

Meeting Title	Mid and South Essex Acute Trust Boards Meeting in Common (session in public)		
Meeting Date	3 rd April 2019	Agenda No	14
Report Title	Workforce KPI's metric review & proposed changes		
Lead Executive Director	Danny Hariram- Chief People & OD Director, MSB Group		
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Action Required	Decision X Discussion X Monitoring <input type="checkbox"/>		
Background / Context	This paper sets out the need to review and standardise current workforce metrics (KPIs) across the Mid-Essex, Southend and Basildon Hospitals (MSB group) in order to meet the changing climate of performance driven targets within the NHS.		
Key Issue 1 <i>Fit for purpose KPIs</i>	<i>Realistic KPIs for the MSB group</i>		
Key Issue 2 Phasing KPIs	<i>Phased KPIs, year 1 to year 2 (19/20 & 20/21)</i>		
Assessment of Implications			
Financial implications	Does this proposal have revenue (recurrent or non-recurrent) implications for the Trusts? No Does this proposal have capital (recurrent or non-recurrent) implications for the Trusts? No If yes, can these implications be fully covered by existing budgets?		
Risk	Inability to measure performance accurately and non-standardisation approach to collective working.		
Equality and Diversity	This proposal has been subject to an equality analysis and there are no implications for groups with protected characteristics		
Freedom of Information	No exemptions apply		
Other Implications Identified	No exemptions apply		
Recommendation	The Trust Boards of MEHT, SUHT and BTUH are asked to approve the new proposed workforce KPIs, which would be effective from April 2019.		

1. Introduction

The setting of Key Performance Indicators (KPI) is an important aspect of the strategic/workforce planning process and plays a major role in the measurement of progress of the Mid-Essex, Southend and Basildon Hospitals (MSB group) towards the attainment of their planned goals. This measurement of progress is also an essential feature of strategic planning in monitoring our performance.

With the upcoming proposed merger of Basildon & Thurrock, Mid Essex and Southend Hospitals, the standardisation of KPI's is critical to achieving the Trust's vision for their workforce. In order to ensure that all three Trusts are working together as one and a successful implementation, these KPIs should be quantitative, practical, and directional. This provides the opportunity to identify areas for improvement and subsequently make decisions that help reach our goals.

2. Benefits of having realistic KPI's would:

- Assessment and motivation
- Alignment of existing resources
- Receive important information (snapshot)
- Reducing risk and inefficiency
- Anticipation of challenges
- Reduction of costs
- Opportunities to develop more

KPI's are important for measuring our performance (and inevitably growth) by allowing us to make systematic, timely adjustments, this will ensure that those goals have the potential to create actionable KPI's based on them.

3. Proposed changes

The three steps below are important, as they ensure that MSB continually assess KPIs and their relevance to the organisation. 1. KPIs aren't static. They always need to evolve, update and change as needed. If you're setting and forgetting your KPIs, you risk chasing objectives that are no longer relevant to the organisation. 2. KPIs generally are an essential tool for measuring the success of any organisation and making the adjustments required to make it successful. 3. Linking KPIs to best practices within the NHS nationally and locally. (Benchmarking) with yearly review of KPIs.

Best practice of NHS workforce KPIs (nationally and locally):

An assessment of best practice and national data has been undertaken to inform our proposal for a change to our current KPIs. This will give us the ability to measure / benchmark ourselves across peer review and also national median of acceptable rates. The longer term ambition will be to be in the highest standard.

- Statutory and Mandatory rate from a review of Model hospital 90%, peer median 86% and national median 89%
- Appraisals/ PDR rate from Model hospital 85%, peer median 83% national median 83%

- Consultant job planning completion rate 100% (contractual requirement of Consultant contract)
- Sickness absence rate: nationally from Model Hospital 4.15%, peer Median 4.14% and national median 4.27%
- Turnover in Month rate from Model Hospital 1.23%, peer median 1.23% and national median 1.03%

Source: Model Hospital: <https://model.nhs.uk> (March 2019)

Additional information can be obtained from NHSI iView on benchmarking numbers.

