

Next steps in reducing NHS agency staff expenditure

20 June 2018

1718 Performance

1819 Strategy

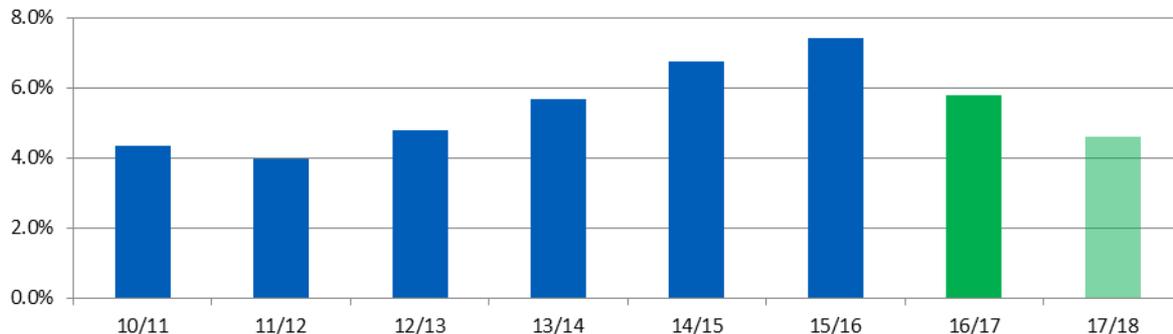
Improvement topic

A trust view

Questions

Financial performance

Agency as % of total pay bill

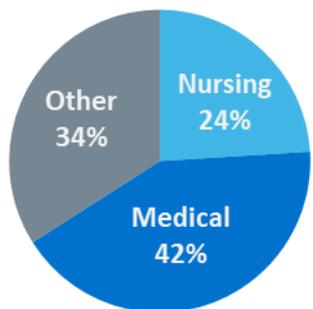


We have seen a reduction in agency spend as a percentage of the total pay bill since the introduction of the price caps and spend ceilings in 2015/16.

Last years spending was 4.6% of total pay bill at month 12.

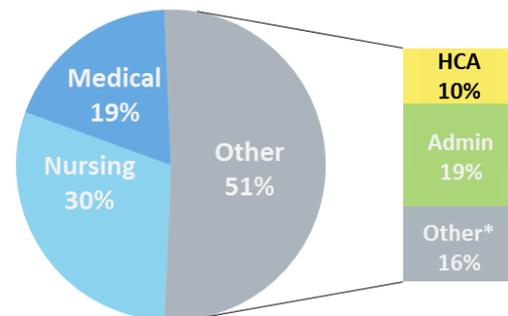
Savings by staff group as a % of overall agency savings 2016-17

In 2016-17 Medical & Dental reduced agency spending by 42%, Nursing by 24%.



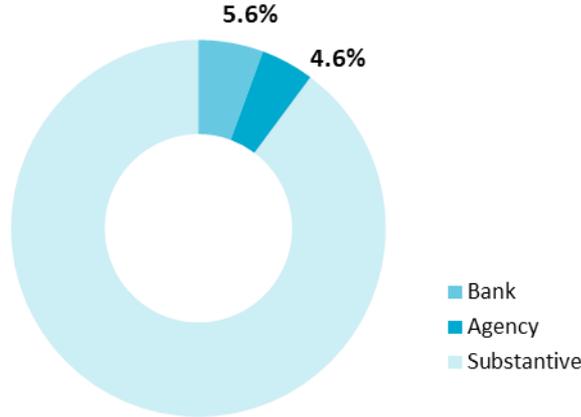
Last year Medical & Dental has made less of a contribution to the total savings.

Savings by staff group at M12 2017-18 (YTD)



Temporary staffing as % of spend

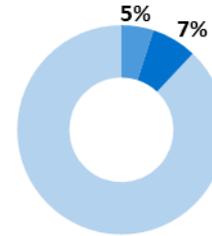
Bank and agency as a % of total staffing spend M12 2017/18 (YTD)



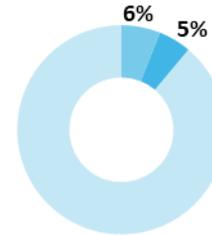
The percentage of total workforce spending spent on bank and agency varies by staff group.

