



NHS Foundation Trusts

A guide to developing HR arrangements

February 2006

Foreword

The aim of this guide is to help NHS Foundation Trust applicants develop their HR arrangements in conjunction with advice and support from the Department of Health Implementation Team.

The guide is intended to provide an overview of the NHS Foundation Trust policy and implementation programme. It provides key facts on NHS Foundation Trusts and sets out the reasoning behind the policy. It illustrates key issues and information on a range of HR topics including, HR opportunities, HR strategy, staff engagement / involvement, and provides a number of case studies and ideas showing approaches applied currently within the NHS, from early waves of NHS Foundation Trusts, and from non-NHS organisations.

As high performing organisations NHS Foundation Trusts will be expected to be model employers. This guide is intended to help organisations achieve that aim by providing an illustration of emerging and existing good HR practice, and a summary of minimum requirements with which they must comply.

The guide sets out the fundamental principles and legal requirements of NHS Foundation Trusts, together with a framework for the development of an HR Strategy.

This guide is not intended to be a static document. This is the first edition and will continue to be supplemented with learning from the experience of the early waves of NHS Foundation Trusts and elsewhere in the NHS.

Examples of ideas and practices outlined in this guide are outlined because of the specific practices used to develop the NHSFT application, or examples from organisations within or outside of the NHS that relate to the NHSFT application process. Not all of the case studies are from authorised NHSFT organisations.

Contents

1. What are NHS Foundation Trusts	4
2. Human Resources and NHS Foundation Trusts – an outline	11
3. Applying to become an NHS Foundation Trust.....	15
4. Constitution and governance arrangements: staff	17
5. HR issues specific to NHS Foundation Trusts	23
6. Developing the NHS Foundation Trust HR Strategy	27
7. Wider HR Issues	37
Annex A: NHS Foundation Trust HR Assessment Criteria	71
Annex B HR Strategy - Development Checklist	72
Annex C: Acknowledgements and References	74

1. What are NHS Foundation Trusts?

1.1 A new type of NHS Trust

The next four years will continue to see major changes to the way hospital services are provided.

The *Health and Social Care (Community Health and Standards) Act 2003* provides for NHS Foundation Trusts to be established in law as new legally independent organisations called Public Benefit Corporations, with a duty to provide NHS services to NHS patients. The first wave ten of a new type of NHS hospital - NHS Foundation Trusts - were up and running from April 2004 and a 22 further NHSFT's come on stream since then. FT status is now open to 2 and 3 star trusts includes Mental Health Trusts.

Local communities and staff working on the front line are to be given a bigger say in managing NHS services in their area.

NHS Foundation Trusts will establish stronger connections between local hospitals and their local communities. Local communities will have social ownership of their NHS Foundation Trust. Those living in communities served by a hospital of an NHS Foundation Trust will be invited to become a member. The membership community of each NHS Foundation Trust will be made up of local people, patients and carers and staff.

Members will be able to stand and vote in elections for Governors of the Trust. Governors will be responsible for representing the interests of the members and partner organisations in the local health economy in the governance of the NHS Foundation Trust. This sort of public ownership and accountability will ensure hospital services more accurately reflect the needs and expectations of local people.

Although run locally, NHS Foundation Trusts will remain part of the NHS family. NHS Foundation Trusts will continue to deliver relevant care for their population, purchased by locally based Primary Care Trusts. The public will still experience healthcare according to core NHS principles - *free care, based on need and not ability to pay*.

NHS Foundation Trusts although free from central Government control, NHS Foundation Trusts will not work in isolation. They will manage their own budgets and be able to shape the healthcare services they provide to better reflect local needs and priorities, but they will be bound in law to work closely with partner organisations in their local area.

Inspected by the Healthcare Commission to the same high standards as all other NHS hospitals, NHS Foundation Trusts will have freedom to develop new solutions to long-standing problems such as staff shortages and long waits for certain treatments.

Health care planning will continue to involve the whole NHS community, but with more freedom to set up partnerships between all healthcare providers.

The Government's aim is that by 2008, all NHS Trusts will have reached a standard which would enable them to apply for NHS Foundation Trust status. This will ensure that throughout the country there are high performing organisations, which are

empowered to deliver high quality services to local people, so that no part of the NHS is left behind.

1.2 The case for change

The NHS Plan published by the Department of Health in July 2000, set out a radical ten-year reform programme for the NHS.

The NHS Plan reforms and investment are transforming the NHS, with dramatic improvements in key areas. Tackling the two biggest killers, cancer and coronary heart disease, has been a priority over the past four years and mortality rates are already falling rapidly.

Less than four years into the period covered by the 10-year NHS Plan, the new delivery systems and providers are expanding capacity and choice. As these new ways of working really take hold across the whole system, the dividend will be a higher-quality service with even faster access to care. A new spirit of innovation has emerged, centred on improving the personal experience of patients as individuals, and this is now taking root in the NHS.

If the reforms are to continue to succeed, they need to be led by local communities and by the NHS professionals delivering services on the ground.

1.3 NHS Foundation Trust core principles

NHS Foundation Trusts were established under new powers in the Health and Social Care (Community Health and Standards Act) 2003. They will be free from Whitehall control, enabling new ways of involving local people, local staff and local patients in the running of their hospitals.

These new Trusts will be new legal entities – Public Benefit Corporations. They will have stronger local ownership and greater involvement of their local communities through their links with their members. Local people, patients and carers and staff will be able to become members of their local NHS Foundation Trust.

NHS Foundation Trusts will be different from existing NHS Trusts in three important ways. They will:

- have new freedom to decide locally how to meet their obligations;
- be accountable to local people, who will become members and Governors, and
- be authorised and monitored by a new organisation, the Independent Regulator for NHS Foundation Trusts.

NHS Foundation Trusts will remain part of the NHS. They will be required by law to:

- maintain high national standards for NHS services;
- deliver NHS services to NHS patients free at the point of use;
- treat patients according to need, not ability to pay;

- work in co-operation with other health and social care partners.

The primary purpose of NHS Foundation Trusts will be to provide NHS services to NHS patients and this will be set out in their terms of authorisation, which will be issued by the Independent Regulator. NHS Foundation Trusts will be prevented from selling off or mortgaging NHS property and resources needed to provide key NHS services.

1.4 Governance arrangements

A say in how your hospital is run

The NHS is moving from being predominately nationally run to becoming locally run. NHS Foundation Trusts will strengthen local ownership of - and responsibility for - hospital services. Decisions will be taken by the Trust *with* local communities *for* local communities. The Trust will have increased autonomy to develop services that best serve the needs of the local community. This will impact the culture of the Trust requiring it to engage at all levels with stakeholders in defining the services required and empowering staff to deliver. These new organisations will need to prepare and educate the workforce to take full advantage of the freedoms afforded them under Foundation Trust Status whilst remaining accountable to their local communities.

Residents and patients in areas served by an NHS Foundation Trust with an interest in the wellbeing of their local hospital will be invited to register as members of the organisation as will staff working for the Trust. NHS Foundation Trusts may also allow for patients who do not live locally, and their carers, to become members.

Members of NHS Foundation Trusts will not receive any special treatment as NHS patients. They will have the same access to NHS services as anyone who chooses not to become a member. All NHS Foundation Trust members can expect to receive regular information about their local Trust and be consulted on plans for future development.

Members will be able to vote in elections to the Board of Governors of the NHS Foundation Trust. They will also be able to stand for election as Governors, and public members will be eligible to be appointed as non-executive directors on the Board of Directors.

The Board of Governors will be responsible for representing the interests of the local community in the management and stewardship of the NHS Foundation Trust, and for sharing information about key decisions with other members of the NHS Foundation Trust. The Board of Governors will not be responsible for the day to day management of the organisation e.g. setting budgets, staff pay and other operational matters –that will be a matter for the Board of Directors. The Board of Governors will however enable local residents, staff and key stakeholders to influence decisions about spending and the development of services. The board of governors will also appoint the chair and non-executive directors of the board of directors and will approve the appointment of the Chief Executive.

It will be up to each individual NHS Foundation Trust to determine the detail of the arrangements for the membership and election to the Board of Governors, within certain parameters. In particular, there must be fair and transparent elections. Governance arrangements will ultimately be *tailored to the individual circumstances*

of each Trust, reflecting the range of diverse relationships with patients, the local community, staff, and other stakeholders.

NHS Foundation Trusts will be allowed some local flexibility over the exact composition of their Board of Governors. However, every board must have:

- a majority of governors elected by members of the public- that is members of the public constituency and the patients constituency if there is one;
- at least three governors, who are staff, elected by staff members;
- at least one governor representing local Primary Care Trusts;
- at least one governor representing Local Authorities in the area;
- a chair;
- at least one governor appointed from the local university (if the Trust's hospitals include a medical or dental school);
- at least one governor representing each constituency or class within a constituency

Becoming an NHS Foundation Trust member

Each Trust must have at least one public constituency and a staff constituency. They may also have a patient constituency. It is possible to create sub-divisions or classes within a constituency. The details of constituencies and any classes within a constituency will be defined in the Trust's constitution.

Eligibility for membership of an NHS Foundation Trust will be open to local residents, living within the boundaries of a constituency which will include patients and carers where no patient constituency exists and patients and carers, where there is a separate patient constituency. The staff constituency will be open to all staff and may include volunteers and contract staff. Details of those individuals entitled to become members of the staff constituency and further eligibility criteria will be contained in each Trust's constitution.

A person who is eligible to become a member of one of the constituencies may do so on application to the Trust.

Individual Trusts may decide to adopt an opt-out system for membership of the staff constituency and patient (but not carer) membership of the patient constituency. Under this system staff or patients become members on invitation by the NHS Foundation Trust unless they inform the Trust that they do not wish to be a member

Individual NHS Foundation Trusts may provide for people who live outside the area but have been patients or carers at one of the Trust's hospitals to be eligible for membership.

There will be no limit on the number of people who can register as members, providing they meet the eligibility criteria but members can only belong to one constituency

There will be no limit on the number of people who can register as members, providing they meet the eligibility criteria.

1.5 Local services, national standards

Monitor, the Independent Regulator of NHS Foundation Trusts, is an independent corporate body established under the Health and Social Care (Community Health and Standards) Act 2003. Monitor is accountable directly to Parliament and has been established to authorise, monitor and regulate NHS Foundation Trusts.

Every NHS Foundation Trust will have an authorisation – like a ‘licence’ to operate - issued by Monitor. The terms of authorisation will set out the conditions under which an NHS Foundation Trust will operate and will cover such things as:

- A description of the health goods and services that a Trust is authorised to provide;
- A list of goods and services that a Trust is required to provide to the NHS in England;
- A requirement to operate to high standards, based on the Standards for Better Health against which the Healthcare Commission will inspect;
- The circumstances in which major changes to services (for example, in response to a changing local population) need to be discussed locally and agreed by Monitor;
- A list of assets such as buildings, land or equipment that are designated as ‘protected’ because they are needed to provide required NHS services;
- Limits on the amount of private work an NHS Foundation Trust can carry out. NHS Foundation Trusts will be subject to strict limits on private patient work based on the amount of private work they currently do. If an NHS Foundation Trust wishes to treat more private patients, it will need to treat more NHS patients *first*. This will ensure that NHS Foundation Trusts continue to focus on NHS work;
- The amount of money an NHS Foundation Trust is allowed to borrow;
- The financial and statistical information an NHS Foundation Trust is required to provide.

Like all other NHS bodies, NHS Foundation Trusts will be inspected against national standards by the Healthcare Commission. Monitor will receive copies of inspection reports and decide what, if any, action is needed in the event of failings.

The Independent Regulator will monitor each NHS Foundation Trust to ensure they do not breach the terms of their authorisation. The role of Monitor is designed to give NHS Foundation Trusts the freedom to deliver services to meet local needs while safeguarding the interests of NHS patients. In normal circumstances, Monitor will have no reason to intervene in the running of an NHS Foundation Trust.

However, if an NHS Foundation Trust significantly breaches the terms of its authorisation, or finds itself in difficulty, Monitor will have the power to step in to resolve the breach. Monitor will have a range of intervention powers in the running of an NHS Foundation Trust in the event of failings in its healthcare standards or other aspects of its activities, which amount to a significant breach in the terms of its authorisation.

In the most serious cases, where intervention by Monitor could not resolve the breach, an NHS Foundation Trust could be dissolved. If this ever were to happen, the *Health and Social Care (Community Health and Standards) Act 2003* provides mechanisms to ensure that NHS patients continue to receive high quality treatment.

1.6 Rewarding results, encouraging growth

Historically, hospital funding has been dependent on the negotiating skills of individual hospital managers in agreeing service levels in block contracts. From April 2005 a fairer, more open financial system of *payments by results* will be introduced across the NHS.

Following the introduction of payment by results, NHS Foundation Trusts will enter into legally binding agreements with local NHS Primary Care Trusts who will buy locally relevant services for the population served by the Trusts. These contracts will set out the number and type of services NHS Foundation Trusts will provide.

If an NHS Foundation Trust wants to change its services, it must consult the NHS Primary Care Trusts that pay for those services. If the services it wishes to change are classified as essential 'protected' NHS services which the Trust is required to provide under its terms of authorisation, then the NHS Foundation Trust must also consult the local Council Overview and Scrutiny Committee (OSC), and obtain the agreement of Monitor.

1.7 Borrowing for growth, protecting NHS assets

Historically, hospital funding has been dependent on the negotiating skills of individual hospital managers in agreeing service levels in block contracts. From April 2005 a fairer, more open financial system of *payments by results* was introduced across the NHS.

The new financial system will:

- reimburse hospitals fairly for the services they deliver;
- reward efficiency and quality;
- ensure services are developed in line with local need;
- give patients more choice about where they are treated;
- allow funding to 'follow' a patient if they decide to be treated in another hospital.

NHS Foundation Trusts will enter into legally binding agreements with local NHS Primary Care Trusts who will buy locally relevant services for the population served by the Trusts. These contracts will set out the number and type of services NHS Foundation Trusts will provide.

If an NHS Foundation Trust wants to change its services, it must consult the NHS primary care trusts that pay for those services. If the services it wishes to change are classified as essential NHS services which the Trust is required to provide under its terms of authorisation, then the NHS Foundation Trust must first obtain the agreement of Monitor. If the change in services amounts to a substantial change or development in the Trust's services then there is a duty to promote public involvement and consultation and a duty to consult with the Local Authority Overview and Scrutiny Committees.

1.8 NHS staff – continuity of service when an NHSFT

Achieving NHS Foundation Trust status will not affect the continuity of service of staff. Staff employed by NHS Foundation Trusts will continue to have access to the NHS pension scheme, including the associated injury benefit scheme and retirement arrangements.

From December 2004, NHS Foundation Trusts along with the NHS will implement *Agenda for Change*, offering staff the opportunity to transfer to new, more flexible terms and conditions.

NHS Foundation Trusts will have opportunities to innovate in order to develop the workforce for the delivery of high quality patient care – using their ability to develop new ways of recognising, acknowledging, rewarding and retaining staff.

2. Human Resources and NHS Foundation Trusts –

2.1 Human Resources and the modern NHS

Human resources (HR) and the ongoing support and development of the workforce is key to supporting and leading change in the modern NHS. Through the development of innovative and ground breaking local service delivery and clinical development strategies, HR enables healthcare organisations to shape and develop the workforce, providing the working conditions that enable innovation and change to take place. The purpose of HR being to improve the individual and collective contribution of people to the short and long term success of the organisation – and whilst the HR function may have a lead responsibility for developing HR strategy, it is the organisation's overall approach to people management that is central to this.

2.2 What does NHS Foundation Trust status mean in relation to HR?

NHS Foundation Trusts will be free to deliver healthcare without direction from Whitehall. This will give NHS Foundation Trusts the opportunity to further develop advanced HR practices facilitating the innovative development of the organisation and workforce together with the development of new ways of working with staff and others for the benefit of patients, the organisation and the wider NHS.

Applicants for NHS Foundation Trust status will be expected to demonstrate a sound track record in HR policy and practice, change management, organisational and leadership development – and on becoming NHS Foundation Trusts, they will be able to build on this track record – maintaining and developing high standards of employment practice and securing a culture which reflects their new organisation, enabling staff to provide greater benefits to patients and to continue to respond to a robust and operating policy context,.

For example, NHS Foundation Trusts will be expected to:

- Create a culture of working in partnership, involving and engaging the workforce, unions, patients and the public as well as other stakeholders and partners;
- Develop devolved decision making and new responsibility frameworks which empower staff to improve working methods and service delivery;
- Enable learning and development to support the current and future workforce;
- Create an environment for innovation and entrepreneurialism;
- Develop and implement HR practices that are recognised as good practice across the NHS and beyond: and improve the working environment building on different approaches, such as Improving Working Lives (IWL).
- Workforce plan and workforce re-design to enable highly productive working that is flexible to the changing needs of the service and patient choice

This will be supported by an NHS Foundation Trust's ability to develop new ways of recognising, motivating, rewarding and retaining staff.

Some of the key differences for HR are:

- Interrelation between service strategy, new governance and HR and whole systems approaches for economies of scale and to enable connection amongst disparate policies and programmes.
- Mainstreaming people management across the organisation, drawing from practices beyond healthcare
- Ongoing involvement and empowerment of people in more dialogue for decisions in co-designing interventions and undertaking the actions by working together
- Education, training and innovation opportunities to work with other organisations in partnership and with social businesses.
- Opportunities for local choices about how NHSFTs plan and deliver services in a way that works for their people/organisation, in a timescale that works locally
- HR 'loose' to be able to go beyond where it is now, and regulatory 'tight' complying with legislation
- Building on the duty of partnership and new relationships working across the local community
- Building on things that work well, adapting in a way that works better locally and culturally.
- New leadership and management styles, approaches and principles that require commercial robustness and resilience.

2.3 Legal Requirements

As employers, NHS Foundation Trusts will continue to comply with general employment law. Additionally, there are also some specific requirements relating to NHS Foundation Trusts in the Health and Social Care (Community Health and Standards) Act 2003 that are relevant when considering HR policies, notably the arrangements for the constitution and governance of NHS Foundation Trusts.

With the need to comply with employment law brings an opportunity for NHS Foundation Trust HR departments to review how they 'steward' HR and good HR practice in their organisations. A different regulatory framework for governance presents opportunities to explore a more people-focused organisational governance that includes HR. Performance management could become part of a more organisationally focused approach with regular feedback and review from governors and staff members similar to the "Corporate Social Responsibility" approach outlined in the example from Calderdale and Huddersfield NHS Trust.

The ability to develop HR practices from beyond the NHS will also require new mechanisms of internal governance, risk management, responsibility and accountability, and performance monitoring in order to ensure that any changes are legal and appropriate for the operating context. There are some models of this emerging including the use of organisational balanced scorecards and implementing responsibility frameworks

2.4 The impact and opportunity for HR of NHS Foundation Trust status on your organisation

The change in culture and status as an NHS Trust becomes an NHS Foundation Trust will bring many opportunities. One of these opportunities will be to extend HR into wider leadership and management, for example mainstreaming HR across other management functions and integrating HR into the service development and governance elements of the organisation to ensure staff and members realise the benefits and the organisation is effectively skilled to meet the changing demands of service delivery and new market opportunities.

The NHSFT application and implementation process is an opportunity to review the role and function of the HR department – consider the development of new skills in a new environment, a change in structure with for instance an increasing emphasis on organisational development and change, empowerment, working in partnership and leading on the work looking into new models and approaches to productivity.

