

# Chesterfield Hospital board ignores staff petition and claims wholly-owned subsidiary “will safeguard valuable services”

(based on FT Board statement July 25)

The Board of Directors at Chesterfield Royal Hospital NHS Foundation Trust has concluded that a wholly-owned subsidiary company “will safeguard valuable and essential services, protect jobs for hundreds of staff – in turn enabling the Trust to focus on sustaining a full range of core clinical services for the 400,000 North Derbyshire people it serves.”

At its meeting in public today (July 25 2018) Board members discussed a business case that outlined how the wholly-owned subsidiary would operate; and what workforce and financial advantages it could bring to services including finance, estates and facilities, IT, procurement and clinical engineering.

The main argument is around the cash savings which the Board hope will be generated. They described the decision to ignore staff and attack their terms and conditions as *‘one of the most difficult decisions we’ve had to make in our 15 years as an NHS Foundation Trust.’*

Board members agreed that “creating an independent company was a really tough strategic move to make, necessitated by the current NHS climate.”

The Trust already faces an £8 million financial savings challenge for 2018/19 - trying to meet an increase in demand for care, with no growth in funding. Across Derbyshire, health providers and commissioners have a combined deficit of £80 million to resolve.

Chesterfield hospital’s Executive and Non-Executive Directors agreed that despite the strong arguments against the Subco model:

“right now, creating a subsidiary 100% owned by the Trust will help to preserve jobs ‘in-house’, is the best way of preventing potential outsourcing to the private sector or reducing staffing numbers.”

It was argued that this would “enable support services to operate in a more dynamic way. The new company will benefit from running healthcare facilities and support services on a more commercial footing - to best practice quality standards, in a cost effective way; and giving the public value for the money they put into the NHS.”

The business case the Board worked through sets out claimed potential savings of between £2m-£5m a year, over the next five years - including savings realised by a different workforce model, efficiencies to revenue and capital costs and opportunities to increase income by providing services to other public sector organisations.

As if to show that the subco is not required for this to happen, it was explained that the Trust’s procurement service already supports some local authorities with their purchases and contracts.

The decision by the Board to forge ahead despite staff opposition means that the Trust will now have to consult with more than 700 staff on what they describe as “the protected terms of their transfer” into the subsidiary, which will be called Derbyshire Support & Facilities Services (DSFS).

The aim is for the company to commence on December 1 2018, with an initial contract with the Trust for 25 years. Under the legal agreement of TUPE (Transfer of Undertaking for Public Employees) all staff will have the right to transfer and keep all their existing terms and conditions, employment rights and liabilities. The protection is applied to their: NHS Pension; Pay (including enhancements, overtime, and on-call allowances); Sick Pay; and Annual Leave.

In April 2018 the Director of Finance at the Trust, Lee Outhwaite, was given a mandate by the Board to explore the wholly-owned subsidiary idea.

He is quoted by the Board making clear he has not listened to the staff who told him to change course.

“I know the initial announcement created anxieties and that it’s been a worrying time for colleagues. I still believe that being open and honest, to engage staff and others, at the start of the process, was the right thing to do, so they could contribute their views and thoughts. They have helped to shape this business case, with what matters most to them in terms of safeguarding their future employment.

“As a Board we have carefully considered all options and built in protection for the staff transferring over - to prevent any negative impact. We agree that this is the right time to take action by establishing a wholly owned subsidiary, but with the knowledge that staff will be concerned about the prospect of moving into the company and what it will mean for them. The Trust is absolutely committed to working with them over the next few months to ensure that we secure their valuable and essential services and jobs.

“Derbyshire Support & Facilities Services will look after all of those staff that work so hard, often behind the scenes to enable clinical staff to look after our patients. The wholly-owned subsidiary will have a key role in our organisation’s future and in the local economy – helping us to maintain a full portfolio of clinical services, safeguarding a whole range of roles and opening up new opportunities.

“Above all, in taking this decision, the Board are setting out to work in partnership with staff to create a good place for people to work, where patients are given the best possible care, from within first-class facilities that offer exceptional support services.”

Nothing starts a “partnership” off on a worse footing than ignoring what one partner has forcibly told you, and proceeding with the policy they have petitioned against.

## **Calderdale & Huddersfield press ahead with Subco plan**

In another subsequent setback, 380 support staff at Calderdale and Huddersfield Hospitals Foundation Trust have been told they their trust board is also determined to push ahead with a planned subco.

Rob Demaine, a regional organiser for Unison, told the local [Examiner](#) that a ballot for industrial action at CHFT held in June had failed after insufficient numbers of staff took part. So even though 98% of those who did vote, agreed to a strike, it did not meet the legal thresholds to allow industrial action to be valid.