We are going to work with trusts who's spend on temporary staffing is above the average this year.

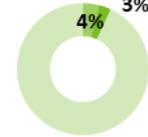
Medical & Dental



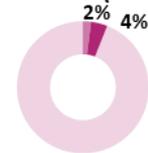
Nursing (Qualified)



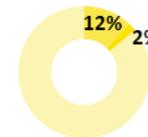
Admin & Estates



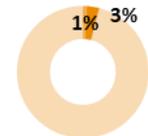
Scientific (AHP)



Healthcare Assistant



Healthcare Science



■ Bank ■ Agency ■ Substantive

1718 Performance

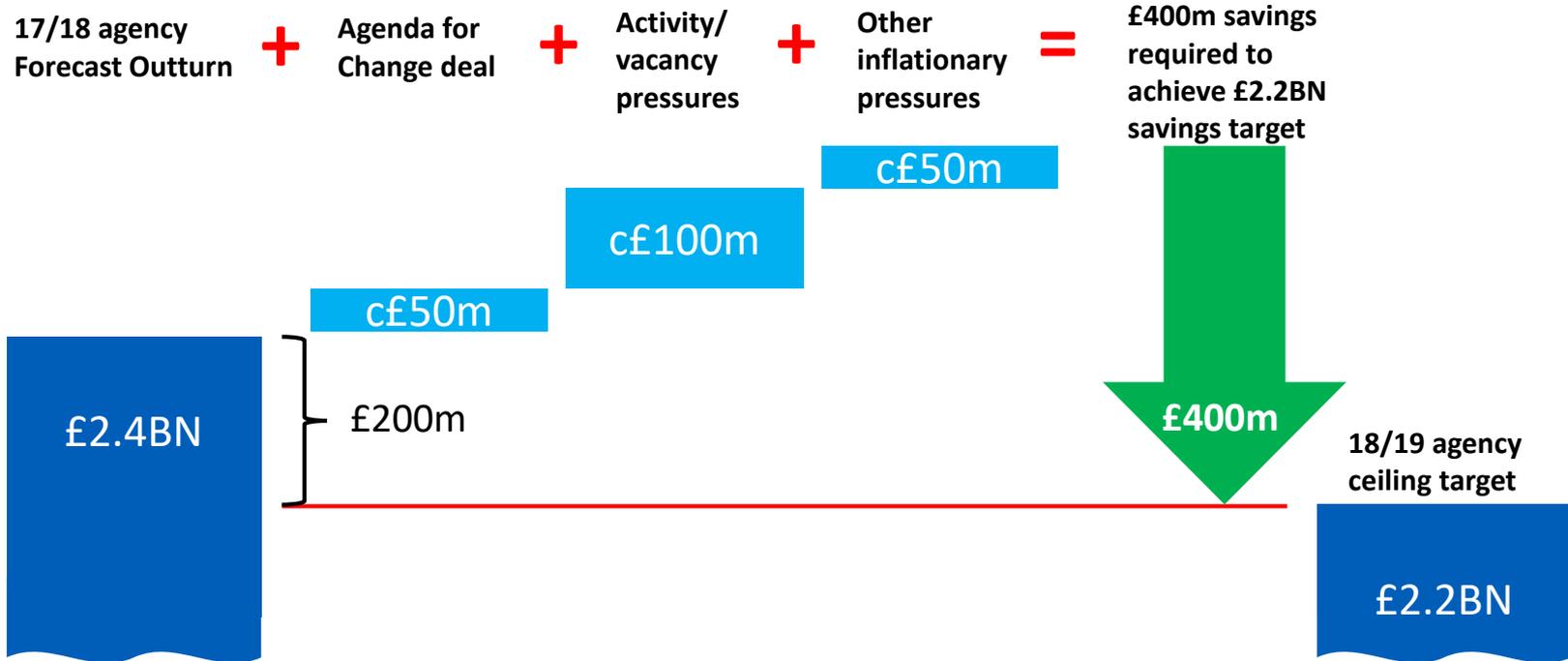
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Challenge for 2018/19



