

NHS Board Human Resource Directors

Cc: Regional Workforce Planning Directors  
NHS Board Workforce Planners  
AHP Regional Workforce and Workload Planning Co ordinators  
Nursing and Midwifery Workforce and Workload Planning Coordinators  
NHS Board Medical Directors  
NHS Board Nursing Directors  
NHS Board Finance Directors

Our ref: F1823191  
15 December 2008

Dear Colleague

## **NHS Board Workforce Planning 2009 – Workforce Projections Template**

1. I am writing ahead of the circulation of the workforce projections template for 2009 later this week (which will be populated with ISD baseline data when it issues) to highlight some changes to the process this year and to set some of the wider context. ISD baseline data will be published on 16 December and the populated templates will issue on 18 December.

### **Background Context**

#### *a) Better Health, Better Care: Planning Tomorrow's Workforce Today*

2. As you will recall, *Better Health, Better Care: Planning Tomorrow's Workforce Today* published last December removed the requirement for NHS Boards to submit full workforce plans to the Scottish Government Health Directorates (SGHD). It did, however, require NHS Boards to continue to publish annual workforce plans and, in addition, to submit staffing forecasts, on a standardised projections template, to SGHD by April 2008. It also set out a number of other actions, including asking:

- **NHS Boards** to align workforce plans with financial plans, to demonstrate that staff projections were affordable and sustainable;
- **Regional Workforce Directors** (RWDs) to lead development around how best to capture headline information on staff groups over the short to medium term (this action was linked to a new requirement for Local Delivery Plans to include some narrative around the workforce implication of HEAT targets – see below) ; and
- **ISD** to work with the **SGHD** to align planning and data gathering cycles.

3. These actions continue to be, or have been, taken forward. In particular, the RDWs have proposed a simple proforma for capturing headline information which is shown at **Annex A**; and the publication of baseline data has been brought forward from January 2009 to 16 December 2008 to give NHS Boards relevant information earlier in the process to assist in the workforce planning cycle. There had been a suggestion that this earlier release of data would trigger a requirement for workforce plans and projections to be brought forward to February 2009 to align fully with financial plans and Local Delivery Plans (LDPs). We have decided against such a step for 2009 partly because of other work under way which we believe would make it difficult to NHS Boards to make such a shift in 2009. We do, however, want to make a further step towards more integrated financial, service and workforce planning and have build this into the LDP process for 2009 (see below).

#### b) Local Delivery Plans (LDPs)

4. In parallel to those specific actions, *Planning Tomorrow's Workforce Today* mentioned the desire to move towards the development of capacity and delivery plans over the medium term, to align more closely the separate but related elements of service, financial and workforce planning. It indicated that an initial step towards that would be to require 2008/9 LDPs to include a brief narrative on the workforce implications of each of the HEAT targets, where appropriate and relevant. It was recognised that this narrative, by the nature of its specific link to HEAT, would not capture the wider services challenges facing the workforce, which led to the action on RWDs outlined at the second bullet point above.

5. As you will know from the guidance that issued on 14 November 2008, we have retained the requirement for the LDPs for 2009/10 to include a brief narrative on the workforce implications of each of the HEAT targets. In addition, for 2009/10 we have asked NHS Boards to include some further narrative around the other main workforce issues they are facing which go beyond the confines of HEAT. We have asked for this additional narrative to be based around 3 of the key headline questions in Annex A to this letter. We have deliberately not asked for the LDP to cover all of the Annex A headlines because (a) many of those are specific to the detailed 2009 projections and (b) we recognise that NHS Boards will not have all of the relevant information to hand by February 2009. I would therefore stress that we are not looking for full workforce details in the LDPs for 2009/10, but simply for key issues and challenges, beyond HEAT specific, to be flagged up earlier in the planning cycle.

#### c) Modernising Medical Careers and Reshaping the Medical Element of the Clinical Workforce

6. As a separate but related strand of activity, many of you will be aware of, or directly involved in, some broader work around reshaping the medical element of the clinical workforce which will have longer term impacts on wider clinical teams. That work stems directly from one of the central objectives of the Modernising Medical Careers (MMC) programme - a shift from a service delivered by doctors in training to one delivered primarily by trained doctors - which requires a different approach to planning the future medical workforce as the number of doctors in training reduces over time from 2009/10. How best to fill the skills gap created by lower numbers of doctors in training will require modelling based on estimated clinical need and how that need might best be met by trained doctors, doctors in training and other professions.

7. This work is progressing in liaison with Regional Workforce Directors and some Medical Directors in the first instance. A new medical workforce planning framework and supporting modelling tool has been developed and is being tested now in the expectation that it can be rolled out to all NHS Boards in January 2009 with a programme for completion for some

priority areas by April 2009 and for other areas over the following few months. In essence, this new model, which necessarily relaxes the affordability criterion for medical projections for years 5 and 10, will aim to give a clear indication of medical workforce demand from 2013 – the 5<sup>th</sup> year of the overall projections cycle for 2009. It therefore has some implications for the general 2009 projections (see below).

### Projection Templates for April 2009

8. Against the above background, all NHS Boards will be required to complete a workforce projections template by 30 April 2009 as this information continues to be crucial both for assisting the Scottish Government in determining the overall demand for staff and in informing decisions about future training supply for controlled professional groups.

9. NHSScotland workforce data as at September 2008 is due to be published by ISD on 16 December 2008. A populated template containing each Board's baseline data will be issued to NHS Boards on the 18 December 2008. An additional section will be included in the template to enable Boards to provide additional narrative on key workforce issues which will support the projections they will submit (see above and **Annex A**).