There is also an opportunity for the development of HR practitioners through restructure and redesign of HR services in ways that support the shift in organisational culture, the development of new relationships and involvement processes. They can also act as role models for the new cultures and behaviours around leadership, and collaborative working. HR practitioners are likely to need to gain experience of a different type of function using practices from outside the NHS and to experience a more “socially-focused” mutual organisation.

2.5 Examples from previous Waves of NHS foundation Trusts

Previous NHSFT applicants have described the impact of NHS Foundation Trust status as offering the following opportunities:

- Extension of social ownership / corporate social responsibility including:
 - working with, within and for the local community embracing local people, staff, and partners
 - securing significant patient and public involvement
 - meeting broader obligations to employees and the wider community emphasising the need to adopt a coherent approach to involving a diverse range of stakeholders
 - broadening the HR agenda
- Opportunities and impact of new membership and governance arrangements
 - impact on staff involvement and integration with existing mechanisms
 - enhancing local ownership and partnership working across the local health economy
 - support for staff members and staff governors (induction, training, facilities, access to information, time-off, administrative assistance)

Wave 1 and 1a applicants have also described the impact of NHS Foundation Trust status as:

- An opportunity to review and reform local staff side arrangements (also on the back of the AFC implementation) - both strengthening and enabling – undertaken mutually between the Trust and the Trade Unions locally.
- Shifting the culture of the organisation, embracing:
 - Extending and developing staff involvement to facilitate a participatory working culture.
 - Joint / devolved / quicker decision making – for example, leading to increased ownership and increased autonomy to take forward the system reform agenda, especially patient choice.
 - Review / revision of existing policies, practices and other documents (for example, Staff Charter) to take account of the values of the NHS Foundation Trust.
 - Development of new skills and learning programmes – for example, revision of leadership and management development programmes to reflect the “new” culture and increase in commercial / negotiating skills needs.
 - New leadership and management development approaches to enable new skills such as commerciality, entrepreneurialism, and new models of accountability.
- The opportunity to reinforce the local strategic direction – focusing on and progressing local objectives by balancing local needs and priorities against the national position and utilising new local approaches to productivity
- Opportunity to explore flexible reward packages (both financial and non financial) considering the impact of freedoms within Agenda for Change and support for the development of new roles and care pathways.
- Maximising financial freedoms and exploring the implications / risks of freedom from financial regulation :
 - Scope for income generation
 - maximising financial freedoms, for example, access to capital (e.g. updating / refurbishing staff (and patient) facilities using re-invested surpluses)
 - developing more community based services and “community benefit” schemes and joint ventures.
- Remaining part of the NHS family:
 - continuing to meet the statutory duty of partnership - developing new / different working relationships
 - working collaboratively e.g. in recruiting staff across the local health economy and the NHS Foundation Trust’s role within the local health economy, working with the local community to recruit and retain the future workforce which includes embracing volunteers, and carers.
 - the impact of Agenda for Change - using freedoms appropriately in order to support stability within the local health economy and across the local labour market
- Opportunities for joint ventures with other organisations, e.g. local housing associations to ease accommodation problems.
- The impact of working within a regulatory culture – and the need to establish / expand / develop HR governance / risk management arrangements, and develop strong notions of personal responsibility.

It is not about changing the purpose of the organisation – it is about changing the way the organisation is run and increasing local accountability.

3. Applying to become an NHS Foundation Trust

3.1 Overview of the application process

This section provides an overview of the NHS Foundation Trusts application process. In summary, the key stages in attaining NHS Foundation Trust status are:

Entry point Currently only NHS Trusts who hold a current 2 or 3 * rating can apply for NHS Foundation Trust status.

Preliminary applications Those 2 and 3* rated NHS Trusts who wish to apply for NHS Foundation Trust status will be invited to submit a preliminary application to the Department of Health. The preliminary application requests information about current working practices and recent past performance.

Preparatory Phase The next step is for Trusts to make the necessary arrangements to obtain the support of the Secretary of State for their application. Support will be contingent on detailed development of a service development strategy, governance arrangements and HR strategy.

Secretary of State approval Once the Secretary of State is content that the applicant is ready to go forward for authorisation he will make a statement of support for their application.

Authorisation phase Prospective NHS Foundation Trusts can then submit their application to Monitor for authorisation. At this time provides for the applicant Trust to formalise an initial membership, elect a Board of Governors and appoint a Board of Directors. NHS Trusts are required to implement these governance arrangements whilst Monitor considers their application. Further information on Monitor - The Independent Regulator of NHS Foundation Trusts and the publication *Applying for Authorisation as an NHS Foundation Trust: Guide for Applicants* can be found at: <http://www.monitor-nhsft.gov.uk/>

Other implementation Alongside the preparatory and establishment phases applicant Trusts need to plan and prepare to introduce legally binding contracts with local commissioners. These will need to be in place prior to establishment as an NHS Foundation Trust.

3.2 Preparatory Stage Overview – Objective

The objective of the preparatory phase is to take the necessary steps to obtain the support of the Secretary of State to make an application to be an NHS Foundation Trust. It will involve an assessment by the Secretary of State to ensure that the applicant's vision is aligned to the aims of the freedoms conferred by NHS Foundation Trust status and the needs of local health communities. The assessment will also consider the robustness of systems necessary to allow the organisation to operate successfully as a public benefit corporation independent of the Secretary of State. Throughout, the focus is on working with organisations to develop the arrangements and systems. It is important that the material prepared during this phase is completed thoroughly and in line with the legislation; there will therefore be opportunity for continuous dialogue between Department of Health and applicants to provide information and support. It is not about failing organisations at the eleventh hour.

3.3 Preparatory Stage Requirements

The application guide sets out the main documentation that must be prepared by organisations working towards NHS Foundation Trust status and on which DH will base its assessment of readiness:

- an integrated business plan sets out the three main documents developed in discussion with local NHS partners. It will need to be complementary to the local health community's strategic vision. It will need to set out what the applicant expects to achieve in the next 5 years as an NHS Foundation Trust and will need to be underpinned with a robust sensitivity analysis of any assumptions it contains. It must also include details of proposed governance arrangements and underpinning HR strategy and workforce plans.
- undertake 12 weeks public consultation is required on the governance proposals and 'vision' element of the Service Development Strategy, together with the benefits and risks of NHS Foundation Trust status for the applicant. The consultations are not referenda on making an application for NHS Foundation Trust status; they are about the format and content of the proposals the applicant wishes to make. Comments should be sought and received on that basis. Guidance "Code of Practice on Consultation" has been published by the Cabinet Office (January 2004) about the recommendations for formal consultation and can be found at:
(<http://www.cabinet-office.gov.uk/regulation/Consultation/introduction.htm>)
- engage informally and seek to reach agreement locally on a range of issues including the HR strategy and the detail of the integrated business plan, protected assets and services etc.

4. Constitution and governance arrangements: staff

4.1 Staff membership

4.1.1 Staff constituency

Each NHS Foundation Trust must have a staff constituency. Employees of the NHS Foundation Trust can become members of the staff constituency (schedule 1, paragraph 3(1)(b) of the Health and Social Care (Community Health and Standards) Act 2004). To be a member of the staff constituency, staff must either have a contract of employment that does not have a fixed term or have a contract of employment with a fixed term of at least 12 months, or have been employed continuously for 12 months or more (schedule 1, paragraph 3(3)).

If the NHS Foundation Trust so chooses, members can include people who have exercised functions for the purposes of the NHS Foundation Trust but are not employed by the NHS Foundation Trust itself. Such individuals might potentially include volunteers, academic staff or nurses and doctors who are employed by a recruitment agency and staff employed at an NHS Foundation Trust through an independent contractor. An example would be the provision of catering services by an outside agency. To be eligible for membership they must have exercised functions for the purposes of the NHS Foundation Trust for at least a year (schedule 1, paragraph 3(3)(b)). If an NHS Foundation Trust decides to adopt such an approach, then such individuals would no longer be eligible for membership of the public or patient constituencies

Each Trust will define the eligibility criteria for its staff constituency in their constitution.

4.1.2 Rights and responsibilities

The constitution may make provision as to the circumstances in which a person may not be a member (schedule 1, paragraph 3(7)). Anyone eligible for membership of the staff constituency cannot be a member of a public constituency or patient constituency (schedule 1, paragraph 4(6)).

4.1.3 Becoming a member

A person who is eligible to become a member of the staff constituency of an NHS Foundation Trust can do so on application to the Trust (schedule 1, paragraph 6(1)).

If an NHS Foundation Trust so chooses it can adopt an opt-out system for membership of the staff constituency. Under this system staff, become members on invitation by the NHS Foundation Trust unless they inform the Trust that they do not wish to be a member (schedule 1, paragraph 6(2)).

4.1.4 Creating the staff constituency

The Trust may choose to divide the staff constituency into two or more classes.. Each constituency or class of members within a constituency will have the right to elect one or more members to the Board of Governors. Trusts must specify the minimum number of members in each constituency and in each class of a constituency in their constitutions. DH recommends that NHS Foundation Trusts have as large a total membership as possible. The minimum numbers specified in

the Trust's constitution should be in line with what is realistic for each individual NHS Foundation Trust.

Each NHS Foundation Trust will need to set out the criteria for definition of its staff constituency and of any classes within the constituency.

There are various ways in which a Trust can subdivide the staff constituency into classes and the basis for subdivision should be set out clearly in the constitution. If they decide to adopt such an approach, Trusts are advised to use accepted professional distinctions in drawing up the sub-divisions, e.g.:

- (a) medical and dental practitioners
- (b) other clinical staff not in (a)
- (c) all other staff not in (a) or (b)

This could be expanded to bring out other key groups such as AHPs, ancillary staff, admin and clerical, managers etc. An alternative approach would be to define separate sections to cover different hospital sites. But whatever approach a Trust uses it will need to ensure that the definitions used cover everyone who is eligible to be a staff member.

A broad contextual factor to also consider when implementing membership and governors is one of diversity and the diverse nature of the organisation and how the organisation will be wishing to reflect the diversity of its own local operating context.

Training will be required for governors and possibly other people in the organisation through the transition and into the new arrangements on governance, and membership in addition to the board, leadership and management development programmes that will be required to enable all leaders and managers to operate effectively in the new context and environment that NHSFT brings.

Birmingham Heartlands and Solihull NHS Trust (Teaching) for instance like other NHSFT early waves developed an induction programme for the board of governors to the Trust, about the communities served and their role and responsibilities'

East Somerset NHS Trust within their HR strategy stated ' the Trust will develop specific strategies to support staff members of the NHS Foundation Trust and to communicate with them. The Trust will aim to recruit 50% of staff members by April 2007 This will allow membership to grow organically throughout the organisation.

4.1.5 Why have staff members and governors?

During the early development of the NHS FT policy, and waves 1 and 1a applications the rationale and impetus for staff members and governors has become clear. Staff feel that they have a productive personal stake in the organisation. In turn this enhances communication between the management team and staff and between staff and their patients and changes the relationship between the organisation and the people who use it to one in which members are an integral part of the organisational fabric. Staff are more likely to be better motivated, more efficient and less inclined to leave – and that is critical to successful service delivery.

As well as creating some new cultural and behavioural differences in your organisation, supporting partnership working, enabling new models around the role of

trade unions to emerge, engaging and involving staff, membership creates opportunities in many guises and has many impacts – one example of this is a ‘recruitment pool’ for potential new staff from the public/patient membership of the Trust. There are many organisational case studies and websites that can be sourced to find out more around this topic more broadly, some cases are listed below and some websites are also outlined. There are also many listed in the Guide to Governance Arrangements published by the Department of Health.

A good example where membership works is at John Lewis Partnership:

At the **John Lewis Partnership**, employees elect 85% of a Central Council which itself elects members to a Central board which is responsible for commercial activity. This provides a direct link between proposals for service improvement and those needed to bring it about (i.e. staff) and research has shown employees welcome their ability to change things on the shop floor and are more enthusiastic about that change.

Equally another model of membership is at Greenwich Leisure:

Greenwich Leisure is a multi-million pound enterprise with charitable status. It has over 1000 full time staff and a governance structure that gives employees, unions, customers and local councillors a genuine say in how the business is run.

“Because we are a genuinely staff led company, staff are both the employers and the owners. This creates a virtuous loop of empowerment that is very powerful. They own the outputs and they own the inputs – it means they can’t just blame somebody else when things don’t work, but at the same time they can directly affect the way we do things” says CE, Mark Sesnan.

Greenwich Leisure’s democratic heart lies with its governing board. Made up of members elected by their peers, it contains 12 staff, two leisure centre users, three councillors and a trade union representative. The board sets the strategic direction for the business and holds the executive directors to account for day to day operations.

“We’re now in a position to say ‘if it’s the right thing to do, let’s do it’. If things go wrong, then we have to find a way to manage ourselves out of it, but it doesn’t stop us trying to do the right thing.”

Governors are also taught the importance of collective responsibility and the need to put personal interests to one side when making organisational decisions. Sesnan says: *“The real evidence of success is that people regularly vote for our services as being the best around. We’re actually doing what our customers want us to do. it’s not rocket science. Our main achievement has been releasing the energies our staff have and letting them take control of their future.”*

Membership creates a different “psychological and social contract” in organisations. It has many meanings. One of the outcomes of membership is taking more personal responsibility. One NHS Trust in Leeds looked at this from another perspective (long before NHS Foundation Trusts came to the forefront) and introduced a Framework of Personal Responsibility:

Leeds Mental Health Teaching NHS Trust have developed a *Framework of Personal Responsibility*. It seeks to involve each member of staff in contributing to the standards of care offered and empower each person to continuously improve individual or team performance by taking personal responsibility for their actions/standards of work. The impact of this has been lower grievance, disciplinary, turnover, and sickness absence levels.

Members and Governors also offer NHSFTs a 'recruitment pool', as once they experience working more closely with the organisation, or being more involved in the organisation, they may increase confidence, or find skills they didn't know they had through their experiences as members or governors.

A model of a community Interest company (CIC) which also connects recruitment, retention and training is: **Blackburne House Group, Liverpool**

Blackburne House is a women's technology and education centre. It enables women who have not been engaged or succeeded in traditional education and learning environments to uncover and develop their abilities through the provision of high quality learning opportunities. It is an attractive and welcoming place whose own high standards and high aspirations bring out the best in the women it trains, many of whom go on to secure senior jobs in the competitive IT sector. It now also acts as a centre for other activities as well as running a highly regarded day care centre.

<http://www.dti.gov.uk/cics/casestudies.htm>

UnLtd is an organisation who 'want to support people who have the ideas and commitment to make a really positive difference in their communities'

It is a new charitable organisation set up by seven leading organisations that promote social entrepreneurship.

UnLtd - the Foundation for Social Entrepreneurs - wants to support and develop the role of social entrepreneurs as a force for positive change in the United Kingdom. In the short to medium term UnLtd will achieve this by providing:

- Awards to social entrepreneurs
- A UK wide Fellowship of people who have received awards
- Research into the impact of social entrepreneurs on society
- A Social Venture Fund

<http://www.unltd.org.uk/home.php>

One of the seven leading non-profit organisations working with Social Entrepreneurs is Changemakers. Changemakers' vision is to see young people realise their capacity to play a positive and valued role in community change

What makes Changemakers different to any other organisation?

Changemakers is special because it empowers young people to lead the action. It is they who decide what to do and how. Adults are there to facilitate and support the learning.

Changemakers want young people to lead the action

- Explore and express their values, ideals and opinions
- Develop knowledge, abilities and personal skills
- Gain greater understanding of their community
- Acquire attributes to thrive in a rapidly changing community and economy
- Learn about working in a team of active citizens
- Explore their power to effect change

And adults to support the learning

- Listen to young people
- Encourage young people to know they can create a better world
- Respect young people as active participators
- Enable young people to develop important skills for life and work
- Assist young people to reflect on their action and learning

<http://www.changemakers.org.uk/>

This organisation may, for instance be a good organisation for NHS Foundation Trust to work with locally when working to engage the local community, and possibly to enable learning (e.g. via a COM university), and for longer term recruitment initiatives – of engendering interest from local young people to work in the NHS in the future.

Job Ownership Ltd (JOL) has been researching, lobbying and advising on employee ownership for over twenty years, in the UK and around the world. JOL is an independent, not-for-profit organisation supported financially by the leading employee-owned companies in the UK.

JOL offers:

- FREE information and advice about employee ownership
- A coordinated approach to the promotion of employee ownership
- Consultancy for companies starting up or converting to employee ownership
- Case study research and policy development
- Conferences aimed at shaping opinion and promoting employee ownership

Job ownership – <http://www.jobownership.co.uk/>

Want to know more?

Sources of information for the examples given above are:

- Details of the staff Central Councils can be obtained from John Lewis plc at www.johnlewisjobs.com.
- Further details on Greenwich Leisure can be found at www.employee-ownership.org.uk.
- The Employee Ownership Centre – <http://www.mhcc.co.uk/esop/esop/default.asp>

Other organisations where membership is a key element (both membership of staff and / or membership of other forms can be found at:

- Welsh Water (owned by Glas Cymru) - <http://www.dwrcmru.com/glascymrusite/>
- FRC Group, Liverpool - <http://www.frcgroup.co.uk>
- The Eden Project, Cornwall - <http://www.edenproject.com>
- Co-operatives UK - <http://www.cooperatives-uk.coop/live/welscome.asp>
- Oxford Swindon and Gloucester Co-op - <http://www.osg.coop>
- The Social Enterprise Coalition is a good source of “social enterprise” organisations and case studies which include different models of membership and governance – <http://www.socialenterprise.org.uk>
- Just Ask – membership toolkit. The Co-operative college, Holyoake House, Hanover Street, Manchester. M60 0AS

Further information on membership of NHS Foundation Trusts can be found in:

Chapter 3 of “NHS Foundation Trusts: A guide to the governance arrangements”, published by the Department of Health <http://www.dh.gov.uk/assetRoot/04/07/04/43/04070443.pdf>

4.2 Staff governors

4.2.1 Structure

Every NHS Foundation Trust must have a board of governors (schedule 1, paragraph 7(1)). Altogether, the board of governors must have at least three governors elected by members of the staff constituency and where the Trust has chosen to divide the staff constituency into classes, each class must elect at least one governor (Schedule 1, paragraph 9(2)). Staff governors must be members of the staff constituency and, if applicable, of the relevant class. Staff governors must be elected by the members of their own constituency or class of constituency and members of the one class may not vote at the election of governors from another constituency or class (schedule 1, paragraph 7(4)).

4.2.2 Terms of office

Staff governors, in common with other elected governors, may hold office for a period of three years (schedule 1, paragraph 10(1)) and are eligible for re-election at the end of that period (schedule 1, paragraph 10(2)). If they cease to be a member then they cease to be a governor (schedule 1, paragraph 10(3)).

A person cannot be a governor if:

- He has been adjudged bankrupt or his estate has been sequestrated and in either case he has not been discharged (schedule 1, paragraph 8(1) (a));
- He has made a composition or arrangement with, or granted a trust deed for, his creditors and has not been discharged in respect of it (schedule 1, paragraph 8(1)(b));
- He has within the preceding five years been convicted in the British Islands of any offence, and a sentence of imprisonment (whether suspended or not) for a period of three months or more (without the option of a fine) was imposed on him (schedule 1, paragraph 8(1)(c)).

If it chooses, a NHS Foundation Trust may also include provisions in its constitution about other circumstances in which a person may not become a governor of the Trust (schedule 1, paragraph 8(2)).

In addition, the Independent Regulator may specify certain things that the board of governors should or should not do if he has cause for concern. He may remove all or some governors in cases of the NHS Foundation Trust failing.