Temporary staffing actions 2018/19

Reduction of volume

- Focus on rostering / work planning to identify gaps earlier
- Challenge unnecessary use of agency workers
- Reduce use of off-framework agencies
- Greater use of fixed term contracts

Bank

- Encourage the use of bank over agency
- Increased governance around paying excessive bank rates
- Further development of collaborative banks
- Further development of Medical banks
- Increased measurement of bank performance (i.e. fill rates)

Increased scrutiny

- Renew focus on complying with the Agency Rules
- Scrutinise high rates being paid for agency and bank staff.
- CEO sign-off for agency shifts over £100/hr before the shift is worked.
- Review agency preferred supplier lists and cascade, and set as appropriate for your bank fill rate

Improvement topic

1718 Performance

1819 Strategy

Identify and increase savings

A trust view

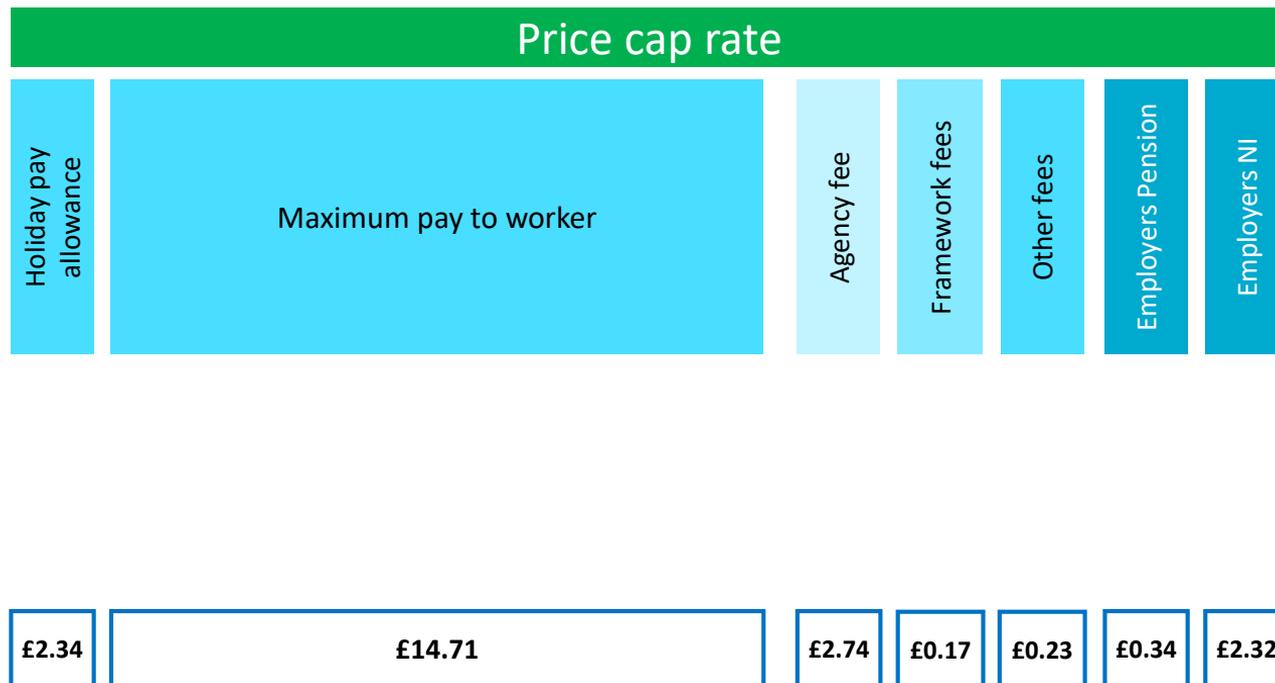
Questions

High cost off-framework agencies

There are seven elements that make up the price cap rate. The price cap is equal to the pay to the worker (Inc. WTR) plus 55%.