Current MSB workforce KPIs:

Statutory and Mandatory Training: This indicator measures the % of staff who are compliant at the point the report is run. Staff are compliant if they have undertaken mandatory training with the previous 12 months. Current Target 85% (higher value represents better performance)

Appraisal: These figures are based upon compliance from the previous 12 months, new starters are now included in these figures and will be given an appraisal with 3 months end date, in line with the appraisal policy statement. New starters should have an initial appraisal meeting within 3 months of commencement in post. Current target 90% (higher value represents better performance)

Turnover in month: This indicator measures and monitors the turnover of staff within the organisation by comparing the total numbers of leavers and the total number of WTE staff as rate (excludes the naturally rotating doctors in training and Fixed Term Contract Staff). Current target 0.79% (lower value represents better performance)

Turnover of staff appointed in the last 12 months: This indicator measures and monitors the turnover of new staff within the organisation by comparing the total number of leavers and the total number of Whole Time Employment (WTE). Current target 9.50% (lower value represents better performance)

Nursing Retention: It measures, by %, the Nursing & Midwifery registered staff in post for the Trust 12 months ago who are still employed in the organisation to date. (lower value represents better performance)

Vacancy rate: This indicator is a percentage of reported WTE staff in post against planned workforce levels. It is defined as a post that is unfilled by permanent or fixed-term staff. Total vacancy rates are a calculation by the total number of WTE vacancies and the total funded or budgeted establishment (comprised of the number of staff in post and the number of vacant posts). Current target 7% (lower value represents better performance) for nursing this will be measured monthly by reviewing the WTE month on month.

Sickness Rate: This indicator measures an employee's irregularity of attendance by combining measures of absence frequency and duration. These scores indicate the composition of an individual's sickness absence record comprises a few, or many, spells of short or long duration. Current target 3.5% (lower value represents better performance)

Proposed New KPIs to run alongside existing KPIs:

- Time to fill vacancy- measures the average time it takes, in days, to fill a vacancy. It measures the time taken from the advertising date (on the TRAC Recruitment system), up to the day of unconditional offer. Current position on average per recruitment exercise 60 days. Regional target 42 days **New proposed target rate 47 days** (lower value represents better performance)

Approach Method: Phasing of KPIs targets

A phased approach is based on the principle that any changes should be broken down into a series of steps i.e. phasing; year 1, year 2.

Each phase has a clear start point, some well-defined responsibilities, and a defined end point. This will allow us to review each phase to enable those responsible for the KPIs to make informed decisions about what to do next and why.

The benefits of using a phased approach include:

- reducing risk by working through step by step (measuring performance)
- ensuring the involvement of the right people at the right time
- encouraging careful changes of KPIs
- tasks: intervention measures that can change or give a desired outcome (i.e. recruitment strategy and nursing retention group)

Phased KPIs:

KPI	Current rate	National Rate (Model Hosp)	Current Group rate	Year 1 phase	Year 2 phase
Turnover 12 month	9.50%	No data	13.09%	12.00%	11%
Turnover in month	0.79%	1.03%	1.00%	0.90%	0.85%
Nursing Turnover	9.50%		13.20%	13%	12%
Vacancy rate	7%	8.5%	13.87%	12.50%	11.50%
Registered Nursing Vacancy	7%	Average 14.6%	17.85% January 2019 Band 5 vacancies – 700 wte	18% 500 wte (close the gap by 200)	17%
Sickness	3.5%	4.15%	4.10%	Maintain 3.5% and 4.0% for winter period Oct – Feb	Maintain 3.5% and 4.0% for winter period Oct – Feb

4. Reporting

Workforce KPIs will be monitored through Site Governance Forum (SGF), Boards in Common People & OD Committee and Trust Boards in Common through the integrated performance report.

5. Conclusion

The Board are asked to approve the proposed changes that will be reported on from April 2019.