10. The template will differ slightly from last year as a result of developments implemented under the Scottish Workforce Information Standard System (SWISS) and from the migration of medical and dental information from the MEDMAN web based system to SWISS. It will also differ in that it will not ask for projections for years 5 and 10 for medical staff groups because this information will be collected separately as part of the work on reshaping the medical element of the clinical workforce outlined in paragraphs 6 and 7 above.

11. Given the parallel work mentioned in paragraphs 6 and 7 above, which will relax the affordability criterion for medical workforce projections for years 5 and 10, Boards will be asked to ensure that projections on the general template are affordable for years 1 to 3 only. A suggested methodology for testing affordability is outlined as a guide for Boards in the attached **Annex B**. NHS Board Chief Executives will be required to ensure that affordable projections have been developed in line with service delivery needs, as will be detailed on the front of the workforce projections template.

12. Should you have any questions about the workforce planning process this year please contact [kerry.chalmers@scotland.gsi.gov.uk](mailto:kerry.chalmers@scotland.gsi.gov.uk). Any questions about the detail within the template when it issues can be directed to [david.baird@isd.csa.scot.nhs.uk](mailto:david.baird@isd.csa.scot.nhs.uk).

Yours sincerely

RICKY VERRALL  
Head of Workforce Planning and Education Unit

**WORKFORCE HEADLINES**

**Can you explain the principles behind the development of your workforce projections?**

**What process did you go through to approve these?**

**What are the key workforce issues for each of the following occupational groups facing your Board which might be of interest at Regional and/or National level?**

**Medical and Dental**

**Nursing and Midwifery**

**Healthcare Science**

**Allied Health Professionals**

**Other staff groups**

**Do you anticipate a significant change in skill/grade mix? If so where/ who/ what?**

**Which areas of the service do you anticipate will give you the most significant workforce challenges?**

**What are your recruitment hotspots?**

**What other workforce challenges are facing you at present?**

**Are there any other workforce headlines which you feel the SGHD should be aware of?**

## TESTING THE AFFORDABILITY OF NHS BOARD WORKFORCE PROJECTIONS

1. This note sets out a suggested method for Boards to cost and test the broad affordability of workforce projections. Costing and testing for affordability is an essential exercise, and will help to assist boards in joining up service, finance and workforce planning. While boards *do* currently carry out this kind of testing, it was felt that some straightforward central guidance may help standardise approaches.
2. There are no hard and fast rules in testing for affordability, and this note sets out a suggested minimum framework. More sophisticated approaches are available and these are discussed briefly at the end.
3. This note should be read alongside the notes in the workforce projections template when it issues. **It should also be noted that, because of on-going parallel work on projections for the medical workforce for years 5 and 10, projections on the general template should be subject to the affordability test for years 1 to 3 only.**

### Method

4. A simple way to test for affordability is to:
  - estimate from pay data average whole time equivalent (wte) unit costs by staff type;
  - uprate for assumed rates of pay inflation;
  - apply both to forecast workforce numbers to estimate the likely total cost going forward; and to
  - compare costs against an appropriate benchmark – e.g expected board total budget levels.

### Workforce

5. A number of staff types are excluded explicitly from the workforce projections template – bank, agency and locum staff. A true test of affordability should include an informal estimate for the costs of these staff, and we suggest below a separate, less detailed approach.
6. As a minimum, boards should base workforce and costing calculations around the job family sub-totals given on the workforce projections summary sheet:
  - hchs medical staff (broken down into Consultant, SAS and Other trained grades)
  - hchs dental staff
  - medical and dental support
  - nursing and midwifery
  - allied health professions
  - other therapeutic services
  - personal and social care
  - healthcare science
  - emergency services
  - administrative services

- support services
7. The baseline staff data in the workforce projections template - and the basis for forecasting staff numbers and workforce costs - is staff in post at 30 September 2008 (to be published 16 December 2008).

#### *Unit Costs*

8. Payroll data should be used to estimate the average wte cost to the board of employing staff by the staff groups given above. This should include: total annual salary, unsocial hours and overtime payments, and social security costs and NHS superannuation costs.
9. This gives estimated unit costs across the 11 aggregate staff groupings (and the three sub-groupings of hchs medical staff) covered by the workforce projections template.
10. For staff *not* covered by the Workforce Projections Template – agency, Bank and locum staff - boards should also calculate likely cost implications and include these in the total cost. This will allow the full affordability picture to be captured. For this exercise we suggest that a simple, high-level financial cost is used, rather than deriving costs from staff wte unit costs.

#### *Wage Inflation*

11. To demonstrate consistent planning, boards should use the same assumptions about forecast pay inflation used in the financial figures for the board's LDP.

#### *Testing for Affordability*

12. We recommend that to test formally for affordability, Boards should consider for the **first three years** of the forecast:
- total forecast staff costs as a share of the Revenue Resource Limit;
13. Given the parallel work underway on reshaping the medical element of the clinical workforce, Boards do not need to test formally for affordability for years 5 and 10 on this occasion.

#### *Limitations and Developments*

14. Using standard, board-level aggregated unit costs allows an easy way into estimating the affordability of proposed service and linked workplan changes. It is as a useful tool in showing how near-term changes to aggregated workforce numbers may impact upon board budgets. However, we do acknowledge that such simplified assumptions become less useful in forecasting further into the future. We also acknowledge that, in taking this minimum approach, the cost and affordability implications of shifts in skill mix and staff composition may not be fully captured.
15. The approach set out above is a suggested minimum. Boards can apply the method in a more sophisticated way by disaggregating the broad staff groupings by staff type and perhaps pay band. It would also allow use of estimates of different rates of pay inflation for different staff types. This would allow the affordability impacts of forecast changes in staff mix - across staff types and across different pay bands - to be estimated more accurately.