The price cap rate is exclusive of VAT but includes all other agency fees and employment taxes.

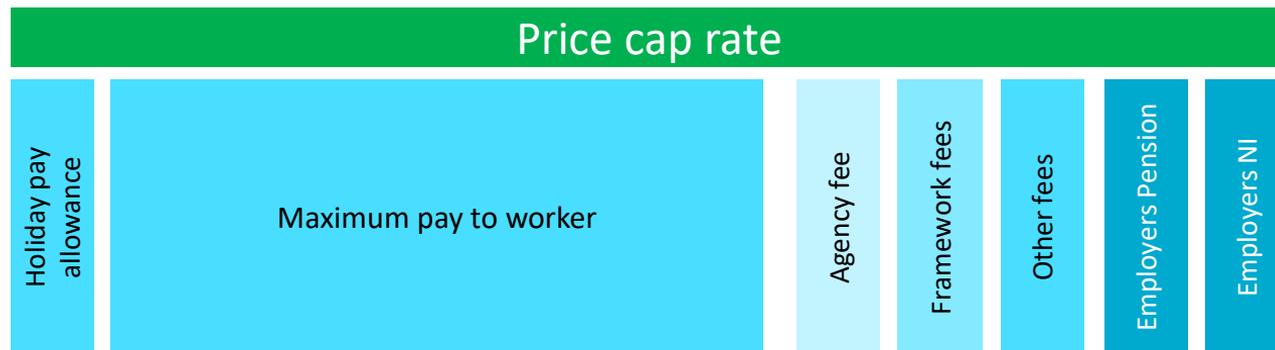
For an AfC band 5 worker being paid the maximum allowed within the price cap (daytime £22.85/hr) the money paid to the agency is broken down like this:



High cost off-framework agencies

When you book a worker from a high cost off-framework agency, the worker receives more pay, but the agency takes a much larger cut.

These agencies should only be used as a last resort to maintain patient safety.



AfC band 5 day Price cap £22.85/hr	£2.34	£14.71	£2.74	£0.17	£0.23	£0.34	£2.32
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High cost agency charge rate, band 5 basic **£51.95/hr**

£3.97	£25.53	£18.17	£0.17	£0.23	£0.76	£3.52
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Preferred supplier list (PSL)

Trusts should check their preferred supplier list (PSL) to make sure agencies supplying them are on the appropriate tiers.

Where a shift can't be covered by overtime or a bank shift it should be released to the trusts tier 1-2 agencies for them to try and fill within price cap.

If a tier 1 agency can't fill within cap but a tier 2 can fill, we recommend that trusts examine whether the agencies are in the right tier.

We encourage trusts to have policies in place requiring high level sign-off to use a premium/high-cost agency.