Want to know more?

Further information on membership (including resources and costs of implementation) of NHS Foundation Trusts can be found in:

Chapter 4 of "NHS Foundation Trusts: A guide to the governance arrangements", published by the Department of Health

<http://www.dh.gov.uk/assetRoot/04/07/04/43/04070443.pdf>

5. HR issues specific to NHS Foundation Trusts

5.1 Transitional arrangements on becoming an NHS Foundation Trust

5.1.1 Continuity of employment on authorisation

When an NHS Trust is authorised as an NHS Foundation Trust, existing employees will keep existing terms and conditions and continuity of service will not be affected by the change to NHS Foundation Trust status.

When the Independent Regulator authorises an NHS Trust as an NHS Foundation Trust, then that organisation stops being an NHS Trust and becomes an NHS Foundation Trust. The NHS Trust is not dissolved (although its establishment order is automatically revoked), it simply continues with a new legal status, so that there is no need to transfer assets and liabilities from an old organisation. The assets and liabilities of the NHS Trust automatically become the property, rights and liabilities of the NHS Foundation Trust as the continuity of the organisation is preserved as this change of legal status occurs (*Health and Social Care (Community Health and Standards Act 2003, section 7)*).

There is no requirement to make specific arrangements for preserving the rights of staff as in the TUPE Regulations (Transfer of Undertakings (Protection of Employment) (TUPE) Regulations 1981). The TUPE Regulations give employees certain rights and place duties on employers in cases where employment is transferred from one organisation to another. This includes requirements for employees to be consulted on transfers and for the terms and conditions of the employment contract to be preserved as the rights and the liabilities associated with the contract are transferred from one body to another.

By way of background, there are two different ways that an NHS Trust may become an NHS Foundation Trust – by way of an application to the regulator under section 4 of the Act, and through a “merger” under section 27 of the Act. The first waves of NHS Trusts will become NHS Foundation Trusts by way of the former process.

In legal terms, the Transfer of Undertakings (Protection of Employment) Regulations 1981 (the “TUPE regulations”) will not strictly apply when an NHS Trust becomes an NHS Foundation Trust under the former process. This is because the TUPE regulations only apply where a business or trade is transferred *from one person to another* - regulation 3(1). Where an NHS Trust is authorised to be an NHS Foundation Trust pursuant to an application under clause 4, in contrast, there is no transfer between two legal persons. Rather, the NHS Trust continues as same body, with a new legal status as an NHS Foundation Trust. Section 7(5) of the Act specifically preserves the continuity of the body, and all its property, rights, and liabilities.

5.1.2 Formal Notification of the establishment of NHS Foundation Trust

Whilst TUPE regulations do not strictly apply when an NHS Trust becomes an NHS Foundation Trust and applicants will have previously sought the views of staff upon the changes via their HR strategy, the Employment Act 1996 provides that where a change occurs to the name of the employer, the employer is required, within one month of the change, to give employees a written statement containing particulars of

the change. Additionally, this will give the organisation the opportunity to clarify what the change to NHS Foundation Trust status means and also give staff the opportunity to raise any questions and concerns.

5.1.3 Transitional arrangements for directors

Each NHS Foundation Trust will have a board of directors. The board of directors must be made up of non-executive directors and executive directors. The chair of the NHS Foundation Trust is a non-executive director who will chair the board of governors as well as the board of directors.

Usually, the Chair, like the other non-executive directors, is appointed by the board of governors at a general meeting. However, initially, if the applicant NHS Trust's Chair wants to be appointed as the NHS Foundation Trust Chair, then they are to be appointed as such for the remainder of their term as NHS Trust Chair or 12 months, whichever is the longer.

The non-executive directors are to be appointed by the board of governors at a general meeting. However, initially if any of the applicant NHS Trust non-executive directors want to be appointed as NHS Foundation Trust non-executive directors then they are to be appointed as such for the remainder of their term as NHS Trust non-executive director or 12 months, whichever is the longer.

There is no limit on the number of non-executives an NHS foundation trust may have. Monitor may issue guidance on good practice for non-executive appointments but the NHS Appointments Commission plays no role in the appointment of the board of directors. Unless the board chooses to appoint them to assist in the process.

Only a member of the public or patient constituencies or, if the NHS Foundation Trust includes a university medical or dental school, a person exercising functions on behalf of the relevant university, is eligible for appointment as a non-executive director. The Department of Health does not expect non-executive directors also to be governors, although the legislation does not preclude it.

The chief executive is appointed by the non-executives, subject to the approval of the Board of Governors. However, initially if the applicant NHS Trust's chief executive wants to be appointed as the NHS Foundation Trust chief executive, then they are to be appointed as such and without the need for the approval of the Board of Governors.

The executive directors are appointed by a committee consisting of the Chair, the other non-executive directors and the chief executive.

Each NHS Foundation Trust must decide the composition of the board of directors and it will differ from NHS Foundation Trust to NHS Foundation Trust. Subject to the minimum legal requirements each board will be locally determined.

In addition to the chief executive, one of the executive directors must be a finance director. The executive directors must include a registered medical practitioner or a registered dentist; and a registered nurse or midwife.

During the transitional arrangements, and after authorisation NHSFTs will wish to provide appropriate training to enable directors and non executive directors, to undertake their new roles within the new organisation, for instance on the new

governance arrangements. There are suggested ideas and details of training that may be useful in the Guide to Governance Arrangements, and on the Independent Regulator's website. Early waves of NHSFTs also have experiences to share on training, leadership and management development for leaders, managers and staff, and others (e.g. patients, public).

5.2 Pensions

NHS Foundation Trusts must offer the NHS Pension Scheme but, like NHS Trusts now, will also be able to make alternative pension arrangements should they wish. However, the NHS Pension Scheme operates on the principle of negative consent; eligible employees are considered members of the Scheme from the first day of employment unless they choose to "Opt Out".

Staff who are currently employed in NHS Trusts will keep their existing terms and conditions of service and continuity of service will not be affected by the change to NHS Foundation Trust status. Existing staff will continue to be able to move across the NHS and to NHS Foundation Trusts without detriment to their NHS pensions. New staff employed directly by NHS Foundation Trusts will have access to the NHS final salary pension scheme, and to the associated Injury Benefits and Compensation for Early Retirement Schemes.

The NHS Pension Scheme Regulations 1995, the NHS (Compensation for Premature Retirement) Regulations 2002 and the NHS Injury Benefits Regulations 1995 were amended on 1st April 2004 to include NHS Foundation Trusts as employing authorities within the scope of these regulations. This gives NHS Foundation Trusts the same status as NHS Trusts with respect to access to these schemes.

Want to know more?

Further details on NHS Pensions can be found on the NHS Pensions Agency website at www.nhspa.gov.uk.

5.3 Learning, development and research

5.3.1 Research

The Health and Social Care (Community Health and Standards) Bill provides for education, training and research. The Independent Regulator, under clause 14 (4), (5) and (6) must authorise an NHS Foundation Trust and may require it to provide education and training and carry out health related research. The regulator is therefore empowered to require the provision of education, training and research.

Every NHS Foundation Trust will have an authorisation – like a “licence” to operate – issued by the Independent Regulator. The terms of authorisation will set out conditions under which an NHS Foundation Trust will operate. The terms of authorisation will cover such things as:

- A description of the health goods and services that a Trust is authorised to provide;

- A list of goods and services, including education, training and research, that a Trust is required to provide to the NHS in England;
- A requirement to operate to high standards, based on the national standards for health care against which the Commission for Healthcare Audit and Inspection will inspect.

As part of the NHS family, and in line with their duty to co-operate with other NHS organisations, NHS Foundation Trusts will be expected to contribute to effective working of NHS arrangements for developing the NHS workforce.

5.3.1 Learning and development

NHS Foundation Trusts will retain their responsibilities for learning and development. Like other NHS organisations, they will work closely with Strategic Health Authority (SHA) Workforce Development Directorate / Workforce Development Confederation (WDC) and local education institutions to identify and meet future staffing needs.

The SHA Workforce Development Directorate / WDC will be responsible for investing Multi-Professional Education and Training (MPET) funds to grow and develop the workforce in support of local service plans and NHS Plan priorities. This will include:

- Learning and development initiatives running across the education continuum
- Training and development for the support workforce
- Pre-registration and undergraduate training
- Post-registration and post-graduate training
- Support for recruitment, retention and return.

On the point of establishment, NHS Foundation Trusts will have legally binding relationships with all contracting partners, including other public sector / NHS bodies. This means that the status of all open contracts with other public sector / NHS bodies – including Service Level Agreements (SLAs) – will need to change.

The Department of Health is working with colleagues from the NHS and Higher Education sectors to develop a new national model for a Learning and Development contract to be implemented across the NHS from 2005/06. The form and content of the model will be such that it would function either as an SLA or a legally binding contract with minimal amendment.

For 1st wave NHS Foundation Trusts, during 2004/05 transitional arrangements will apply based broadly on historical funding patterns and inherited obligations although the detail of agreements will need to be negotiated locally.

A copy of a letter issued by the Department of Health, regarding the Service Level Agreement “Wrapper” contract can be found at:

http://www.dh.gov.uk/PolicyAndGuidance/OrganisationPolicy/SecondaryCare/NHSFoundationTrust/NHSFoundationTrustArticle/fs/en?CONTENT_ID=4083225&chk=Hpd37y

5.4 Dissolution or mergers of NHS Foundation Trusts

Section 5.1.1 above deals with continuity of employment issues when an NHS Trust becomes an NHS Foundation Trust, but continuity of employment issues can also arise in other circumstances. If a NHS Foundation Trust fails and is dissolved, the property, rights and liabilities of the organisation may be transferred by order to another NHS Foundation Trust, an NHS Trust, a Primary Care Trust or to the Secretary of State (*sections 25 and 26 of the Health and Social Care (Community Health and Standards) Act 2003*). If an NHS Foundation Trust merges with another NHS Foundation Trust or a NHS Trust, then the merging trusts will be dissolved and their property, rights and liabilities transferred to a new NHS Foundation Trust (*sections 27 and 28 of the Health and Social Care (Community Health and Standards) Act 2003*). Both such transfers might include the transfer of employment contracts from or to an NHS Foundation Trust.

Schedule 3 of the Act applies for transfers of staff on failure and dissolution. Staff transferred will have the same rights as apply in the TUPE regulations. Schedule 3 provides that where employees are transferred, their contract of employment is also transferred so that their terms and conditions are preserved. Provisions corresponding to those in schedule 3 will also apply for staff transfers to a new NHS Foundation Trust created in a merger.

Want to know more?

See the Health and Social Care (Community Health and Standards) Act 2003
<http://www.legislation.hmsso.gov.uk/acts/acts2003/20030043.htm>

6. Developing the NHS Foundation Trust HR Strategy

As high performing, knowledge and learning based organisations NHS Foundation Trusts will be model employers - maintaining and progressing high standards of employment practice and securing a culture which reflects their new organisation and delivers added value for the direct benefit of NHS patients.

NHS Foundation Trust applicants will need to work with staff (and other stakeholders) to develop a new HR Strategy, which reflects their new status as an NHS Foundation Trust and the autonomy and opportunities for innovation and excellent people management in addition to the progressive staff involvement and engagement required for example with the new governance arrangements.

The HR strategy should cover the following elements:

- how HR issues are integrated across the organisation's strategies and processes, for instance in the new governance arrangements, and service development strategy
- what is HR's contribution from board level, line managers and throughout the organisation, including consideration of the future impact of wider system reforms on staff (such as Choice, PBR) and the opportunity NHS Foundation Trust status brings for the workforce. What role does HR play in building and enabling effective leaders and managers within the new NHSFT context?
- growing as an employer: how is the organisation maintaining and continuing to develop excellent HR practices, drawing from the NHS and beyond; demonstrating that the organisation will continue to meet legal requirements in HR and HR-related issues, demonstrating local HR capacity/capability to become an excellent employer,, and how all of this will be done through a duty of partnership. In addition how will you workforce plan and develop to recruit, retain the workforce and enable productivity to ensure the organisation continues to be able to deliver high quality services in its SDS in the future.
- staff involvement / social partnership – how have you developed your HR strategy, by involving and engaging staff (and other stakeholders) and where has this involvement informed and influenced the HR strategy. What lessons have been learnt during this process.
- illustrations within the HR strategy (with cross reference to this in the governance arrangements and service development strategy), how the organisations ongoing aspirations and plans to grow and develop further staff involvement, engagement and wider social partnership will be achieved and how HR can support training and development necessary to support members, governors, managers and leaders in a new participatory culture.

In the spirit of mutuality, organisations should enable all their staff to have the opportunity to contribute to the development of proposals as well as engage in discussion with other local NHS organisations and other key stakeholders, for example unions, and relevant education and training establishments, WDDs, and other local HR teams and departments within the health community. Evidence and action taken as a result of the feedback received must be included in the application documentation when submitted.

Stockport NHSFT used system reform (PbR) issues to talk to staff about becoming more 'commercial', and looked at how the organisation could learn from the private sector and tackled the 'consumerism' agenda. This led to OD work which they have designed under an umbrella of 'Dignity and respect', which includes First Impressions, correspondence, staff attitudes and environment'

6.1 Engaging with staff

During the preparatory phase as outlined above, NHS Foundation Trust applicants are required to engage staff in the NHS Foundation Trust application and more specifically in the development of a locally focused HR strategy. Some examples of the types of approaches that have been adopted by applicants are outlined in other sections and below, as are some of the reflections on what the organisations learnt through this process.

The preparatory application process (as will the new governance arrangements) provides an opportunity to review previous and current engagement/involvement processes – and pilot new methods. The aim of the engagement process should be to encourage, support and give all staff the opportunity to contribute to shaping the HR strategy for NHS Foundation Trust status together with developing systems for ongoing staff participation and empowerment.

The application process provides a key opportunity to start re-focusing the relationships amongst **all** those employed within the organisation including volunteers, contracted staff and those with honorary contracts (e.g. with universities and the NHS Trust). It is also an opportunity to both review engagement and involvement methods that have been used in the past, to build on the changes already implemented in terms of partnership working through the implementation of agenda for change, and to develop new methods to involve staff, and enable staff to lead aspects of the development and future evaluation of the HR strategy, and HR interventions, processes and practices that are undertaken to deliver the strategy. .

During this process early waves of NHS Foundation Trust applicants have noted that they have been able to learn and clarify, through review, reflection and feedback from staff, the mechanisms by and issues on which staff preferred to be engaged, together with the most effective use of language, and media in securing active engagement and understand value added. Symbolically this often denoted a shift in the previous operating culture which was found to be useful for instance, when staff questioned the “difference” about becoming an NHS Foundation Trust. In addition, there is also an opportunity to make the connections between any engagement and involvement approaches (e.g. patient and public involvement), communication plans and approaches, and the plans to implement the new governance arrangements (and for instance staff members and staff governors and their role and engagement) in addition to reviewing relationships with trade unions.

6.2 Underpinning rationale for staff engagement

There is a lot of beneficial literature, theory and practice in respect of engaging and involving people. In the NHS much of this is focused on work around engaging and involving patients and the public.

'Keeping the NHS Local – a New Direction of Travel (DOH 2003). This guidance 'was developed to improve the way in which changes to local hospital services are planned and developed'. 'This work has taken account of many areas of policy which have a bearing on the configuration of health services. These include, in particular, work on:

- Developing new structures and arrangements for patient and public involvement
- Meeting the requirements of the European Working Time Directive
- Building capacity in the NHS
- The future shape and long term strategy for the NHS workforce
- Changes in organisational structure such as the development of NHS Foundation Trusts and the role of strategic health authorities
- The shift to primary care led commissioning and provision of services
- The Modernisation Agency's work on service improvement; and
- Developments in information and communications technology'.

From this guidance there are three core 'patient principles' to be followed, two of which are pertinent for the journey towards NHS Foundation Trust status:

- Developing options for change with people, not for them, starting from the patient experience and our commitment to improve choice, working with staff to develop new ways of delivering services
- Taking a whole systems view; the NHS needs to exploit the contributions of different hospitals, primary intermediate and social care providers within a whole systems centralising pressures by working in partnership, with genuine integration and joint planning of services'

The Involvement and Partnership Association (IPA) supports the notion of involving and working in partnership with staff and trade unions in the workplace. In 1998 their report 'The Partnership Company' set out a series of benchmarks against which partnership organisations should measure themselves. The benchmarks were drawn from evidence gathered from eighty businesses in the UK, based on responses to a quantitative survey of managers and staff representatives. Based on partnership working in practice in these organisations the impact of this was clearly positive. The survey identified the impact of partnership working with findings that within these organisations there was strong evidence of employee commitment to:

- Continuous improvement
- Flexibility
- Skill development
- Fairness of treatment
- Long term interests of the organisation
- Workforce representation'

Not only does this support the need to involve staff at the earliest opportunity, but that over a period of time this has benefits for staff – and the organisation. In the end the study showed that there were improved recruitment and retention rates with the ability of these organisations to attract good employees, as well as lower absenteeism and labour 'discord' among partnership organisations'.

Some additional examples of NHS work around engaging patients and the public which are useful to note when embarking on engaging staff through the preparatory application phase towards NHS Foundation Trust status are outlined below:

In a report '**Engaging Now**' published by the **Engaging Communities Learning Network, NatPaCT** in March 2004, **South Somerset PCT** (p 13) reported that 'pre-listening' was important, and that they had asked 'how do you want us to listen' –and not just asked about the theme or topic for discussion. The responses they got were 'come to us and listen to us, rather than waiting for us to come and talk to you'

highlighting the need to think creatively around how (and where) best to enable engagement and an ongoing dialogue with people.

One other piece of work that was useful for previous NHSFT applicants was the work from the **Norah Fry Research Centre, Bristol University**. 'Its principle interests are the evaluation and development of services for people with learning difficulties'. In particular their work with the **Home Farm Trust** on the development of 'Heath Action Plans for people with learning disabilities' outlines in plain English a very succinct, and clear approach to engaging people, and could be used in other environments – and for engaging and involving staff from all parts of NHS organisations, including engaging volunteers and contract staff.

Arnstein's Ladder of Participation, provides a useful view of the different 'levels' of engaging 'citizens' (which is as relevant for staff involvement as for patient and public involvement) and has since its development been adapted and further developed (e.g. Jakes 1997 and 1998). Sherry R Arnstein developed the ladder of participation in 1969 (A ladder of Citizen Participation@ Journal of the American institute of Planners Vol 35 No 4 July 1969 pp 216-224 (NB the journal is now titled Journal of the American Planning Association).

Arnstein's Ladder of Participation

The eight levels of participation are as follows:

Level 2: Therapy: power holders involve citizens in extensive activity, but the focus is on curing them of their "pathology" instead of changing the social structures that create their "pathologies".

Level 3: Informing: involves advising citizens of their rights, responsibilities and options; often involves one-way communication (from officials to citizens) with no means for citizens to express their opinions and no power for negotiation.

Level 4: Consultation: involves inviting citizens' opinions (often through surveys, meetings etc); power holders gain evidence that they have gone through the necessary steps for involving "those people".

Level 5: Placation: occurs when ground rules allow the have-nots to advise, but the power holders still have the decision making power; truly appeasing citizens depends on the quality of technical support they have in expressing their priorities and the extent to which the community has been organised to argue these priorities.

Level 6: Partnership: power is redistributed through negotiation between citizens and power holders and they agree to share planning and decision making responsibilities.

Level 7: Delegated power: negotiations occur between citizens and public officials that give citizens the power to make decision and maintain control over plans and programmes.

