will make every effort to attend, deputies will be allowed. Deputies will be assumed to have the full delegated authority of the member they represent.

Quorum

- Chair or Vice Chair
- Consortium Director
- HR Director

Functions of the Steering Group

- Oversee and provide directional guidance to the Consortium Director and working group, acting as a source of advice, information and support.

Risks and Mitigation

South West PTC Consortium - PID - commercially in confidence and a draft for discussion.

- Receive monthly progress reports - either at meetings or electronically.
- Monitor Consortium finances and oversee appropriate resourcing of the Consortium.
- Brief CEO of member organisations on progress.
- Effectively manage of disagreements
- Maintain a strategic view of the Consortium communications.
- Review risks and issues ensuring appropriate mitigating action are being taken.

Appendix 3 Consortium Director Job Specification

Title: Consortium Director

Role Summary: The Consortium Director is the senior responsible officer for the Pay, Term and Conditions Consortium (the Consortium). The post holder reports to the Consortium Steering Group and is responsible for leading and managing the Consortium to ensure it meets its objectives. Day to day accountability will be with the Steering Group Chair.

Time commitment: The post will be filled on at least a three day a week basis. The initial tenure will be six months to deliver the Consortium to Gateway 3. Ongoing requirements will be defined as part of Gateway 3.

Required experience: HR Director experience is essential, including knowledge of HRM in the health sector and pay and reward structures from a range of different organisations. This will be demonstrated by the follow characteristics;

- An excellent communicator with a proven track record of engaging effectively at the top level across NHS organisations.
- A clear and applied understanding of the potential of different remuneration packages.
- Experience of implementation of significant remuneration related to HR change in a challenging environment.
- A tough negotiator with significant experience of engaging with Social Partners.
- Recent and relevant experience of apply complex processes across an number of stakeholders.
- Politically astute.

Contract type: 6 months, 3 days per week on either a fixed term contract or daily rate basis.

Key working relationships: The Consortium Director will be expected to develop and maintain good working relationships with;

- Steering Group Chair
- Member organisation Chief Executives
- HR and Finance Directors
- Social Partnership Forum
- NHS South of England

Key duties:

Establishing the Consortium

- Recruit appropriate programme management office staff
- Agree a budget allocation and financial process

- Establish Consortium Steering Group
- Establish Consortium Working Group resources
- Develop and agree programme plan
- Establish legal advice arrangements

Governance

- Ensure the Consortium Steering Group is efficiently and effectively managed, with good corporate governance and an appropriate programme management methodology.
- Ensure that the Consortium Working Group is efficiently and effectively managed.
- Ensure the production of monthly progress reports on the delivery of the Consortium plan for the Steering Group and Member CEOs.
- Ensure the implementation of Gateway Reviews of the Consortium as set out in the Consortium approach.
- Agree and implement with the Steering Group Chair the decision-making protocol that ensures that the appropriate decisions are made at working group, Steering Group and Member Statutory Board level.

Programme Management

- Provide effective leadership and direction to the Consortium to ensure it meets its aims and objectives.
- Ensure the Working Group and programme management staff are well managed.
- Lead the development of the planning and engagement processes which will ensure the successful delivery of the Consortiums aims and objectives.
- Ensure the Project Boards and that decision-making uses appropriate information and data.
- Lead and facilitate the development and work undertaken for each defined scheme, as indicated in the scope section of the PID.
- Ensure the management of appropriate accounting and financial management arrangements to deliver the Consortium budget.
- Define, appoint and manage any specialist support to the Consortium including legal advice.

Engagement

- Lead and direct the establishment of appropriate Consortium communication and engagement activities.
- Ensure there is appropriate engagement and involvement of member organisations.

Risks and Mitigation

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- Ensure the Consortium has an effective communication function to develop the reputation of the programme and to ensure that stakeholders receive consistent key messages.