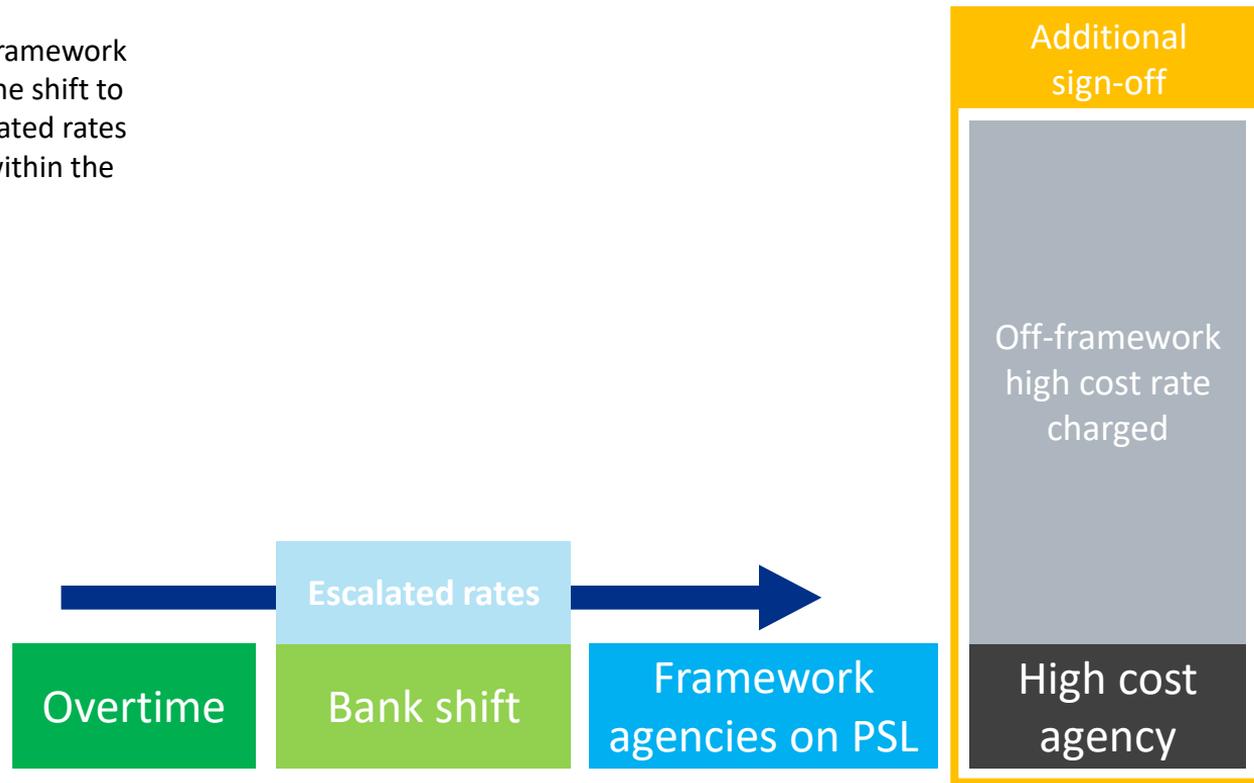
Such policies should require proof that all other possibilities have been exhausted to cover the shift.

NHS Improvement's 'over-cap & off-framework' and '£120/hr' rules should be included in these policies.



Preferred supplier list (PSL)