Level 8: Citizen Control. Have-nots handle the entire job of planning, policy making and managing a programme e.g. neighbourhood corporation with no intermediaries between it and the source of funds.

In some further work undertaken when engaging with patients and the public a set of simple questions were asked, which are also indicators that can be used within an organisation to aid the development of inclusive dialogues and engagement (with staff, and patients and the public) :

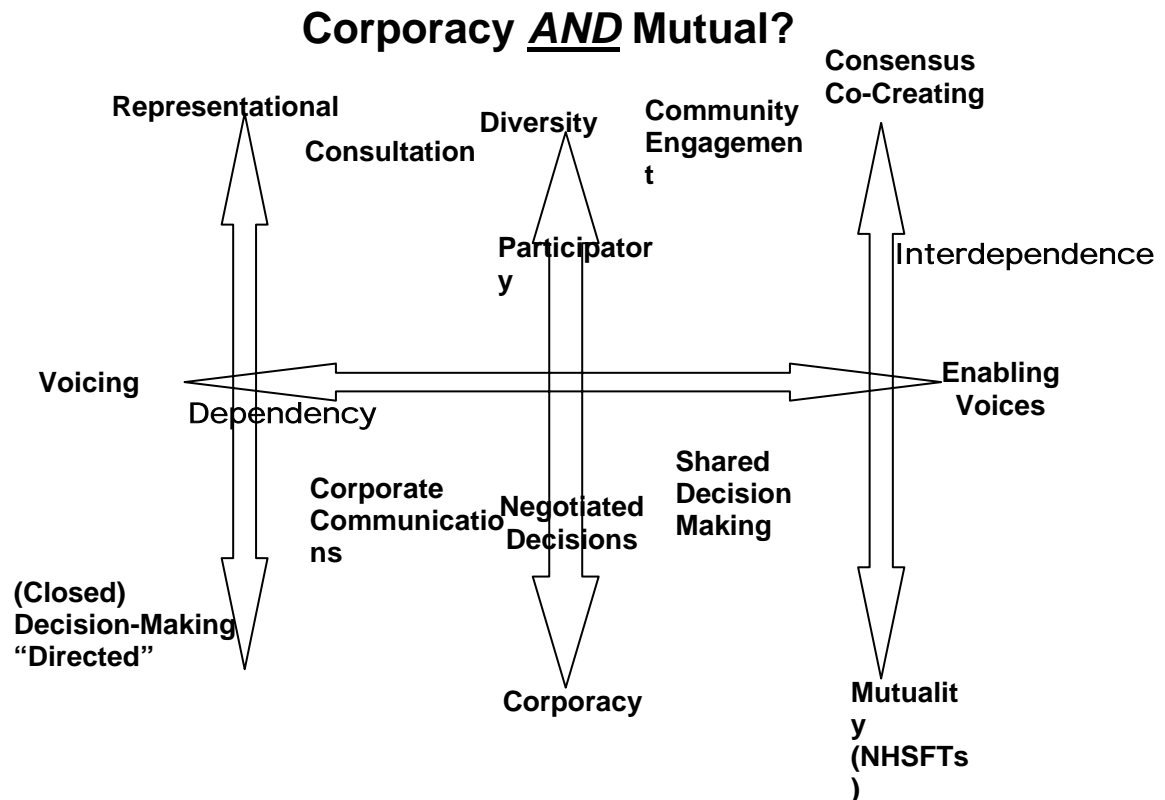
'I feel I am involved when ...'

'I know I am involving others when'

'I feel I am being excluded when ...'

Once the organisation understands the answers to these questions it can develop processes and methods for effective dialogues.

After a wave 1 HR directors meeting this model of 'corporacy and mutuality' was developed by colleagues who had been involved in the Department of Health NHS Foundation Trust Implementation team's Governance Reference group (C Dabbs/J Keep/B Sang):



Want to know more?

Further information is available:

- <http://www.dh.gov.uk/PolicyAndGuidance/OrganisationPolicy/SecondaryCare/ConfiguringHospitals/fs/en> - Keeping the NHS Local: A New Direction of Travel
- <http://www.ipa-involve.com> (The Involvement and Participation Association)
- Engaging Now: PCTs working with their communities to improve services and cut health inequalities (Keep Sang and Cowper March 2004, NatPaCT) – www.natpact.nhs.uk
- <http://www.bris.ac.uk/Depts/NorahFry/>
- <http://www.wtltnet.org.uk/wtltnetnewsite2/briefing/ladders.htm>

6.3 Examples of engaging staff during the NHSFT application process

A number of other tactics that have helped early waves engaging their staff include:

- Deciding who are involved – staff, volunteers, contractors, bank staff etc
- Engaging people in the pre-design of the engagement process itself with decisions around the questions that could be asked and the processes that could be used, as well as engagement in finding out their views too
- Having staff involved in a readership group as drafts of the HR strategy evolve to check for plain English, and a local feel for the strategy
- Moving from briefings towards dialogues
- Utilising feedback from current work being undertaken in the organisation such as IWL groups, or data from staff surveys
- Using involvement processes known to work and add value locally
- Ensuring unbiased analysis of the outcomes of views collected
- Ensuring good feedback loops to show that the organisation has listened to those it has involved (we asked you, you told us, we have acted upon, we are going to do next)
- Having regular process reviews (involving staff themselves) to review how different involvement processes are working.

Birmingham Women's Healthcare NHS Trust in consulting and engaging staff during the NHS Foundation Trust application Process used various methods including:

- 'Starting with a clean sheet of paper;
- Having a half day session with a group of managers and HR staff (using the key objectives from the Service Development Strategy)
- Identified the main HR elements and undertook a SWOT analysis to assist this;
- Then produced a draft a draft OUTLINE of the HR strategy for:
 - Managers meetings;
 - Department meetings;
 - Briefing forums for staff, staff side reps Committee;
 - Equality and Diversity groups;
 - IWL meetings;
 - Information stands;
 - Distributed consultation document/s and letter/s to staff via payslips;
 - Various articles in Trust newsletters;
 - Presentations to external/partner organisations, community groups;
 - Letters to schools, colleges and employers; and,
 - Held a 'major lunchtime event for Asian and community groups in the city'

Calderdale and Huddersfield NHS Trust in consulting and engaging staff during the NHS Foundation Trust application process undertook various meetings and workshops including:

- Special lunch time and evening sessions organised with staff to brief them on what NHS Foundation Trusts are, why an application had been progressed and the process of submitting an application.
- A staff participation open space event and briefing sessions provided the opportunity for staff to give their views about the future of the organisation.
- A number of Human Resource Strategy workshops for staff were held to identify possible ideas, initiatives and issues for inclusion in the NHS Foundation Trust Human Resource Strategy application submission.
- Other events were organised to test staff views on the potential impact of NHS Foundation Trust status on financial policy and the quality and responsiveness of services.

An example of the impact engaging staff had on their HR strategy during the application is:

Basildon and Thurrock University Hospitals NHS Foundation Trust analysed from their consultation process themes and issues raised by staff which helped them to amend their HR strategy including:

- The links with the Service Development Strategy
- The implementation of Agenda for Change
- Measures to reflect local labour market forces without creating pay inflation
- The recognition agreement with Trades Unions
- Partnership working with the PCTs and the wider healthcare economy on training, workforce expansion and the Agenda for Change
- Benefits for staff and role of staff governors
- Aspects of good employment practice/model employment practices, such as appraisal and personal development planning, flexible working patterns and childcare
- The capacity and capability of the Personnel Department
- Workforce Modernisation
- Leadership Development
- Measuring progress with achievement of the strategy

Examples of Learning NHSFT applicants gained from Engaging with Staff and Consultation with staff and wider stakeholders during their application process include:

Birmingham Heartlands and Solihull NHS Trust (teaching) 'what we have learnt from staff and stakeholder engagement' included:

- Staff side wish to have formal links between staff governors and JNCC
- Staff at all levels and in all occupations and professions want to be involved in decision making. Staff value the opportunities that initiatives involving them in decision-making bring.
- Staff wanted reassurance that we will continue to work in partnership with our wider health economy partners'

Moorfields Eye Hospital NHS Foundation Trust reflections on the process included:

- The opportunity to both receive and give feedback was useful
- The Trust learned first hand exactly the types of issues that concerned staff.
- One of the principal learning points was that consultation cannot start early enough
- To ensure coverage, it is necessary to do much more than just circulate documents!

The Royal National Hospital for Rheumatic Diseases NHS Trust reflected that they had learnt 'an enormous amount' from the consultation process and particularly about how they communicate with staff'.

- Overall the process has helped them to 'mainstream' HR issues as central to delivery of the organisation's aims and objectives.
- Helped them to engage better with service developments and with managers/lead clinicians across all areas of the trust.
- Had the additional benefit of enabling them to reach groups such as consultants and doctors, that they had previously found difficult to involve in HR developments.

6.4 Information Sources for Developing the NHSFT HR Strategy

There is a wide range of literature and research around developing HR strategies in respect of both the contents and implementation. Much of this is in the HR academic literature, from for example, the Chartered Institute of Personnel and Development (CIPD) (www.cipd.co.uk) and the Chartered Institute of Management which has the largest management information library in Europe (www.managers.org.uk).

Other Useful publications include:

Developing HR strategy, Work Foundation London 2004. (Managing best practice 115)

The findings of a survey into developing HR strategy are reported. The survey covered: the shelf life of HR strategy; putting the strategy together; recent strategy; strategy sign-off; link to business strategy; role of HR; specific goals; examples of strategy; seat on the board; input into strategy; outside influences; obstacles; measuring success; benchmarking; senior management commitment; ability to deliver; and communication. Case studies of Deloitte, Essex County Council, Northern Rock, Royal Marsden NHS Trust, Scottish and Newcastle Retail and the University of Oxford are provided. Extracts from management documents and a digest of recent research in this area are also included as well as a consultant's view of developing HR strategy.

Generic HR textbooks such as:

International human resource management Hilary Harris Chris Brewster Paul Sparrow. Chartered Institute of Personnel and Development. London 2003 ISBN: 0852929838

This textbook offers a clear and detailed overview of international human resource management. Topics covered include: key trends; the impact of national culture; culture and organisational life; comparative HRM - theory and practice, the role of HR departments, resourcing and rewarding, flexibility, and communications and employee relations; theory and practice of international HRM; managing international working; managing diversity in international working; new developments and the role of the HR function.

Human resource management theory and practice: John Bratton Jeffrey Gold. Basingstoke Palgrave 1999 ISBN: 0333732081

A comprehensive textbook providing a critical evaluation of current developments in human resource management from an international perspective. It balances an overview of HRM theory with an examination of developing HRM practices.

Ongoing surveys on HR such as:

HR survey : where we are where were heading. Chartered Institute of Personnel and Development London 2003. Results of a survey of senior HR practitioners regarding changes likely to affect the way in which the HR function develops in the next five years are reported. Topics covered include: where is HR now and where is it going; HR organisations - the size and shape of the function; HR competencies; and how is HR doing. Conclusions consider how strategic HR is, how it is seen by senior management, outsourcing, HR and the line, how HR adds value to the organisation, and the follow-up work required. This document can be downloaded from the internet at <http://www.cipd.co.uk/surveys> as can their other recent surveys on similar topics.

Journal articles such as:

From Angela Baron (Advance beyond Intuition. People Management 20th July p 30-31 2000) there 'four foundation stones of people management that can underpin the achievement of wider strategic goals, these lead to questions around:

- What is the definition of the behaviours required for organisational success, and action to ensure that they are encouraged and rewarded?
- How will we capture the commitment of people to the organisation's mission and values?
- How can we ensure investment in people through introducing and encouraging learning processes designed to increase capability and align skills to organisational need?
- What is the purpose and role of HR/People management in our organisation?

Websites such as:

Another useful online resource on HRM can be found at: <http://www.hr-guide.com>
HR-Guide (started in January 1999) is a rapidly growing website containing hundreds of pages of information related to Human Resources

In addition the **USA Society for Human Resource Management** (1800 Duke Street • Alexandria, Virginia 22314 USA) has some useful HR examples and cases.
Phone **International: +1 (703) 548-3440** TTY/TDD **(703) 548-6999** Fax **(703) 535-6490**

6.5 HR Strategy Development Checklist of questions

In addition to the academic literature, there are many practical questions that may help in the process of shaping and developing an organisation's HR strategy for example:

- What is the purpose of the organisation and how will an HR strategy support this?
- What do our staff, patients and other stakeholders feel is the organisational purpose, and how do they see an HR strategy would support this?
- What is the local 'employee brand' to your organisation?
- What difference will NHS Foundation trust status bring? What will be different for the organisation?
- What real benefits will NHS Foundation Trust status give the organisation? Give staff?
- What is the real OD and cultural change challenge?
- Whose responsibility is culture in the organisation?
- What is the shape to come of the organisation post NHS Foundation trust status?
- What will the future workforce look like?
- What are the future scenarios around the health economy/system reform?
- What is your attitude and approach to risk in the organisation?
- Whose responsibility is HR?
- What is happening to the leadership roles, and to our roles in HR?
- What do we let go of in terms of 'HR' and what do we add?
- Do we need an HR strategy? Or an integrated organisational and people strategy? How many interdependencies does it have? Or is it able to have its own identity? What sort of strategy do we need?
- What does an 'integrated' or 'interrelated' Hr strategy look like? And how will we ensure it is connected to our Service Development strategy and the new governance arrangements?
- What are the issues for staff and developing the workforce in the next 5 years?
- What are your assets?
- What major resource implications do we have?
- What do we need to learn about workforce productivity, and how can we best understand future workforce productivity in delivering healthcare services?
- What is considered to be organisational effectiveness in the organisation (what is the effectiveness context)?
- What is HR's role at board/strategic level?
- How do we integrate long and short term simultaneously? And the proactive and reactive?
- How much devolution to line managers do we have? Do we need?
- How do our HR/people management philosophies, processes and policies integrate with one another?
- What level of expertise do we need to facilitate the implementation of the HR strategy?
- What and where does HR's organisational accountability and governance/stewardship lie?
- How will we know we are adding value for staff and for patients?
- Is there any 'evidence' we need to underpin the development and implementation of the HR strategy?
- How will we know the HR strategy is being implemented effectively?
- What are the risks and constraints?
- What are our contingencies?

7 Wider HR issues

7.1 Introduction

NHS Foundation Trusts will be part of the NHS family. Their primary purpose will be to deliver NHS services to NHS patients in England. They will be required to conform to NHS standards and will be inspected against those standards by the Healthcare Commission. They are under a duty to co-operate with other NHS organisations. Their staff will be NHS staff. NHS Foundation Trusts will therefore be expected to use their HR freedoms in a way that reflects their adherence to the principles and values of the NHS, whilst developing HR policies and practice that suit their own particular local circumstances.

As leading organisations, NHS Foundation Trusts will be expected to be “model employers”, maintaining and further developing high standards of employment practice, securing a culture which reflects their organisation, and thereby enabling staff to provide greater benefits to patients. In using their HR freedoms, NHS Foundation Trusts will be able to adopt and adapt best practice, whether in the NHS, the public sector, the voluntary or private sector.

Good HR policies in the health sector benefit patients as well as staff as has been shown in a number of studies, including:

- A major study at Aston University showed that fewer patients die when there are good HR practices, in particular it linked high-level and extensive appraisal and working in small teams to lower death rates (*A matter of life and death, People Management. Borrill and West 2001*);
- A study of hospitals with progressive HR practices in the US concluded 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 (*A report into Magnet organisations. Professor James Buchan, Queen Margaret University College, Edinburgh*) (See also <http://www.human-resources-health.com/content/2/1/6>).

In November 2003 the Department of Health commissioned research from the Association of Healthcare Human Resource Management (AHRM) and the CIPD to identify the HR practices that create differences in organisational performance of NHS Trusts. The research aimed to establish links between employee morale and organisational performance and patient care. Ongoing research continues on a variety of HR issues via the Department of Health. Other key HR academic/academic centres also continue to research on HR topics which are either part of, or relevant to the NHS – such as Borrill and West (above), David Guest, and John Purcell.

HR in the NHS Plan: more staff working differently (July 2002) set the framework for modernisation of HR in the NHS – setting out a comprehensive strategy for growing and developing the NHS workforce to meet the challenges in the *NHS Plan*. Since then, the Department of Health have issued other guidance including ‘Delivering the NHS Improvement Plan: The Workforce Contribution (2004), for the LDP Planning round. A new workforce strategy for the NHS is currently being developed for 2005. NHS Foundation Trusts may find these a useful baseline from which to develop their own policies and practices – and in doing so will no doubt seek to build on this and embrace and adopt best practice.

In addition, applicant NHS Foundation Trusts might also wish to use as a reference point the NHS Foundation Trust HR assessment criteria, which is detailed as Annex

A. The assessment criteria have been developed to reflect national minimum legal and NHS requirements, good HR practice and the new organisational status of an NHS Foundation Trust. The assessment criteria cover three main themes which are outlined below – along with examples of practice within the NHS and beyond.

There are many general websites to find more case studies, and research around the HR components (and beyond) outlined below. The CIPD – www.cipd.co.uk is the main one and has a number of HR discussion forums at <http://www.cipd.co.uk/communities>. The CIPD also has a website for real case studies which may also be useful for some HR topics. You may even wish to add your own case studies to this part of the CIPD website! <http://www.cipd.co.uk/casestudies/?IsSrchRes=1>

7.2. HR assessment criteria – HR Strategy and the wider strategic direction ***Will the HR assessment criteria still be used as part of the assessments for wave 3 and beyond? If not this section will be amended.***

Component 1a: Integration of HR issues into the organisation's strategies and processes and its contribution from board level through the organisation, including consideration of the impact of wider system reform and NHS Foundation Trust opportunities. ***Questions to help with is are at the end of this section after 7.2.3***

Progressive HR is about improving service through, understanding effectiveness and productivity improvement, cultures and working environments that support this., In addition, sound organisational development and effective leadership organisation re-design, and the ability, for example, to attract highly professional HR and OD practitioners who are attracted to work in your organisation. – all of which are measurable,

Chelsea and Westminster Healthcare NHS Trust has 4 key principles underlying their HR strategy:

- Duty of Partnership;
- Meeting Legal Obligations;
- Commitment to Wider System Reform and
- Agility in Strategy Development and delivery.

Their aims and objectives of the HR strategy include key goals:

- To promote staff involvement and empowerment
- To transform the organisation through sustainable culture change
- To modernise our workforces to make multi-professional health care delivery a reality
- To be regarded as a model employer of choice within the London labour market'

Modernisation Agenda

The NHS Foundation Trust HR strategy should demonstrate how it supports the delivery of the organisation's service development strategy and other key organisational strategies. It should demonstrate the integration of HR with the organisation's vision, and key leadership and management deliverables in the organisation, and be integrated into the new governance arrangements, and local system reform initiatives..

Integrated systems of workforce planning are vital in order to build workforce capacity. Organisations are continuing to review and change established ways of working – using IT, modernised pay and reward strategies and practices, and

insights from service redesign and improvement techniques. Additionally, NHS Foundation Trusts will be able to take advantage of new freedoms and incentives including becoming a membership organisation which will inevitably lead to new cultural, behavioural and leadership perspectives.

The continued drive to modernise services and working practices, the roll out of new ways of working and improvement in workforce productivity will all be underpinned by a strengthening commitment to lifelong learning and skills enhancement for staff at all levels.

Derby Hospitals NHS Foundation Trust had been working with the Modernisation Agency and had a range of Changing Workforce Programme Pilots, which were exploring extending staff roles, for example for:

- Nurse practitioners: to provide a first on call tier cover in medicine, surgery, A&E and intensive care – specially at night;
- SHOs: to provide cover across related clinical specialties;
- Pharmacy technicians: to manage patient medicines;
- Medical assistants: to reduce the workload on doctors in training through administrative support;
- Nurses or other non-medical practitioners: to lead surgical discharge

High Impact Changes – the Modernisation Agency launched the 10 most significant opportunities for improved service improvement and delivery. These are to form a key element of local NHS business strategies to support delivery of the NHS Improvement Plan. Redesigned and Extended Roles is one of the 10 changes but role redesign is also key to delivery of the majority of other process centred changes.

Lancashire Teaching Hospitals NHS Trust will 'have Human Resource directorate staff involved in service development initiatives where there are workforce implications within the Trust'.

Want to know more?

- National Standards, Local Action: health and Social Care Standards and Planning framework 2005/06 – 2007/08
http://www.dh.gov.uk/PublicationsAndStatistics/Publications/PublicationsPolicyAndGuidance/PublicationsPolicyAndGuidanceArticle/fs/en?CONTENT_ID=4086057&chk=yvFWoL
- Information on *European Working Time Directive* implementation, including information on the *European Working Time Directive pilots* is available at <http://www.dh.gov.uk/PolicyAndGuidance/HumanResourcesAndTraining/WorkingDifferently/EuropeanWorkingTimeDirective/fs/en>
- *Modernisation Agency: The Changing Workforce Programme*, which has been set up to help the NHS organisations redesign their workforce and includes information on good practice, can be found at <http://www/modern.nhs.uk/cwp> or email cwp@dh.gsi.gov.uk
- *Developing key roles for nurses and midwives – a guide for managers* is available on

http://www.dh.gov.uk/PublicationsAndStatistics/Publications/PublicationsPolicyAndGuidance/PublicationsPolicyAndGuidanceArticle/fs/en?CONTENT_ID=4009527&chk=Hr8uWY

- 10 High Impact changes for service improvement and delivery in the NHS – www.modern.nhs.uk

7.2.1 Developing the HR function

A number of NHS Foundation Trust applicants are “re-engineering” or developing the HR function to symbolise the changing nature of HR, and the relationship with staff, or in response to a need to practice differently in a new participatory and regulatory environment.. HR roots were from a “welfare” based perspective centuries ago. Improving working lives, creating dialogue and partnership working, modernising HR to enable service modernisation and the transition to and within NHS Foundation Trusts is key to the transition to NHS Foundation Trust.

Re-engineering the HR function was seen as an important process *for Guy's and St Thomas' NHS Foundation Trust* even prior to applying for NHS Foundation Trust Status, because the human resources function itself had an essential part to play in maintaining and developing workforce flexibility. Through extensive consultation and 12 month project a new model for the delivery of the HR service was developed, to support the aim to shift from a transactional to a transformational service. The modernising HR report identified a number of priorities, including:

Redesign

- The Personnel function and directorate service groupings have been reconfigured to strengthen the level of Human Resources support provided.
- Two new Senior Personnel Manager roles have been created with shared responsibility for the delivery of an effective operational service to the directorates. A new Deputy Director post will support the integration of modernisation into mainstream work and practice.

Change management

- The Human Resources function will connect with key stakeholders both inside and outside the organisation to assist in ensuring that HR input is delivered in a way that supports the work to improve services to patients.

Organisational development

- Human Resources staff will be equipped with the skills to take a more hands on role supporting clinicians and managers in achieving the cultural change needed to support the transformation of services for patients;
- The development of comprehensive Human Resources performance indicators will help to demonstrate the link between people management and patient outcomes;
- The introduction of ‘social accounting’ Human Resources performance indicators will help to quantify the impact which the Trust has both a business and employer in the local community.
- Progressive HR policies will be developed in partnership with staff, building on best practice both within and outside the NHS

For an integrated HR approach, East Somerset NHS Trust are introducing a Human Resources Strategic Forum which will encourage the broadening of human resources practices and strategies throughout the organisation. The Forum will seek to ensure cross organisation culture change.

Frimley Park Hospital NHS Trust plan to 'benchmark their structure, roles, workload and practices against other similar organisations on an ongoing basis, and regularly review their HR structure and roles to ensure that they continue to be fit for purpose. They are also encouraging their Hr managers to continue to build local networks with their counterparts in similar organisations. In addition all areas of their Hr function are regularly audited

Southend Hospital NHS Trust reviewed their HR directorate capabilities which revealed an 'honest and realistic audit of current ability to support the Hr strategy required as a result of progressing to NHS Foundation Trust statuses. For them 'this has directly led to the implementation of the Business Partner model endorsed by the Trust Executive and supported (and being implemented) by all staff employed in the Directorates'

"Consistent with systems theory it would not be optimal to work on the HRM system without considering the context of the overall organisational system since they are highly interrelated" – A systems approach to HR effectiveness (and organisational effectiveness)

In the late 1990's, Laurie Broedling (1999 'Applying a Systems Approach to Human Resource Management' in Human Resource Management Journal, Vol 38, No 3 pp269-278) through an organisational wide improvement effort in the McDonnell Douglas Corporation applied a 'systems perspective', using the perspective from the 1960's that as systems, organisations are made up of interrelated parts.

This organisational change programme was divided to having three phases, phase 1 'addressing immediate employee needs' phase 2, building and aligning the organisation' and phase 3, enhancing the organisation and sustaining high performance'.

Each task required for the organisation was then placed into a set of priorities in HR, for example recruiting new staff, were prioritised, and clustered (so for recruiting new staff there was also human resources planning, diversity planning, recruitment and 'new hire processing'). These were then 'aligned' with the key phase e.g. phase 1 was extrinsic rewards and benefits (to have enhanced the reward strategy) then phase two included human resource planning, diversity planning and recruiting (as part of building and aligning the organisation), phase three was around how the 'new hire processing/induction' took place (as part of enhancing the organisation and sustaining high performance).

By breaking these HR aims and tasks down into these phases, a 'critical pathway' was thus developed so that each task could be achieved with the support of others, and that the overall HR programme worked to achieve in the end enhancement of the organisation, as well as sustaining high performance.

Two other sub project steering groups were developed to achieve this work. Firstly a 'Process Improvement Council' whereby the 'supply chain' (e.g. potential staff, clients/patients or customers, finance, HR, a senior executive and representatives of other parts of the organisation) 'cut across the whole (organisational) system' to ensure they all worked in tandem. Part of this was another sub project which was their 'People Council' the Peoples Council made up of a number of 'stakeholders' including HR who then working together, developed a new set of people related organisational policies

By working in this integrated systems approach, one of the key factors was found to be the need to change the mental models that executives held around how organisations really function. 'A major part of this shift is appreciating that organisational improvement initiatives are not additive but interactive'.

From the Chartered Institute of Management: What next for public sector HR. Nic Paton Personnel Today, 9 Mar 2004 pp22-24\$,26.

This review identifies a range of issues that are influencing different sections of the public sector and analyses the resulting HR challenges. The sections of the public sector examined are the police, the civil service, education, the prison service, the fire service, the National Health Service (NHS), and local government.

7.2.2 HR capability and benchmarking

The NHS Foundation Trust HR assessment criteria also requires applicants to demonstrate the organisation's HR capability and capacity to deliver organisational goals; and the extent of current / planned integration of HR practice into all the main functions of the organisation. There are a number of HR tools, projects and research to assist applicants in doing this.

When looking at Benchmarking HR, **Kings College Hospital NHS Trust** has for a number of years used external assessment as a way of benchmarking its HR capability. This has been recognised by a wide range of organisational awards including Cranfield Business School, Health Service Journal, DTI, Investors in People, et al. These assessments have taken into account not only the HR capability but also organisational outcomes. The HR strategy expects a continuing use of HR benchmarking as a key factor in their objective of continuous improvement.

From the Chartered Institute of Management:: **HR benchmarking**. Work Foundation London 2003 (Managing best practice 113)

This article outlines the findings of a survey into HR benchmarking which are summarised. The research covered: the extent and incidence of HR benchmarking; the main activities benchmarked; reasons for benchmarking some or all HR activities; whether benchmarking includes the investigation of superior performance; the use and incidence of commercial benchmarking products; involvement in benchmarking clubs; changes as a result of the benchmarking exercise; barriers to benchmarking; the effectiveness of benchmarking; why organisations do not benchmark. Case studies of Aurora, BUPA, Crown Prosecution Service, Nationwide Building Society, Nottingham City Council, and Pembrokeshire and Derwent NHS Trust are included. Extracts from management documents and a digest of recent research in this area are also provided.

HR roles and responsibilities climbing the admin mountain. Sheila Attwood IRS Employment Review . 5 Mar no 795 2004 pp 9-15

This article outlines research into the organisation and operation of the HR function in 118 organisations and is designed to provide a benchmark of current activities. Data on the size, budgets and key activities of the HR function in organisations of a variety of sizes are reported. The current balance between administration tasks and contributing towards strategic direction is examined. The most time-consuming activities are compared with those considered to be most important. The desire for greater involvement of line managers in HR activities is highlighted.

Making it all add up. Andrew Mayo, Personnel Today. 24 Feb 2004 pp23-24,48

Mayo outlines that it is becoming increasingly important for HR departments to measure and monitor their own effectiveness. This article identifies some of the key areas where the department needs to be able to monitor its spending within which the two areas of operational and strategic support are examined. In addition, question designed to test the awareness of managers in measuring the HR return on investment is presented and a model answer is provided.

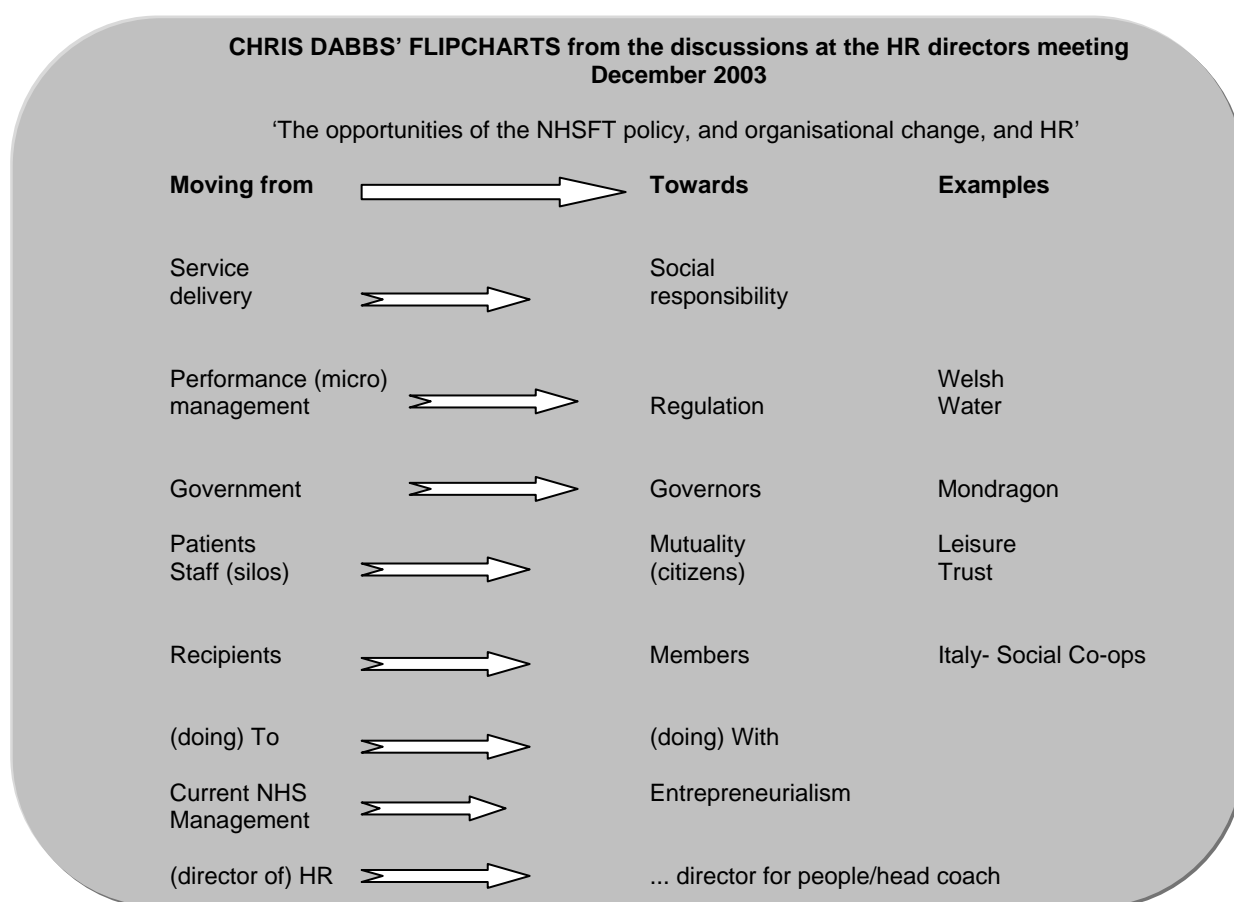
NHS *Partners* has undertaken a range of HR benchmarking studies as well as offering HR benchmarking services – <http://www.nhspartners.org.uk/> and Keep, Jane (2000) Putting HR research into mainstream Practice. British Journal of Healthcare Management Vol 6, No. 2
NHS Partners has also developed an HR capacity tool which is an audit tool for the HR function

Other practices include regular audit and review undertaken with staff and HR 'service users'.

7.2.3 Entrepreneurial HR

One emergent theme from the NHS Foundation Trust applicants is that of a more "entrepreneurial" HR. The School for Social Entrepreneurs (www.sse.org.uk), which supports the development of social entrepreneurs exists to provide training and opportunities to enable people to use their creative and entrepreneurial abilities more fully for social benefit, this includes the development of Community Interest Companies.

Chris Dabbs, Futurologist for Bearhunt, presented a more "entrepreneurial" HR, with a shift towards a community interest type approach at the NHS Foundation Trust HR meeting on 2 December 2003 – the shift is outlined in the flipchart notes below:



Democratic organisations? – What is the role of HR?

Lynda Gratton, Associate Professor of organisational behaviour, London Business School 2003 published a book in November 2003 on 'The Democratic Enterprise' (Prentice Hall). Warren Bennis once discussed the notion of 'delightful organisations' ..."if managers and scientists continue to get their heads together in organisational revitalisation, they might develop delightful organisations – just – possibly" Gratton believes that at the heart of every delightful organisation is a democratic structure whereby the leaders have courage and imagination to enable employees to be the best they can. In her book and the CIPD (November 2003) article she sites 6 tenets of democracy:

- "the relationship between the organisation and the individual is adult to adult
- individuals are seen primarily as investors, actively building and deploying their human capital
- individuals are able to develop their natures and express their diverse qualities
- individuals are able to participate in determining the conditions of their association
- the liberty of some individuals is not at the expense of others
- individuals have accountabilities and obligations to themselves and to the organisation.

What is the HR role in this? Gratton believes it is in a broad leadership role creating a sense of shared purpose and a just and fair organisation as well as building an understanding of individuals based not on a one-size fits all model but on an acknowledgement of the individual potential. In addition, the HR function are called to become an 'experimenter' – with organisational variety for example, in BT the HR team piloted home working when IT support was under developed, and in BP the HR team experimented on having an internal labour market when most organisations were tightening their controls on job moves.

"Socially entrepreneurial" H.R.? (taken from a Wave 1 HR director event discussion)

- What are the
 - Opportunities?
 - Challenges?
- What Qualities will be required?
- What roles would we have, how would we work and relate to each other as 'people' (whatever the titles – patient, staff, manager etc).
- What would your title be in a socially entrepreneurial organisation?
- Might your new role be one of facilitating relationships / partnerships?
- What might be the new title for the role? : Director of relationships or partnerships? Head coach? Director of coaching?

Key questions to ask when self assessing for component 1 (a) :

- How does the HR strategy support the delivery of the organisation's service development strategy, and other / key organisational strategies? (And, does the service development strategy cross reference/relate to the HR strategy?).
- Is there evidence of integration of HR with the organisation's vision, key deliverables and service development strategy?
- How has / will the applicant considered the current and future HR implications of the introduction of the wider system reform (for example, patient choice, NPFit, pay reform) in terms of skill requirements, capacity planning issues and the working environment requirements? (Has the applicant involved staff in this planning and ongoing development?).

- Has the organisation considered what the implications of becoming a new type of organisation will be from an HR, behavioural, cultural and leadership perspective?
- To what extent has the organisation demonstrated its thinking around the impact and opportunities NHS Foundation Trust status brings and involved staff in the considerations around this?
- What are the key tangible differences between the current 'regime' in terms of HR and workforce strategies and the future opportunities as an NHSFT?
- How does the organisation plan to use future freedoms / opportunities? What will the organisation do as a NHS Foundation Trust?
- From the new governance arrangements, what are the HR/workforce issues that have been recognised that will require current and future support? E.g. how will the organisation develop as a membership organisation and what are the managerial and leadership challenges it has recognised it will need to support ?

- Is there an ability, willingness, and preparedness of the whole executive team to operate at the leading edge of HR policy and practices (from within the NHS and beyond)? And how will the HR 'service/team' enable the executive team/wider organisation to deliver this in the future?
- What is the degree of 'integration' of first-rate HR practice in all the main functions of the organisation (operational, strategic and clinical)? How much is HR mainstreamed throughout the organisation's key processes, and strategies? How are managers engaged in HR and workforce issues? Has the applicant demonstrated that good HR practice and thinking is present in the wider organisation and not only in the specialist HR function itself?
- Does the HR strategy demonstrate how HR capability and capacity, both past and future, will deliver the organisational goals etc? What consideration has been/will be taken of the current structure and style of the HR function in delivering the next stage of HR and workforce strategies for an NHSFT?

Other sources of information:

- **NHS employers** is an Independent representative body which will take on management of employment matters in the NHS. NHS Employers is based on a 200-strong assembly elected from all sectional and geographical interests from a range of backgrounds in the NHS. www.nhsemployers.org
- **NHS Partners** is the new name for **NHSP** which, as a not-for-profit trading agency, has been providing HR support and development to the NHS for many years. The name change follows our recent merger with two other NHS agencies providing similar and complementary services in other parts of the UK: ; Pay & Workforce Research in the north of England and Scotland ; Scope in the east of England. www.nhspartners.org.uk
- [Healthcare](http://www.hpma.org.uk) people management association HPMA AHHRM | The Association of Healthcare Human Resource Management helps influence, develop and promote high quality human resources (HR) within the NHS. www.hpma.org.uk

7.3 HR assessment criteria – HR Strategy and wider strategic direction

Component 1b: *Growing as an employer: the maintenance and continued development and innovation of excellent HR practices, demonstration that the organisation will continue to meet employment and HR related legislation and that this will be achieved through a duty of partnership. Questions to help with this are at the end of this section after 7.3.7*

7.3.1 Model Employer – high performing organisations

NHSFTs will strive to become high performing organisations through being model employers, innovating and drawing from practices within and outside the NHS.

Gateshead Health NHS Trust have their own well established aim of 'being the best possible employer'. They see the challenge for Human Resources 'to maximise the contribution of staff in delivering patient-centred care and service improvements'

Doncaster & Bassetlaw as an NHSFT opportunity focused on the hospital environment. They developed a Park and Ride car park for staff.

The **Improving Working Lives (IWL) Standard (practice and practice plus)** provides a useful baseline model of good HR practice, within the NHS.

This section now needs updating ... ?