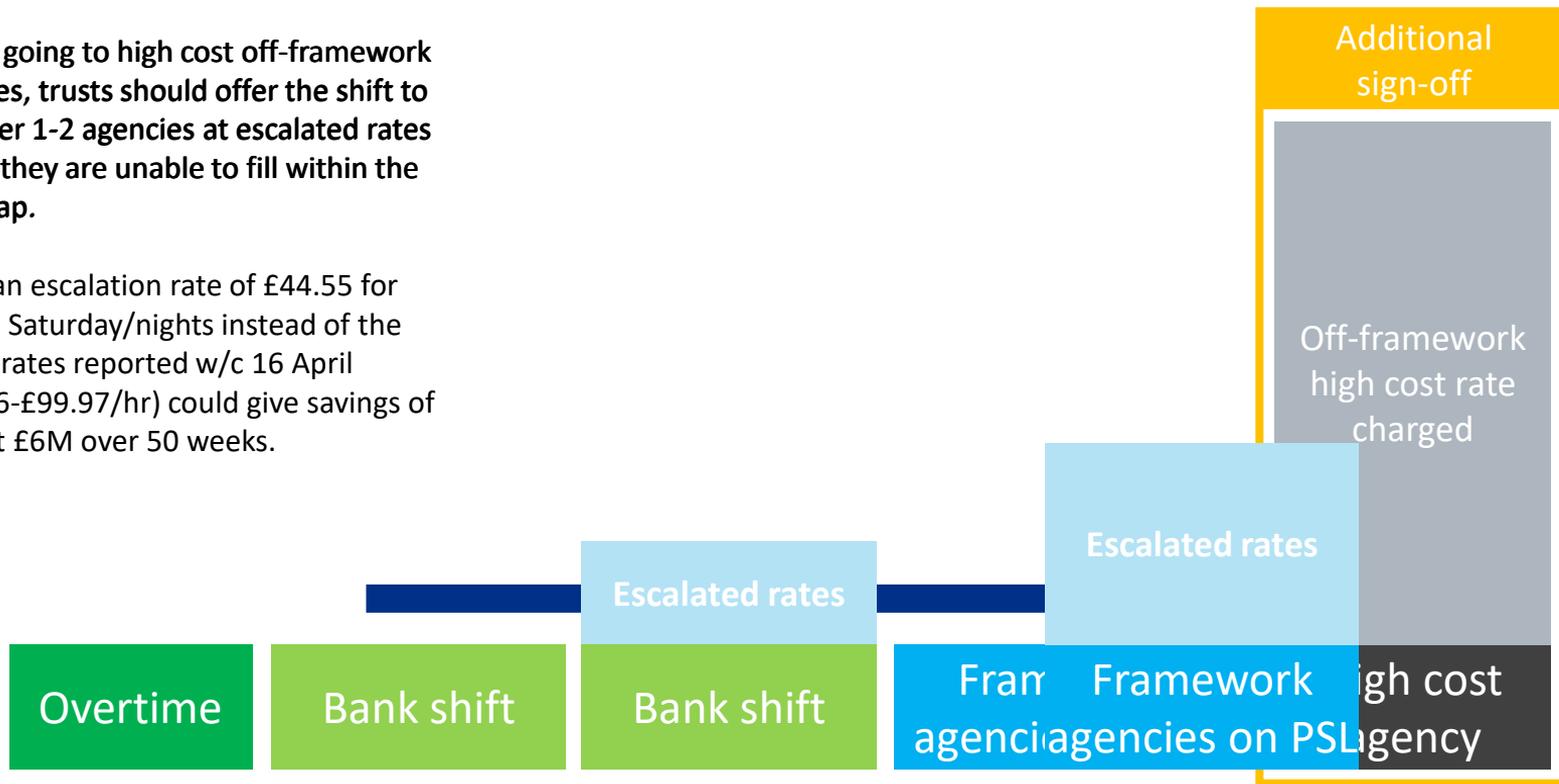
Before going to high cost off-framework agencies, trusts should offer the shift to their tier 1-2 agencies at escalated rates where they are unable to fill within the price cap.



Preferred supplier list (PSL)

Before going to high cost off-framework agencies, trusts should offer the shift to their tier 1-2 agencies at escalated rates where they are unable to fill within the price cap.

Using an escalation rate of £44.55 for Band 5 Saturday/nights instead of the higher rates reported w/c 16 April (£44.56-£99.97/hr) could give savings of at least £6M over 50 weeks.