All organisations have been assessed against the IWL standard for Practice status. Pilot training for Practice Plus began in November 2003, and the assessment of IWL Practice Plus was piloted in 10 volunteer organisations with a range of approaches being used to assess organisations against this level of the IWL Standard. Assessment were carried out during January / February 2004. All 10 organisations have now been accredited with Practice Plus status, including Stockport NHS Foundation Trust (wave 1 NHSFT) After a full evaluation of the process, national roll out will take place from April 2004 onwards.

The assessment at Stockport moved away from an input based assessment to an output or impact based assessment – deemed to be more appropriate for NHS Foundation Trusts who have freedoms to do things differently and develop practice that best suits their local circumstances.

Whilst NHS Foundation Trusts might question how important it is for them to seek IWL Practice Plus accreditation (as IWL is not mandatory for NHS Foundation Trusts), these organisations might wish to consider why they would not want to prove and demonstrate their excellent HR management.

Work-Life Balance Campaign

The Government introduced the Work-Life Balance campaign in 2000. The campaign was about helping employers to recognise the benefits of adopting policies and procedures to enable employees to adopt flexible working patterns. The campaign is delivered through a strategy comprising the following elements:

- continuing to provide support to business for the adoption of new, or further, Work-Life Balance best practice measures;
- continuing to generate and disseminate research and case studies that demonstrate the impact of benefits of Work-Life Balance measures to business and individuals;
- work in partnership with organisations across the country to mainstream Work-Life Balance policies;
- stimulate initiatives on a regional basis.

For more information see: www.dti.gov.uk/work-lifebalance

Investing in the health and Wellbeing of Staff

Investors in Health is a health promotion based on the principle of an NHS/Local employer partnership. It aims to address staff health and well-being, and the role that organisations can play in creating and relieving stresses and strains. The IIH challenges employers to commit themselves from board-level down, to:

- Set a priority on workplace health and wellbeing;
- Measure organisational function against recognised indicators;
- Apply national standards of good practice;
- Commit to a process of audit in relevant target areas to achieve any change and improvement required.

The partnership is interactive and provides a structure for motivated employers to meet the statutory requirement emerging from the health and safety legislation. The emphasis is on self regulation. IIH is a direct response to standard 1 of the national service framework for mental health, specifically helping to create a 'healthy workplace' which 'can promote mental health'. Initially funded by East Riding and Hull Health Authority, IIH is now managed as an accreditation society by IIH publications a not for profit company. Dr. David Ryan Consultant Psychiatrist, Hull and East Riding Community Trust and Project Director of IIH, Professor Roger Watson, Professor of Nursing Hull University – contact IIH via www.investorsinhealth.org

(Extract taken from HSJ 18th March 2004 p 39)

The following two examples show that in looking to improve working lives of staff, where new buildings or refurbishments are taking place it is important to involve staff in these discussions and decisions, as the working environment can have an impact on performance, and on recruitment and retention, and how staff feel valued.

Healthy Hospitals/CABE

The Commission for Architecture and the Built Environment (CABE) 'champions the use of good design in buildings and public spaces'. They have been working with a number of acute trusts (including South Devon an NHS Foundation Trust applicant), and a number of PCT's. They work in partnership with the RCN, The Kings Fund, Nuffield Trust, the Design Council, NHS Estates and the Future Healthcare Network and through their Healthy Hospitals Initiative have two objectives; 1. to raise the aspirations of all NHS Trusts in respect of good design, and 2. Specifically to influence and motivate those involved in the next wave of the hospital building programme. They seek to look at refurbishing, or building new healthcare premises that are conducive to patient care, and they seek to look at the needs of staff.
www.healthyhospitals.org.uk

Work Environment and impact on Performance in the workplace

Price Waterhouse Coopers LLP in association with the University of Sheffield and Queen Margaret University College, have undertaken a piece of work (2004) 'The Role of Hospital Design on the Recruitment, Retention and Performance of NHS Nurses in England. Overall the findings of this research showed that 'hospital design had the most influence on nurse's performance, and then on their recruitment and finally on their retention. Thus the work environment, and workplace design/building design can have a direct impact on performance in hospitals.

7.3.2 Equality and Diversity

The Government is fully committed to diversity and equality of opportunity for all health service staff. The NHS workforce must reflect the population it serves in order to deliver sensitive and appropriate services.

Positively Diverse is a national organisational development programme that aims to develop the knowledge and capacity of member organisations to build and manage a diverse workforce. Supporting the achievement of IWL and equality and diversity standards – the Positively Diverse programme provides a mechanism for NHS organisations to assess how well they are meeting their requirements to ensure equality and diversity in each organisation.

Positively Diverse provides practical guidance on how to address the diverse needs of the local community by ensuring that the workforce understands, supports and reflects those needs. The achievement of equality and diversity outcomes is an essential part of meeting the IWL standard, with a higher level of evidence being required at practice plus level.

Positively Diverse also provides a mechanism for NHS organisations to assess how well they are meeting their requirement to ensure that NHS staff are treated fairly and equitably, regardless of their background.

A number of initiatives have already been implemented under the **Positively Diverse** programme. They include:

- Training for interview panels, to promote cultural sensitivity during interviews
- Introduction of a Healthcare Apprenticeship Scheme to attract recruits from all parts of the community
- Pre-interview coaching for staff seeking promotion to improve their presentational skills
- Confidential reporting and advisory services for victims of harassment. Listening to views showed commitment to equal opportunities was more than just talk
- Prompt action taken with perpetrators of harassment and bullying gave a signal to all that zero tolerance meant just that.
- Improved access for disabled staff and patients through environmental changes.

All early NHSFT waves have written into their HR strategies their goals and objectives for diversity, with some including examples and case studies of work undertaken. **Chesterfield and North Derbyshire Royal Hospital NHS Trust** make the connections between diversity and involvement in their HR strategy – ‘using the development of an integrated diversity strategy as a vehicle for looking at diversity in staff involvement so that communication and engagement with staff is more closely tailored to the diversity of the workforce.

Diversity is also a key consideration in becoming an employer of choice as diverse staff often prefer different and diverse rewards, benefits, or working environments – individuals all have preferences about what enables them to work effectively.

Want to know more?

Further details see:

<http://www.dh.gov.uk/PolicyAndGuidance/HumanResourcesAndTraining/ModelEmployer/EqualityAndDiversity/fs/en>

The **Commission for Equality and Human Rights** www.cre.gov.uk

Equal Opportunities Commission - Great Britain Arndale House, Arndale Centre Manchester M4 3EQ Email: info@eoc.org.uk www.eoc.org.uk

Becoming an Employer of Choice : make your organisation a place where people want to do great work. (2004) Judith Leary-Joyce. CIPD publishing

NHS Plus – health at work. www.nhsplus.nhs.uk. (A network of NHS occupational health departments)

Choosing Health and other public health related ‘health at work documents’

Wellness at work: protecting and promoting employee wellbeing (2005) Lynda A.C. Macdonald CIPD publishing

7.3.3 Modernising pay and rewards

Agenda for Change (this will change for future waves (probably beyond wave 3) once AFC has been implemented

Agenda for Change, currently being implemented throughout the NHS is the new pay system that will apply to all directly employed NHS staff, except doctors, dentists and the most senior managers.

The new pay system will:

- Ensure better, fairer pay for more than one million NHS employees;
- Provide greater rewards for staff who take on extra responsibilities and acquire new skills;
- Include annual appraisal and development reviews to support career planning and personal development
- Bring teams of NHS staff closer together by harmonising conditions of service
- Improve overall productivity, boost capacity and expand services across the NHS.

Agenda for Change combines a national framework for pay decisions with a range of local freedoms and flexibilities. All NHS Foundation Trusts and prospective NHS Foundation Trusts will continue implementation for Agenda for Change in line with

national roll-out, and we want NHS Foundation Trusts be able to continue benefiting from Agenda for Change as it evolves over time. NHS Foundation Trusts are specifically represented on the new NHS Staff Council that is being established to oversee the new pay system.

Within Agenda for Change all NHS Trusts and NHS Foundation Trusts will have greater freedom to pay staff more either to reward good performance or to recruit staff to hard to fill vacancies. However, it is likely that over time we will see NHS Foundation Trusts - as high performing organisations with a good track record on HR policies and practices - use their freedoms to explore innovative approaches to a range of pay and workforce issues, for instance new forms of performance rewards.

There are a range of specific local freedoms under Agenda for Change where it has been agreed that NHS Foundation Trusts should be able to act independently. Other NHS organisations will have access to the same freedoms, but subject to nationally agreed guidelines (see Chapter 8 of the 'Agenda for Change' agreement). Agenda for change has also already been seen to be a further driver towards enabling service development and delivery by utilising the workforce skills and competences to better effect.

Want to know more?

Further details on Agenda for Change can be found on the website at <http://www.dh.gov.uk/PolicyAndGuidance/HumanResourcesAndTraining/ModernisingPay/AgendaForChange/fs/en> and www.modern.nhs.uk/agendaforchange

Consultant Contract

As with Agenda for Change, we want NHS Foundation Trusts to be at the forefront of pay modernisation and to make maximum use of the flexibilities available within the new national pay systems - both Agenda for Change and the new consultant contract.

The new consultant contract has been negotiated as a national framework, which we expect NHS Foundation Trusts will want to benefit from. All medical and dental consultants will have been given the opportunity to move to the new consultant contract before the first NHS Foundation Trusts are established.

There may be a number of areas in relation to pay, terms and conditions where NHS Foundation Trusts will want to explore the case for using local flexibility over time.

Want to know more?

Further details on the consultant contract can be found on the web at http://www.dh.gov.uk/PolicyAndGuidance/HumanResourcesAndTraining/ModernisingPay/ConsultantsContracts/ConsultantsContractsArticle/fs/en?CONTENT_ID=4075366&chk=NnCiZe

7.3.4 Legal requirements and HR governance

NHS Foundation Trusts will be required to meet legal requirements and will remain bound by:

- prevailing UK and European employment law;
- specific NHS requirements; including NHS pensions legislation;

- relevant legislation enacted in the future (e.g. age discrimination etc.)

Like all employers, NHS Foundation Trusts will have legal obligations in respect of its employees. They will be required to comply with general employment law, both statute and common law.

The Department of Health has prepared guidance to the NHS on several aspects of employment legislation. Whilst the guidance itself is not binding on NHS Foundation Trusts, it might be a useful resource in determining how best to comply with legal obligations.

In moving to NHS Foundation Trust status and to operating in a different environment, organisations will need to consider the approach to internal risk management and HR governance. In doing so, the following might be usefully considered:

- Governance arrangements / systems required to identify legal and other requirements relating to HR, and the workforce
- Effective communication and systems to ensure that breaches are reported / acted on.
- Systems to track the number of / trends in legal cases, how they are managed and how to ensure learning from outcomes.
- Systems to identify consequences, and monitor risk in relation to matters of HR and the workforce

The Balanced scorecard is being utilized in different guises in NHS organizations. There are newly emerging models of this including the Queen Victoria Hospital NHS Trusts organisational balanced scorecard:

The **Queen Victoria Hospital NHS Foundation Trust** has developed an organisational system which also enables mainstreaming of HR within the organisation.

The organization has been implementing a Corporate Balanced Scorecard to align and manage their organisational strategies including the HR strategy. This was initially developed in partnership with a defence aerospace company and is being supported by the introduction of an IT-based monitoring system. The Balanced Scorecard will provide for integration of their HR practice into all the main functions of the organisation. It will also act as a performance management framework, and will enable rigorous monitoring of compliance with the legal requirements of being an NHS Foundation Trust as it incorporates measures associated with financial controls, risk management, employment law. Implementation of the Balanced Scorecard will be supported by an organisational development project to cascade the framework of corporate objectives and performance measures throughout Care Group, department and team structures of the organisation.

In March 2004 'Measuring Up' a survey of HR directors at FTSE 500 companies found that nearly half of the FTSE 500 organisations do not measure employee engagement and those who do are failing to link employee engagement to business aims. One good example is the Britannia Building Society where employee satisfaction is on their balanced scorecard and is directly linked to their 'director bonuses' as an incentive to work at this. Standard Life Health Care measure employee factors such as engagement and sickness as they know that measurement is crucial in being able to show improvement to progress things forward in the organisation.

The Royal Bank of Scotland Group (IDS HR Studies Mar no 769 2004, pp14-17)

it is reported, has developed an integrated human capital measurement model that relates a range of HR metrics with business performance indicators. This case study describes this model and explains how the company uses it.

7.3.5 Learning and Development

NHS Foundation Trust applicants are required to demonstrate how they plan to retain responsibility for learning and development, providing both personal and professional support to all staff.

They must demonstrate their commitment in terms of provision for existing staff and through continued partnership working with others to support the learning and development of the future workforce – this includes supporting work placements for those in training.

Bradford Teaching Hospitals NHS Foundation Trust in its NHS Foundation Trust Application plans to modernise learning and personal development by for example:

- Creating a development and lifelong learning culture in accordance with the Trust's Education, Training and Development Strategy
- Being an Investors in People employer ensuring that each employee has an annual appraisal together with a personal development plan.
- Equipping managers and staff for current and changing roles with the skills, knowledge, competence and confidence required in accordance with the Knowledge and Skills Framework
- Supporting internal Positive Action programmes, enabling the Trust to develop a workforce reflecting the community it serves at all levels of the organisation
- Ensuring a correlation between development and training investment and personal and organisational performance.
- Supporting national initiatives which underpin the modernisation process, for example the Trust's participation in the Pursuing Perfection Initiative.
- Working with appropriate external organisations to deliver this vision e.g. the Bradford Health HR/OD Group, local education providers, Bradford wide Equality and Diversity Partnership, and collaborating with the local WDC.

In terms of learning and development, **Guy's and St. Thomas' NHS Foundation Trust** has made a number of commitments for example as an organisation such as:

Individuals meet the needs of a patient-centred service and in a manner consistent with a learning organisation:

- All staff have Personal Development Plans which reflect the Trusts commitment to both patient centered services and the NHS Knowledge and Skills Framework;
- A clear commitment to individual lifelong learning and continuing professional development – supporting staff to grow, develop and realise their potential;
- Development processes are in place to equip staff with an understanding of the mutual respect, appreciation of diversity and openness needed between staff and patients and within teams;
- Staff have developed or are able to access development to ensure they meet the Skills for Life targets;
- A visible commitment to the development of the public, as informed health consumers and our potential workforce;
- Staff development meet national and/or professionals guidelines

As well as developing an infrastructure that enables a learning organisation, for example

- The Trust Learning & Development Forum works with staff, patients and other key stakeholders to ensure that the Trust approach to learning and development reflects the organisation's needs and is appropriate;
- The Trust's relationship with the South East London Workforce Development Confederation is effective in ensuring that WDC funds are allocated to support Trust development objectives;

Some organisations have also extended this into their Corporate Social Responsibility frameworks, and working with local communities for urban regeneration or neighbourhood renewal schemes.

COM universities

An entrepreneurial and community based approach to learning, education and training in local communities has been taken by Croxteth 'Communiversality' in Liverpool (<http://www.communiversity.co.uk>) ; and at Craigmillar Communiversality Co-operative (<http://www.communiversity.org.uk>)

In addition work has been done in London at the Hackney Marsh Partnership, Bromley-by-Bow Centre and the Archbishop Michael Ramsey Technology college in Camberwell. In each of these the 'university' is a community based asset, and can be more likened to a social business. Croxteth Community Trust (CCT) a Trust which has championed and supported education in the community, owns and manages the Communiversality in Croxteth "through the Communiversality, the Trust aims to offer the opportunity for individuals and groups to study and learn at a level and pace, along with the necessary support and understanding to assist people in improving their life chances. "The Trust through an educational alliance, aims to provide a voice for communities through the delivery of life-long learning in the area"

Induction is a key process that can be used on an ongoing basis to introduce NHSFT status, and arrangements for members and governors to new staff.

Leadership and organisational development (7.3.7) also connect to learning and development.

7.3.6 Duty of Partnership

NHS organisations are required by law to co-operate with each other in exercising their functions and as part of their application organisations are required to demonstrate how they plan to translate this concept into reality, looking at relationships and joint working within their local health economy, to include workforce and HR and related issues. Partnership within an NHSFT is also an asset and can form part of a corporate social responsibility framework (in the same way that learning and development can as mentioned above.

Recognising the duty of partnership, **Moorfields Eye Hospital NHS Foundation Trust** see their role in the local community on the Hackney/Islington border whereby they will continue to foster and develop this role. In addition they see further and new links will be forged in those areas where Moorfields has its outreach centres, and in this context, the Trust will fulfil its obligations to Corporate Social Responsibility in respect to the provision of services to the local communities it serves, the staff it employs and the opportunities it offers in this respect. They also see that this will generate greater understanding of respective requirements and opportunities for employment, involvement and development of staff and others from the local communities. In addition, the Trust will maintain its links and participation with the Hackney Training and Employers Network (HTEN) and the City Fringe initiative, as well as the local Learning and Skills councils.

Burton Hospitals NHS Trust as part of their consultation and engagement around developing their HR strategy consulted (as part of the duty of partnership) the following organisations:

- The SHA
- The HR directorate in the DH
- 3 local PCTs
- the Commission for Racial Equality
- A local university,
- The learning Skills Council
- The WDC/WDD
- Two local Acute Trusts
- A selection of local businesses
- A local College
- All represented Unions.

7.3.7 Leadership and organisational development

NHS Foundation Trusts need to consider different elements of leadership and development. In the end NHSFTs may have more than one or two bottom lines for instance such as financial, quality of services, and a social and environmental bottom line. This requires different leadership and OD models. The leadership and organisational development challenges are very much emergent, but very different. There are however a series of considerations and questions to ask when applying, and once becoming established as an NHS Foundation Trust:

- Is our current model, style and practice of leadership fit for the future?
- What new kinds of leadership styles and approaches do we need to consider? e.g. collaborative leadership, relationship based? partnership focused? enterprising and entrepreneurial? public interest focused? values based?
- What values should we consider, what operating principles should we develop that we are not doing now? What symbolically shows new leadership in this changing organisation?
- What leadership and management training should we be offering to our Non executive, executive directors and managers in preparation for NHSFT status, and after authorisation for ongoing implementation of the NHSFT including becoming a membership organisation. This may include training relating to changes in culture and behaviour as well as communications and partnership.
- Leadership is not a monopoly of people at the top. It occurs at all levels and especially the front line.
- New leadership skills will also require different levels of business acumen amongst other skills (see below) * also Ann Utley has some good slides on the new leadership challenge.
- Governors and members will also require training and development and can be role models as leaders too.

Cultural and Leadership challenge?

- 'Business-like', hard and soft issues, commerciality
 - Critical friends, challenge risk managing
 - New types 'collaborative' leadership? ('partnering' of all kinds)
 - Relationship based, democratic, mutual
 - Enterprising and entrepreneurial
 - Socially responsible
-

Cases in point are:

Calderdale and Huddersfield NHS Trust see their Trust management style as facilitative and involving, not hierarchical and controlling and seeking to help each individual to make the most of themselves through coaching, mentoring and development. Leaders and leadership are at the heart of making the Trust a model employer and in ensuring development of the existing workforce. As an NHS Foundation Trust Calderdale and Huddersfield through its managerial and leadership framework wishes to develop leaders who consult and create partnership working and a culture that encourages challenge and debate to secure radical improvements in service delivery.

The strength of the Trust's leadership arrangements and approach has been recognised by the Commission for Health Improvement and Improving Working Lives and Investors in People Assessors. A shared view has been developed of what leaders "do" in the organisation. Leadership is identified through personal contribution and commitment and not through title or position. Activities under the organisation development umbrella include action learning, service redesign, 360 degree diagnostics and clinical team competencies. Over 100 staff are registered as OD Associates, who, as well as delivering their day job, are able to support cross-organisation projects and activities for service improvement. This gives their Trust a strong and sustainable approach to increasing management and leadership capacity and capability.

In addition, the Trust has placed a new emphasis on social entrepreneurship and innovation on developing business skills, on looking at partnering as well as partnership and on developing skills to work with the Membership Council, both accountable to, and as an integral part of their local community. The Trust believe that the continuing success of the Trust into Foundation will depend upon having a cadre of motivated clinicians willing and able to become Divisional and Clinical Directors, and to support that aim, the Trust is piloting a 9-day leadership development programme aimed at Consultant medical staff.

Management style and capability is also key in engendering engagement, and the cultural shifts required in an NHSFT:

14 April 2005 CIPD press statement

"Under-management epidemic" risks poor productivity and low staff morale

Research confirms that the relationship employees have with their immediate boss has a direct impact on employee engagement. Yet CIPD research finds two-thirds of UK organisations are suffering from a shortage of highly effective leaders which suggests many organisations run the risk of experiencing poor productivity and low staff morale. This problem has been dubbed the "under-management epidemic".

Want to know more?

Sources of information for the examples given above and further useful information can be found at:

- Information on HR in the NHS generally is available on <http://www.dh.gov.uk/PolicyAndGuidance/HumanResourcesAndTraining/CommunicationsEventsAndNetworks/HRNHSNewsletters/fs/en>
- *HR in the NHS Plan* is available on http://www.dh.gov.uk/PublicationsAndStatistics/Publications/PublicationsPolicyAndGuidance/PublicationsPolicyAndGuidanceArticle/fs/en?CONTENT_ID=4075757&chk=1SQtWo

- *Improving Working Lives Standard* can be found at http://www.dh.gov.uk/PublicationsAndStatistics/Publications/PublicationsPolicyAndGuidance/PublicationsPolicyAndGuidanceArticle/fs/en?CONTENT_ID=4010416&chk=C03aaD
- Information on *Positively Diverse* is available from http://www.dh.gov.uk/PolicyAndGuidance/HumanResourcesAndTraining/ModelEmployer/EqualityAndDiversity/PositivelyDiverseIntro/fs/en?CONTENT_ID=4052110&chk=OPteqx
- The Employers Forum on Disability – <http://www.employers-forum.co.uk> offers guides and information on working with disability, supporting diversity of staff, and improving workplaces

Gaining and maintaining commitment to large-scale change in healthcare organisations. (2003) Narine, L Persaud, D.D. health services management Research, London. Vol 16 Iss 3 pp179

- Organisation Development in Health Care approaches, innovations and achievements.(2005) Edward Peck. Radcliffe Publishing Ltd.
- *Keeping the NHS Local – A New Direction of Travel* and further information on Configuring Hospitals is available from the Configuring Hospitals website at <http://www.dh.gov.uk/PolicyAndGuidance/OrganisationPolicy/SecondaryCare/ConfiguringHospitals/fs/en>

Sources of information for the examples given above and further useful information can be found at:

- The *Skills Escalator* and other related information can be found at http://www.dh.gov.uk/PolicyAndGuidance/HumanResourcesAndTraining/ModelEmployee/SkillsEscalatorArticle/fs/en?CONTENT_ID=4079405&chk=KidPxo
- *Working together – learning together* is available at http://www.dh.gov.uk/PublicationsAndStatistics/Publications/PublicationsPolicyAndGuidance/PublicationsPolicyAndGuidanceArticle/fs/en?CONTENT_ID=4009558&chk=tCWmaW

Information on the National Strategy for Improving Adult Literacy and Numeracy skills is available from the Department for Education and Skills website at www.dfes.gsi.gov.uk/readwriteplus. It includes an employer toolkit to improve literacy and numeracy at work which can be downloaded from www.dfes.gov.uk/readwriteplus/employer-toolkit.

Questions you might find useful to ask to self assess component 1 (b)

- | |
|--|
| <ul style="list-style-type: none">- What plans does the organisation have for “growing the workforce” and understanding and improving productivity?- How will the organisation ensure that the local workforce views the organisation as a model employer?- Does the HR strategy feature HR practices (for example, pay modernisation, equalities and diversity, flexible working, healthy workplaces etc), that are recognised as good practice across the NHS and beyond?- How will the organisation ensure that strategic plans for its future healthcare workforce can be met, taking account of the risks posed by external factors such as labour market constraints (and considered against the Service Development Strategy for the future)?- How will the organisation ensure that its workforce reflects the local community (e.g. black and ethnic minority population)?- Do local working styles and practices reflect the local population and culture - balanced with ensuring effective national recruitment of the highest calibre of professional staff?- How will the organisation continue to learn and grow from good practice and developments in HR in the wider NHS and healthcare sector, mutual organisations and beyond? |
| <ul style="list-style-type: none">- How will the organisation continue to meet legal/statutory HR requirements and NHS specific / other requirements?- How will the organisation/HR team ‘govern’ HR/workforce issues to ensure it meets current and future legislation, and fulfils all statutory and other requirements, as part of a wider risk management approach? |
| <ul style="list-style-type: none">- What are the organisation’s plans in respect of learning and development for existing staff?- How will the organisation deliver its responsibility for the learning and development of the future healthcare workforce?- How has the organisation demonstrated its commitment to unlocking the potential of all staff - enabling all staff to progress their skills and careers through lifelong learning and development?- Has the organisation outlined how staff will have access to and receive professional updating to remain competent?- How will the organisation ensure that pre-registration and post-graduate training and practice placements supported by the organisation meet standards set by regulating bodies?- What mechanisms are / will be established for reviewing performance and potential? |
| <ul style="list-style-type: none">- How will the organisation develop / manage relationships with local health organisations, including Strategic Health Authorities (SHAs) / Workforce Development Confederations/Directorates (WDC/WDDs) and Primary Care Trusts (PCTs), social care organisations, educational establishments, and other local networks?- How will the organisation develop its ‘corporate social responsibility’ role - playing an active part in the wider community?- What examples are there of current and proposed relationships or joint plans, roles and activities with key partners? |

7.4 HR assessment criteria – Achieving wider cultural change

Component 2: Staff involvement / social partnership: firstly, the involvement and engagement staff and local stakeholders in the development of the HR strategy – including the impact of this and / lessons learnt. Secondly, commitments and plans to continue, expand and progress staff involvement, staff engagement and wider social partnership. **Questions to help with this are at the end of this section after 7.4.6**

7.4.1 Involvement and engagement.

As discussed briefly earlier in this Guide, NHS Foundation Trusts will be expected to create a culture of working in partnership; involving and engaging the workforce not only in the application to become an NHS Foundation Trust (see Chapter 3 above), but also in ongoing development of the organisation. Staff engagement and involvement can have a significant impact.

- In its 1999 report, the NHS Taskforce on Staff Involvement stated that NHS employers who involve their staff in planning, policy making and decisions will be able to improve patient care through better service delivery, manage change more effectively and have a healthier, better motivated workforce with reduced staff turnover;
- Research undertaken by John Purcell at the University of Bath (May 2003, Understanding the People and Performance Link CIPD isbn 0852929870] shows that HR practices, including staff involvement, have a direct impact on business success across a range of different employment sectors, including the NHS.
- **Birmingham Women's Healthcare NHS Trust in their HR strategy** state 'we aim to engender a sense of belonging under the Foundation Trust from our staff to ensure that they want to continue working for us to deliver all of the service benefits that we have outlined. This will also be supported by encouraging staff to become members of the Foundation trust, further demonstrating a sense of ownership and giving them a real opportunity to influence the future of the Trust...
As part of our Governance arrangements staff have the opportunity to become staff governors thereby giving them the ability to bring their knowledge and experience in helping to take the trust forward. It also gives them an opportunity to develop their own skills and abilities...'
- **Liverpool Woman's Hospital NHS Trust** are developing a formal staff involvement policy which enables directorates to manage staff involvement within their area of control and to create a culture where staff are able to question at all levels within the organisation the Trust's aims and objectives and to have an input into the areas of service delivery that affect them.

Wrightington, Wigan and Leigh state 'at a human level their NHSFT will take on the characteristics of a 'social partnership' between the Trust, its staff, its patients, its community and its other NHS partners.

The opportunity for staff to become members and governors of the NHS Foundation Trust (see Chapter 4 above) provides one mechanism for staff involvement, but staff involvement should not be limited to just the constitution and governance arrangements if staff are to be truly engaged and involved. There are a number of different mechanisms for staff involvement:

7.4.2 Thinking about staff involvement in new ways

There is an ongoing imperative to engage staff, as well as the patients and public in changes to the organisation and its services. **Keeping the NHS Local – A New Direction of Travel (www.doh.gov.uk/configuringhospitals)** - offers a very useful diagram of this on page 13, outlining a new approach to engaging with staff (and patients and the public).

David Bell, Director for People at Pearson plc is quoted to have said “our task is firstly to demonstrate that we are listening to our staff and secondly, that we are acting on what they say. I have no background in human resources at all. I hate the phrase human resources because it implies human beings are just the same as any other resource. They are the only resource! We have to find, inspire to keep and reward the best people we can. The emphasis on engaging staff here is the demonstration of having listened, and having acted.

Gallup in one of their studies in 2003 around surveying staff in organisations suggest a cluster of key questions around engaging and involving staff and thinking about staff involvement in new ways.

Gallup Q12 – questionnaire and study (2003)

Chris Dabbs suggests exploring four key questions (from the overall survey Q12) to underpin moving from the present to the future in organisations.

- Does your supervisor seem *to care about you as a person*?
- Is there someone at work *who encourages your development*?
- At work do *your opinions seem to count*?
- Does the mission/purpose of your organisation *make you feel your job is important*?

Chris Dabbs (Futurologist, Bearhunt) suggests exploring four key questions (from the overall survey Q12) to underpin moving from the present to the future in organisations around developing the relationship and dialogue, and new psychological contract with staff.

Other work related to involving staff might be around **Values in the workplace**. The **Kings Fund** used storytelling to look at improving the experience for patients and staff, and to develop a more values based approach to NHS working environments. *Living Values in the NHS: Stories from the NHS 50th year* by **Becky Malby and Stephen Pattison (1999)** outlines a useful method of gaining staff stories, and of unpicking the values issues that come through listening to staff (and patients).

In addition to this the Kings Fund sponsored 18 months of research around **Values and Decision Making in the NHS** (Bill New and Julia Neuberger 2002). “**Organisational Values : a case study in the NHS**” (Jane Keep and John McClenahan p 189 – 207) outlines a number of steps taken by NHS organisations in introducing values based working practices.

Wrightington, Wigan and Leigh NHS Trust undertook an extensive amount of work in involving staff through an initiative they called locally ‘SID’ Staff involvement Day. Managers teamed up with staff members and throughout a day interviewed 800 staff members to ascertain their feelings and views around three key questions:

- What could be done to improve your working life?
- How could you be more involved in improving services?
- How could you be more involved in your working environment?
- Responses were analysed, and an action plan with financial backing delivered to assist implementation of values-related changes.

Broadening this to **workplace communications**, (adapted from) Carol Grant, from Grant Riches Communication Consultants (HSJ 27/11/2003) suggests that workplace communications should:

- KISS – keep it simple, stupid – so everyone understands
- Ensure you can do the ‘dog and duck’ test – if you have just met someone in the pub would they understand what you meant?
- Recognise not everything is a priority and keep communications targeted
- As time and £ are often limited concentrate efforts on high impact, low-cost activities – ‘do less but do it well’.
- Review your communications strategy (approaches and impact) regularly
- Share success and positive good news in the organisation as well as other issues that need to be communicated

Co-designing a People Policy/Staff Handbook

In 2003/4 a small company with 15 employees of highly skilled individuals in England was developed using an external ‘HR facilitator’. This process took many months despite being a small company. Key learning points from this were firstly that whilst it is important to get to the ‘Rules and Regulations’ part of the policies, the most difficult part was to reflect the working ‘culture’ and ‘behaviours’ of the company within these. The difference from using a set of ready made/off the shelf policies, to working WITH the staff to co-design a set of policies that support and enable their working culture and behaviours. Although this is a time consuming process it is building capacity during the journey and the up front participation builds ownership from the start. This project also required a lot of involvement from the Managing Director to ensure the written word fitted the management and leadership style to. The feedback to the HR facilitator from the company at the end of this project was that it was a ‘user friendly, quality handbook’ whereby the process itself was most valuable.

Involving staff, developing relationships

In their NHS Foundation trust application, the **Countess of Chester NHS Foundation Trust** see a key role in communications and employee relations and describe some of the key actions around this, for example:

- Continually review and, where possible, audit methods of communication.
- Constantly remind/reinforce the Trust’s core purpose and key objectives and share progress reports.
- Undertake an annual staff opinion survey and take positive action for improvement, based on results obtained.
- Promote staff involvement in decision-making at all levels of the Trust.
- Encourage open, clear communications in a ‘fair blame’ culture (as per the Trust’s Risk Management Strategy).
- Continue to work with staff and their representatives as partners towards mutually-agreed goals.
- Increase staff awareness of rights and responsibilities under national and locally-agreed terms and conditions, policies and procedures.

In addition the Countess of Chester NHS Foundation Trust has a staff forum. Their Radiology Staff Forum is a case study in the Department of Health’s ‘Staff Involvement – Better decisions, better care’, published in October 2003. The Trust has developed some principles for their staff forum:

“We will develop an action plan to improve lines of communication with all staff within the Trust. Building on the concept and in some cases the practice of staff forum, we will seek to engage staff and their representatives in everything we do. We will promote membership of staff forums, which will complement the formal machinery for consultation and negotiation. Building on the success of the pilots in Radiology and Pathology, we will roll out staff forums across the Trust.”

The Trust has also had success with their staff charter and are building on this using a range of other communication and involvement initiatives:

"Building on the success of the 'Staff Charter', which set out the rights and responsibilities of our staff, we will develop a 'Customer Charter', based entirely on the views of the hundreds of staff who have undertaken the Trust's customer service training, 'Walking the Talk'.

The Trust has excellent experience of involving staff, for example the volunteers who were recruited for a variety of working groups on Improving Working Lives. They were instrumental in enhancing awareness, proposing solutions and taking actions, culminating in the achievement of 'Practice' in July 2002. An IWL focus group re-designed the staff opinion survey questionnaire for use in February 2003. This new format resulted in a 20% improvement in the response rate. A similar, 'staff involvement' approach will be taken in positioning the Trust for IWL 'Practice Plus' status in 2004.

As part of the proposed constitution for the Foundation Trust, six staff members will have seats on the Council of Members and all staff members will be asked their views as to the constituency or professional 'make up' of these seats. In addition, it is anticipated that the six staff members (of the Council of Members) will act as a conduit for communication to and from staff, hence enriching the practical approaches to involving staff."

University Hospital Birmingham NHS trust have a very comprehensive set of approaches to workplace communication and staff Involvement. Examples of their aims are:

- To ensure that through a structured staff involvement programme all staff understand how their contribution is important in improving patient care and have the opportunity to contribute to the development of services in their area.
- To involve staff and staff representatives in the planning and delivery of the Trust's services.
- To maximise the potential offered by the Trust's Partnership Agreement to promote joint working at operational and strategic level and to promote best practice in staff involvement. Through further training support both staff representatives and managers in the principles of partnership.
- To maximise the use of the 'Staff Governors' under Foundation status in giving all staff a voice at the highest level.
- To have in place processes whereby staff and their representatives can communicate easily and regularly to the Trust Board and the Executive Team.
- To ensure staff at all levels and their representatives have the opportunity be kept informed regarding the Trust's strategic clinical and operational priorities and corporate objectives through a formal team briefing system which will ensure feedback to staff.
- To encourage a culture of open communication both within and across professional and departmental boundaries and increase the opportunity of staff at many different levels to have shared goals
- Empowering frontline staff to use their skills and knowledge to develop innovative services, with more say in how services are delivered and resources allocated.
- To promote the Trust and the NHS generally through developing both good local and national media networks.
- To improve the morale of staff and promote a sense of belonging amongst all staff and gain maximum understanding and commitment to our shared goals.
- To ensure staff and their representatives are fully involved in organisational change and are able to contribute to shaping change.
- To identify the training needs of staff resulting from organisational change and to have support mechanisms in place to address any stress or anxieties arising from the change process.
- Through the Partnership Agreement support the development of staff representatives and enhance the staff side capacity.

In addition to these examples, a number of NHS Foundation Trust applicants have developed (or are in the process of developing):

- staff councils or stakeholder councils, or partnership councils for their workplaces. One good example is at Walsall Hospitals NHS Trust.
- Other examples of involving staff were 'staff polling'; and voting stations (e.g. voting for the staff governors);
- using the JCNC's to better effect and modernising the trade union role in the workplace;
- using IWL as an opportunity to engage staff (and using other already up and running organisational initiatives);
- holding open space events;
- using the staff survey results;
- having breakfast meetings, question and answer sessions, staff surgeries, and walkabouts.

PALS and PPI Managers in the NHS

In all NHS organisations there are also staff working on patient and public involvement, on PALS, and on other improving patient experience initiatives. A lot of methods and approaches used for engaging patients and the public can also be used for engaging staff. In addition, the more engaged staff are, the more they are able to engage and involve their patients and the public. Working collaboratively with the local PPI lead, or PALS officer will enable organisations both to share and learn about different engaging and involving methodologies. The Engaging Communities Learning Network (ELCN), NatPaCT has a range of examples of patient and public involvement methods on the website

The North Middlesex Hospital NHS Trust, have also tried to combine Staff involvement and patient and public involvement with the development of a **Joint Role 'Patient, Public and Staff Involvement officer**.

A further useful technique is one used in the **Collaboratives** and the **Service Improvement** work of the Modernisation Agency. This is **Discovery Interviewing** and this is outlined very well in the two publications/websites below.

- http://www.modern.nhs.uk/improvementguides/patients/5_5.html
- [http://www.modern.nhs.uk/serviceimp ... 668/CHD%20Discovery%20Interviews.pdf](http://www.modern.nhs.uk/serviceimp...668/CHD%20Discovery%20Interviews.pdf) (this is 'A guide to using Discovery Interviews to improve Care. NHS Modernisation Agency)

The dialoguing process used for discovery interviewing is a technique that could also be used at times (not at all times as it is labour intensive) when engaging staff. The **NHS Modernisation Agency** have developed **Staff Discovery Interviews** to explore employee experiences and use as a diagnostic tool to identify areas for improvement in workforce planning. This is achieved by asking staff to 'share their stories'. Contact Kath.Harris@doh.gsi.gov.uk

Current research is being undertaken in the HRM department at De Montfort University, Leicester by Julie Beardwell and Chris Britton. They are looking at the **impact of HR on workplace communication** and how much or whether indeed, HR makes a difference when it comes to employee involvement. Their early results indicate there is some association between the presence of HR and the use of methods of communication designed to provide employees with a voice, in addition there appears to have been a greater increase in the amount of employee influence in the workplace where the workplace has an HR specialist – which has some lessons around how HR can influence this and the role it plays. Further details can be found from the **De Montfort University Website** www.dmu.ac.uk or contacting Chris Britton lbcor@dmu.ac.uk, or Julie Beardwell on Jashum@dmu.ac.uk

Employee consultation and welfare has a long history. In 2003 it was the 90th anniversary of the CIPD (Chartered Institute of Personnel and Development www.cipd.co.uk) Early founders of this organisation were the Welfare Workers' Association (WWA) in 1913 who looked at the general well being of people at work, and to foster good industrial relations. Businesses like Rowntrees and Cadbury's and other early Quaker organisations and foundations have long histories of staff participation, and involvement, and over the decades have published papers or books. Even a visit to Cadbury World in Birmingham gives some indication of employee welfare and participation many decades ago. More recently the Department of Trade and Industry published initial thoughts (High Performance Workplaces see reference below) on the new EU Information and Consultation Directive (due to be implemented in the UK by March 2005). Information on this new Directive can be found on the CIPD website.