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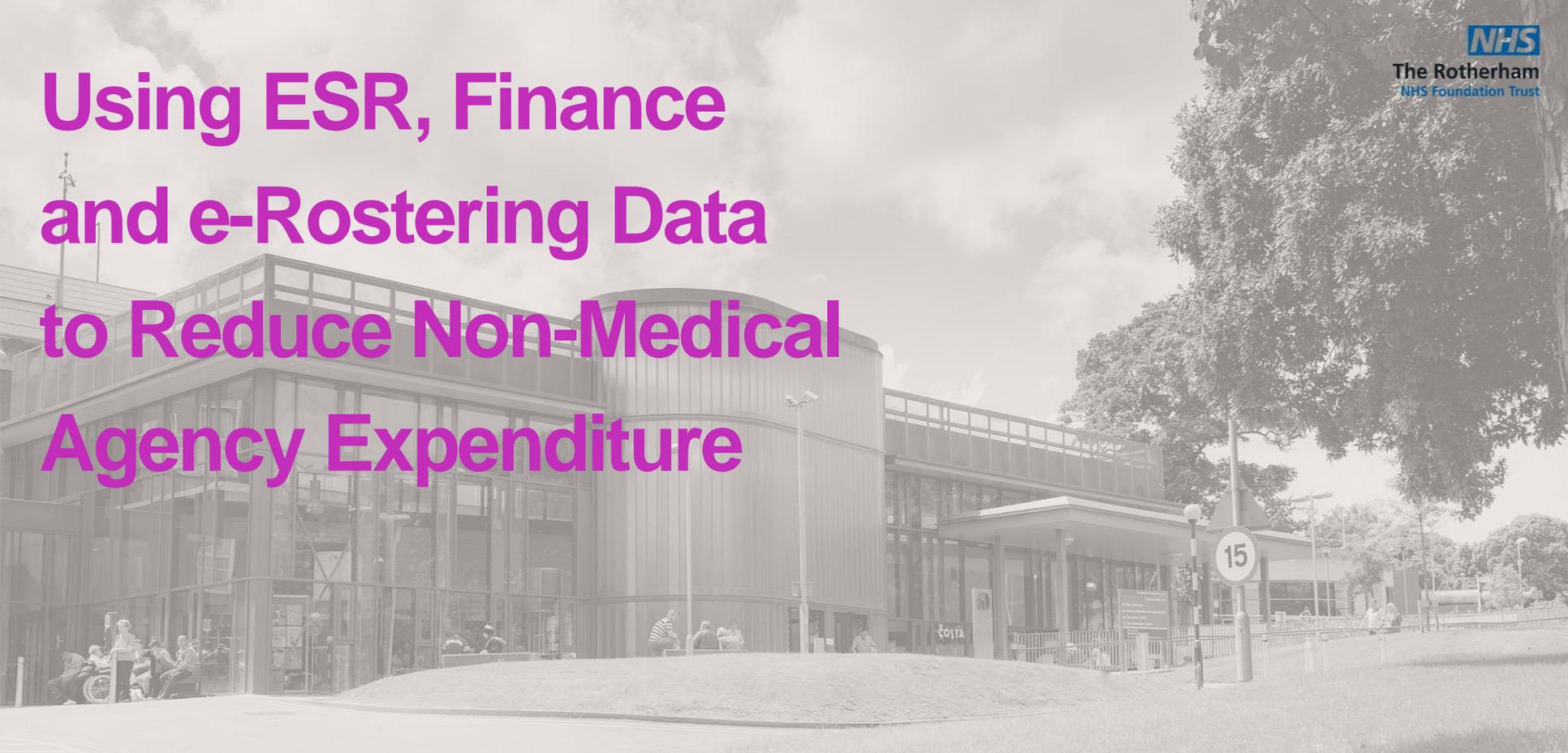
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Using ESR, Finance and e-Rostering Data to Reduce Non-Medical Agency Expenditure



Danielle Petch, Associate Director of HR

Introduction

Our project is about how, through the production of a new complex HR report and the formation of a new group, we managed to saved approx. 28% on our non-medical agency bill last year.

Issues to Resolve

- Lack of Trustwide overview of staff usage – paper rosters & areas managed staffing largely in silos by staff group/area
- Poor absence planning
- High temporary staffing expenditure
- Master Vendor model incentivised agency instead of Bank & no technical system so reporting retrospective, driven by invoices received
- Bottlenecks in request to recruit process
- NHSI rate cap & compliance
- Reasons for agency usage inaccurate – more backfill then actual vacancies!
- “Squashy balloon” controls
- No working together between Ops, Finance & HR

Solutions

- Introduce e-Rostering & integrate Bank Staff module
- Terminate Master Vendor contract and reinstate internal Bank Office
- Workforce Programme Group formed

Workforce Programme Group Purpose

Ensures that for non-medical staff groups:

- areas are safely staffed
- pay expenditure is controlled and areas remain within the pay budget
- only key shifts are sent to agency
- the Trust remains under the NHSI agency expenditure cap
- annual leave is spread appropriately throughout the year
- requests to recruit are actioned in a timely manner and are scrutinised prior to advertising
- Bank Office and rostering processes are followed

Needed data to guide discussions and help meet these goals.