Further references include:

- Britain at work. Workplace Employment Relations Survey 1998
- Marchington, Mick, Wilkinson, Adrian, Ackers, Peter, and Dundon, Tony
Management Choice and Employee Voice London CIPD 2001
- Department of Trade and Industry (DTI (2002) High Performance Workplaces.
The role of employee involvement in a modern economy. Discussion paper. July 2002, London. DTI
- Involving and engaging patients, public and staff in the NHS – website: Engaging Communities Learning Network for PCTs (NatPaCT) email: natpact@hfht.org or www.natpact.nhs.uk/engaging_communities
- *Working together: Staff involvement* - a tool which aims to help NHS organisations assess progress in involving staff in planning and delivering services – can be accessed at:
http://www.dh.gov.uk/PublicationsAndStatistics/Publications/PublicationsPolicyAndGuidance/PublicationsPolicyAndGuidanceArticle/fs/en?CONTENT_ID=4009723&chk=gx1w%2B/
- *Staff Involvement, Better Decisions, Better Care. October 2003 (Gateway ref 1998)*

7.4.3 Corporate Social responsibility

A former NHS Foundation Trust applicants took the notion of Corporate Social Responsibility as a key to their application, and to their ongoing development:

Calderdale and Huddersfield NHS Trust developed 'Building Partnerships through Corporate Social Responsibility'

The Trust's Human Resource Strategy was about Corporate Social Responsibility, and the way in which the NHS Trust wished to meet its broader obligations both to employees and to the wider community. Corporate Social Responsibility is seen as a way to emphasise the need for the Trust to adopt a coherent approach to involving a range of stakeholders including patients, the public, employees, health and social care and private sector partners. The Trust believes that successful Corporate Social Responsibility programmes depend on enlightened people management practices. So for them, getting the employment relationship right is a precondition for establishing effective relationships with external stakeholders. They also see that Corporate Social Responsibility does not change so much as broaden the Human Resource agenda and focuses on ownership of the people issues by everyone not just Human Resource specialists.

Burton Hospitals NHS Trust within their HR strategy state their own principles of corporate social responsibility including ‘

‘Principally this HR strategy is about Corporate Social Responsibility. It is about the way in which the NHS foundation Trust will meet its broader obligations both to employees and to the wider community. Corporate Social Responsibility emphasises the need for the NHS Foundation Trust to adopt a coherent approach to involving a range of stakeholders including patients, the public, employees, health and social care and private sector partners’

The CIPD Guide *Corporate Social Responsibility and HR’s Role* shows how HR policies give backbone to corporate social responsibility. Copies of the report can be downloaded from www.cipd.co.uk/guides

In July 2004 **A Corporate Social Responsibility (CSR) Academy** is to be sponsored by the **Department of Trade and Industry** as a government-backed CSR training initiative. This initiative will provide education, training and development for managers in public and private sector organisations, the focus being to help them incorporate CSR activities into their core business practice.

A report from The Work Foundation and The Virtuous Circle found organisations that integrated CSR activities into the heart of their business strategy could out perform other companies by up to 40% in profitability and productivity.

References: www.bitc.org.uk and www.corporateresponsibility/group.com

7.4.4 Staff Charters

Staff Charters have been used by NHS and non NHS organisations during the last decade. A simple way of defining these (and differentiating them from other guidelines and contracts) is :

Employment contract	Outlines the formal rights and responsibilities such as salary, leave, hours of work
Workplace policies	Statutory and locally agreed workplace policies such as diversity, grievance, health and safety.
Workplace guidelines	Often locally agreed processes, procedures and guides as to how to implement policies.
Psychological contract	“the perception of both parties to the employment relationship, organisation and individual, of the reciprocal promises and obligations implied in that relationship” (Guest and Conway 2000) “how employees feel about their work, and the impact about specific employment practices on their attitudes and behaviour” (Guest and Conway 2001) “underlying this is that working relations essentially rest on a ‘deal’ between employer and employees” (CIPD 2002)
Professional codes of conduct	Often produced for individual staff groups or professions, similar to staff charters but lack reciprocity, do not cover all staff in any one workplace, and often not (locally) reactive or flexible to local workplaces (Winstanley and Woodall 2000)
Responsibility frameworks	Guidance on taking responsibility for their own actions. The principles are about empowering people to take personal responsibility and ownership of their own issues.
Charters	Stakeholder approach aims to describe and emphasise the reciprocal set of rights and responsibilities that exists between individuals and ‘society’ (e.g. citizens charter, or patients charter)
Staff or employee charters	this is to elicit the rights and responsibilities of all staff

Features of staff charters:

Winstanley and Woodall (2000) suggest there are **six defining features** “which set it apart from other similar instruments” :

- It develops a notion of partnership and *mutuality*(shared, give and take) within the organisation
- Although there may be a plurality (many different) of interests, a framework of reciprocity (give and take) is used to ensure that the different interests of employers and employees can be met
- The charter outlines this reciprocal (mutual, shared) relationship through a series of rights and responsibilities
- These rights and responsibilities relate to the *individual* employee and not just collective relationships at work
- The charter of rights and responsibilities are agreed upon through a process of *consultation* (engagement or joint development) with key stakeholders
- The charter is *made* explicit and it is communicated and published throughout the organisation.

(Taken and adapted from Winstanley and Woodall (eds) Ethical Issues in contemporary human resource management 2000 p 254, in a Chapter by P Taylor and P Jones ‘staff charters: a framework for employers and their staff’)

An example from one of the First Wave NHS Foundation Trusts is from Bradford Teaching Hospital:

Bradford Teaching Hospitals NHS Foundation Trust: Staff Charter

Bradford Hospitals recognises that its employees are its most valuable asset and one of the Trust’s main aims is to maintain an environment in which staff feel valued and in which they are able to contribute fully to its success as a provider of high quality patient care.

The key aims of the Charter are that the Bradford Hospitals will:

- Recognise that all employees are unique and important individuals
- Expect all employees to treat each other with honesty, dignity, respect, courtesy, fairness and compassion.
- Ensure that all employees receive equality of opportunity.
- Through the individual performance review process encourage the personal development and training of all employees to maximise their individual and team contributions.
- Recognise that all employees are entitled to know the objectives of the Trust and have a right to ask questions and receive answers and have an opportunity to influence decisions which affect them.
- Recognise that employees are entitled to have issues of conflict dealt with fairly and equitably. The Trust acknowledges the right of the employees to be represented by an appropriate organisation if they wish.
- Listen to employees’ comments and concerns, and ensure that they are fully, fairly and sympathetically dealt with.
- Enable and encourage staff to approach their manager in complete privacy and without recrimination.
- Safeguard employees’ health, safety and well-being at work.
- Seek to ensure that employees work in an environment which does not tolerate and is free from both the fear and actuality of violence and aggression and harassment and bullying.

7.4.5 Partnership working

Many studies have been undertaken during the last decade in respect of partnership working.

One of the first wave NHS Foundation Trust applicants (University Hospital, Birmingham NHS Foundation Trust) developed, over a period of 2-3 year, a partnership agreement with the assistance of the TUC Partnership Institute. Additionally, a number of NHS Foundation Trust applicants have formal or less formal 'partnership agreements' with trade unions.

University Hospital Birmingham NHS Foundation Trust - extract from application around partnership working: Partnership Agreement

In the period Autumn 2001 to the Summary of 2003, the Trust worked with its staff side representatives to formulate a formal Partnership Agreement. This required joint training of managers and staff representatives throughout the Trust. It is also required positive joint working on key projects, including significant organisational change and HR policy development, in order to build confidence in the Partnership principles. This culminated in the launch of the formal Partnership Agreement on 25 September 2003, which involved John Hutton, Minister for Health and Brendan Barber, General Secretary of the TUC. The key partnership principles contained within the agreement are as follows:

- we commit ourselves to develop the success of our Trust through improving both patient care and staff working lives
- we recognise and value early staff engagement in all initiatives and problems, at all levels, as a means of encouraging partnership between managers and staff
- we work within open and transparent systems of communication and decision-making, accepting mutual responsibility for identifying and resolving difficulties, sharing information and insight from our different perspectives and respecting confidentiality where one or other party considers this to be essential
- we develop ways of learning constructively from our experience and professional practice, both where we have been successful and where we have succeeded less well
- we recognise that our staff must reflect the diversity of the people whom we serve and a key priority is that we meet their diverse needs
- we recognise the diversity, and therefore the different needs, of the people whom we serve, and we aim to recognise this in the way we deliver excellent patient care
- we treat each other with the respect and courtesy that we would expect for ourselves.

Epsom and St. Helier NHS Trust and SW London SHA have also undertaken work on developing partnership in their 'Building Partnership' Project with the TUC partnership Institute.

NHS Foundation Trusts and Trade Unions

The shift to NHS Foundation Trust status could provide an opportunity / impetus to review and reform local staff side arrangements - both strengthening and enabling – undertaken mutually between the Trust and the TUs locally.

Examples, from Wave 1 NHS Foundation Trust applicants include:

- Partnership approach to delivering / implementing Agenda for Change with trade unions being fully involved in project management / working group arrangements. Some Trusts have worked in partnership with their trade unions to recruit volunteers (not necessarily Trade Union members) from across the organisation to work on Agenda for Change with the Trust. Others are also finding 'spin off' benefits for those staff involved in the Agenda for Change process via the additional personal development gained for example, as a Trade Union Representative (of which many more have been recruited specifically for Agenda For Change related work).
- Trade Union involvement in developing, reviewing and updating HR policies and working practices.
- Representation on Trust wide working groups, for example, Improving Working Lives (IWL) steering / working groups; Equalities and Diversity and others.
- Involvement in decision making process and major projects such as new building / PFI schemes.
- Development of formal Partnership Agreements with Trade Unions – a recent notable example being University Hospital Birmingham NHS Foundation Trust.
- Establishment of Learning Adviser / Union Learning Representative networks in partnership with the Trade Unions to specifically widen participation in training and skills development.
- Engagement and consultation with Trade Unions during the development of the NHS Foundation Trust HR strategy. In some organisations, staff organisations have endorsed the governance arrangements and the joint staff side will nominate a representative to sit on the Board of Governors. Trade Union representatives can stand for election to staff governor posts, however if successful, they must represent the staff constituency in the round and not the views / stance of the Trade Union. (This is recognised as normal practice in other organisations that have staff stakeholders, for example, Greenwich Leisure and John Lewis Partnership). However, one applicant, has identified a stakeholder post on its Board of Governor's for the Chair of the Joint Consultative Committee.

7.4.6 Partnership working in other industries

The **TUC Partnership Institute** highlight **Barclays** as a case study. Following a series of 1 day strikes over pay and grading in 1997 and a realisation that things had to change. In January 2000, a key milestone was achieved with partnership principles and a new procedural agreement agreed and 'overwhelmingly endorsed' by the UNIFI membership. Following this, practical implementation processes were undertaken through for example setting up a project to develop the process for implementing the partnership agenda. With a successful DTI submission the TUC Partnership Institute carried out a needs analysis and identified a series of organisation and training requirements to be met by a development programme. This was successfully piloted in Barclaycard and has gone onto being incorporated into the leadership development programmes offered as standard to managers and union representatives within the new Barclays University. In 2002, UNIFI and Barclays began working together on strategic and local issues as the industrial relations climate had changed.

This and other case studies are available via www.partnership-institute.org.uk

Connect : Business Link supports business link advisers in their work with small and medium sized enterprises. Part of their enabling role led to the development of a series of CD's available from £20 on a range of topics. One of these is on '**Partnerships with People**' covering best practice in a diverse range of subjects using case studies such as **Woburn Safari Park**. This CD is useful for small groups or workshops e.g. on partnership working. (Further information from 08700 111 202)

Questions to ask when self assessing against the NHSFT assessment criteria for component 2:

- | |
|--|
| <ul style="list-style-type: none">- What opportunities have staff and local stakeholders been given to play an active part in the dialogue and debate in the development of the HR strategy?- How and where have staff views / feedback influenced the HR strategy?- What has the organisation learnt from the process and how will this be used to inform future joint working?- What are the organisation's plans for the ongoing involvement of staff (and local stakeholders) in the delivery / review of the development of the new HR strategy? |
| <ul style="list-style-type: none">- How will the organisation ensure effective involvement and participation in shaping cultural change and service development and delivery - and in embracing social partnership in its broadest sense?- What are the organisation's plans for progressing staff involvement?- How will the organisation seek to develop a participatory culture?- How will arrangements / developments in staff involvement connect to the new governance arrangements (e.g. the development of a rounded membership organisation)?- Does the organisation recognise the differences between staff involvement and management and trade union partnership?- What has been learnt from the AFC implementation process around partnership that can be drawn from in relation to working in partnership and in a participative way? |

Want to know more?

Sources of information for the examples given above and further useful information can be found at:

- Staff Involvement - Better decisions, better care (October 2003)
http://www.dh.gov.uk/PublicationsAndStatistics/Publications/PublicationsPolicyAndGuidance/PublicationsPolicyAndGuidanceArticle/fs/en?CONTENT_ID=4071622&chk=JeG1LQ
- The report of the NHS Taskforce on staff involvement can be found at
http://www.dh.gov.uk/PublicationsAndStatistics/Publications/PublicationsPolicyAndGuidance/PublicationsPolicyAndGuidanceArticle/fs/en?CONTENT_ID=4006143&chk=xv/TJl
- *Working together: Staff involvement* - a tool which aims to help NHS organisations assess progress in involving staff in planning and delivering services – can be accessed at:
http://www.dh.gov.uk/PublicationsAndStatistics/Publications/PublicationsPolicyAndGuidance/PublicationsPolicyAndGuidanceArticle/fs/en?CONTENT_ID=4009723&chk=qx1w%2B/
- John Purcell at the University of Bath (May 2003, Understanding the People and Performance Link CIPD isbn 0852929870]
- The TUC Partnership Institute was launched in 2001 to help organisations improve industrial relations and develop partnerships between unions and employers – for more information see their website at <http://www.tuc.org.uk> or www.partnership-institute.org.uk

Annex A: NHS Foundation Trust HR Assessment Criteria

Component:	Assessment of:
1(a) - <i>The integration of HR issues into the organisation's strategies and processes and its contribution from board level through the organisation, including consideration of the impact of wider system reform and NHSFT opportunities</i>	(i) Support for the service development and the organisational goals
	(ii) Consideration of the wider system reforms
	(iii) The organisation's status as an NHS Foundation Trust
	(iv) HR in the organisation and the mainstreaming of HR across organisational strategies and activities (v) The current and future innovation, capacity and capability of HR
1 (b) - <i>Growing as an employer: The Maintenance and continued to development and innovation of excellent HR practices demonstration that the organisation will continue to meet employment and HR related legislation and this will be achieved through a duty of partnership.</i>	(i) As high performing organisations NHS Foundation Trusts will be expected to be "model employers".
	(ii) Meeting Legal requirements
	(iii) NHS Foundation Trusts will retain responsibilities for learning and development
	(iv) Duty of partnership
2 – Achieving Wider Culture Change: <i>Staff involvement / social partnership</i> (i) <i>the involvement and engagement of staff and local stakeholders in the development of the HR strategy – including the impact of this and lessons learnt.</i> (ii) <i>commitments and plans to continue, expand and progress staff involvement, staff engagement and wider social responsibility</i>	(i) Staff and Stakeholder involvement and how this has shaped the final HR strategy (for the application itself)
	(ii) Continued development and growth of staff involvement and a participatory working culture (for the HR Strategy)

In developing an appropriate HR strategy, which reflects the status of the organisation as a NHS Foundation Trust and the HR assessment criteria, the following issues might usefully be considered:

Annex B HR Strategy - Development Checklist

- **Purpose**

- What is the purpose of the organisation? What are the organisation's key strategic objectives / aims as an NHS Foundation Trust?
- What sort of HR strategy does the organisation want and what do the staff want/ need?
- What organisational interdependencies does the strategy have how does it become part of the IBP??

- **Service reform**

- What are the implications for an HR strategy with the introduction of the wider system reform package (which includes Choice, financial flows and NHS Foundation Trusts) in terms of skill requirements and capacity planning issues.
- How can the organisation ensure 'investment' in people through introducing and encouraging learning processes designed to increase capacity and capability to align skills to organisational need?
- How does the organisation integrate the short and long term vision simultaneously - as well as the proactive and reactive?

- **The new status of the organisation**

- What are the implications of becoming an arm's length body, for example in terms adhering to statutory requirements / employment legislation?
- What are the givens / must do's (e.g. HR legislation, Working Time Regulations etc)? How will the organisation ensure that it keeps up to date in the future?
- Where will the HR function get information from in the future? (If not the Department of Health, how does the organisation continue to validate / evaluate / evidence base its HR practice?)
- What can the organisation learn now and in the future from other organisations e.g. public interest companies, public benefit organisations, co-operatives and mutuals in terms of HR practice?
- What is the definition of the behaviours required for organisational success and what actions are required to ensure they are encouraged / rewarded?
- How will the organisation maintain its 3* status – and also understand that if one size doesn't fit all (e.g. HR in the NHS), what 'fits' the organisation?
- What is the purpose / role of HR in the organisation?
- What should the HR / team be doing now and what might the HR function be doing / what are the consequences of the HR strategy on the HR function / team / roles – and what might we need/?
- What development needs do the HR function / the organisation have in relation to HR / consultation / Agenda for Change / wider NHS Foundation Trust status.
- What new relationships need to be developed within the health economy with, for example, Workforce Development Confederations/Directorates, Strategic Health Authorities and Primary Care Trusts.

- **Workforce Planning**

- How will workforce planning be integrated fully into the organisational service development strategy?
- How will the NHS Foundation Trust ensure that it's strategic plans for the shape of it's future healthcare workforce can be met and account taken of the risks posed by external factors such as labour market constraints?
- How will the NHS Foundation Trust ensure it future workforce requirements in terms of numbers, skills and competencies, are integrated with service planning requirements?

- What are the information flows, which are deemed essential to ensure that the HR Strategy is maintained at a local level, and are considerate of decisions taken by other healthcare providers/commissioners both at a local and at a supra-trust/national level. How will this be effected?
- How will the interface with other NHS Trusts on HR issues be maintained and what role should IT play in this (e.g. HR & Payroll systems)?
- **Cultural change and staff involvement**
 - How can the organisation best understand the cultural change required, and achieve cultural change?
 - Where will leaders in the organisation be required to take a lead on cultural and behavioural changes required?
 - What cultural and behavioural changes will be required to embrace the new membership culture, and governance of the organisation?
 - How will the organisation identify opportunities with staff?
 - How will the organisation co-create with staff, who “owns” the strategy and where does it sit within the organisation? Is it user friendly?
 - How does the organisation build this with its staff?
 - How much devolution to line managers is there / will there be in the future?
- **Outcomes**
 - What constitutes success – for staff? For patients? For the organisation? How will the organisation know the HR strategy is adding value?

Annex C: Acknowledgements and References

Acknowledgements and References are referenced throughout the document at the end of each section.