Workforce Programme Group Membership

The weekly Workforce Programme Group has the following members:

- Executive Director of Workforce
- Associate Director of HR
- Deputy Chief Nurse
- Deputy Director of Finance
- General Managers
- Heads of Nursing
- Head of Medical Staffing
- Workforce Information Manager
- Recruitment Manager
- Bank Office Manager

Initial Report Creation Process

- Needed to show ALL staff usage on one page
- No easy way to predict overall staffing spending – data in 3 systems: ESR, Bank and e-Rostering
- Investigated reporting capabilities of 3 systems
- Template creation
- Find unique identifier detailed within reports extracted from multiple systems to allow template to be populated using Excel lookup referencing and formulas
- Time and motion production of completed report to ensure protected time allocated to ensure data provided timely

Initial Report

- Just for nursing
- Monitored budget, vacancies, unavailabilities and temporary staffing requests
- Utilised ESR, Bank and e-Rostering data
- Concentrated on Whole Time Equivalent (WTE) across unqualified and qualified

Meeting Challenges

- Discussions initially focussed on report and data rather than actual operational issues – data cleansing
- Members didn't understand data or where it came from
- Areas were using paper and updating systems at end of week – skewed the reports
- Members didn't believe the data or the high usage
- Not yet able to report on annual leave – not enough roster coverage
- Very defensive of positions, requests and usage
- Agency expenditure still over budget

Evolution of Report

- Amended report to use ££:pp – used bank/agency costing
- Added all other non-medical staff groups
- Added annual leave - % and WTE
- Added sickness, study leave, parental leave and other leave
- Hide weekday granularity – not used
- Added temporary funding/establishments – projects & winter wards

Evolution of Meeting

- More challenge – less defensive
- Better understanding of unavailabilities and usage reasons
- Annual leave – some areas clearly not planning across teams – too much reliance on temp staff for holiday weeks
- Other unavailabilities now taken into account
- Better able to stay within budget and take early corrective action

Benefits

- Reduced non-medical temporary staffing expenditure by approx. 28%
- Better management of annual leave
- Better management of unavailabilities
- Comprehensive reports – trusted
- Data quality and timeliness improved massively
- Able to identify problems early and take corrective action
- Improved request to recruit process
- Better Trustwide working and oversight of potential vacancies – helps with CIP programme redeployments
- Better cross working in general

Feedback

- Workforce Info Team – “First time of seeing data in action”
- Deputy Chief Nurse – “I rely on the reports throughout the week, the data is at my fingertips for ward staffing”
- Director of Workforce – “Provides excellent oversight of usage and staffing expenditure across Trust”
- NHSI – “One of best processes we have seen so far”
- 2018 HPMA Award winner!

Learning

- Initial focus on data – source and quality
- Real time input essential
- Annual leave peaks and troughs hard to guard against in culture of flexible working
- Meeting attendance essential to make informed decisions

Next Steps for Report & WPG

- Share learning with other Trusts
- Migrate reports to BI - automated
- Shift focus onto medics in 2018/2019 – 24% Consultant vacancy rate driving up spend
- Medical Digital Programme – allow us to include medics in future reports
- Hope to replicate the success with medics but aware medical agency harder nut to crack

Medics – 2018/2019 So Far

- Really strong sign off processes
- Gold standard form – designed by Derek Thomas, Head of Medical Workforce, at his previous Trust and now used extensively across region
- Success with networking – 3 Consultant Anaesthetists appointed
- India Recruitment with Remedium Partners
 - 7 Specialty Doctors – Emergency Medicine
 - 2 Senior Clinical Fellows – Acute Medicine
 - 5 Junior Clinical Fellows – Acute Medicine

