PATIENTS PEOPLE POPULATION

AMBITION RESPECT COMPASSION

NHS
Sandwell and West Birmingham
NHS Trust

REPORT TITLE:	Reducing Temporary Staffing Usage
SPONSORING EXECUTIVE:	James Fleet, Interim, Chief People Officer
REPORT AUTHOR:	James Fleet, Interim, Chief People Officer
MEETING:	Public Trust Board **DATE:** 8th November 2023

1.	**Suggested discussion points** *[two or three issues you consider the Trust Board should focus on in discussion]*

This paper provides the Board with assurance that:

    a. The Trust has in place a robust approach to workforce grip and control, which includes weekly and monthly reporting and scrutiny of temporary staffing usage and spend by Executive Directors. This process reports upwards to the Finance and Productivity Committee and People Committee monthly.

    b. Whilst the Trust is currently delivering against the 3.7% national target for agency expenditure, the organisation is committed to taking action to reduce this further.

    c. The Trust is fully implementing the actions and requirements that have recently been outlined by NHSE to reduce temporary staffing and provide enhanced visibility of reporting to Boards.

The key areas for discussion at the Board are:

    1. The current levels of temporary staffing usage

    2. The Trust's self-assessment against the NHSE expectations (Agency Rules/Toolkit)

    3. Plans to ensure full compliance, as well as reduce/eradicate agency/off-framework agency usage.

2.	**Alignment to our Vision** *[indicate with an 'X' which Strategic Objective[s] this paper supports]*

OUR PATIENTS		OUR PEOPLE		OUR POPULATION	
To be good or outstanding in everything that we do		To cultivate and sustain happy, productive and engaged staff	X	To work seamlessly with our partners to improve lives	

3.	**Recommendation(s)**

The Trust Board, is asked to:

a.	**RECEIVE** the update contained in this paper for assurance of the Trust's compliance with NHSE's requirements relating to reducing temporary staffing costs (reporting and actions).
b.	**NOTE** the Trust's commitment to incorporate enhanced reporting on agency/off-framework agency usage within the standard Board workforce performance metrics going forwards.

4.	**Impact** *[indicate with an 'X' which governance initiatives this matter relates to and, where shown, elaborate in the paper]*

Board Assurance Framework Risk 01	x	*Deliver safe, high-quality care.*
Board Assurance Framework Risk 02	x	*Make best strategic use of its resources*
Board Assurance Framework Risk 03	x	*Deliver the MMUH benefits case*
Board Assurance Framework Risk 04		*Recruit, retain, train, and develop an engaged and effective workforce*

Board Assurance Framework Risk 05	x	*Deliver on its ambitions as an integrated care organisation*					
Corporate Risk Register [Safeguard Risk Nos]							
Equality Impact Assessment	Is this required?	Y		N	x	If 'Y' date completed	
Quality Impact Assessment	Is this required?	Y		N	x	If 'Y' date completed	

SANDWELL AND WEST BIRMINGHAM NHS TRUST

Report to Trust Board on 8ᵗʰ November 2023

Reducing Temporary Staffing Usage

1. Introduction

1.1 There has been a significant level of additional scrutiny on temporary staffing usage and cost at NHS provider and system level in recent weeks by NHS England (NHSE). Most recently, on 18ᵗʰ October the NHSE Regional team wrote to the Black Country ICB Chair to advise that the costs of using temporary staffing are a significant driver of the Midlands' system financial deficit. The letter cites the Black Country system as being currently £30.0m overspent on temporary staff costs, with bank costs being £26.8m overspent against plan and accounting for 9.5% of total staff costs and agency costs being £3.2m higher than planned. In their letter NHSE warn that the temporary staffing run rates for the Black Country system suggest an outturn temporary staffing expenditure of £260.2m for 2023/24, which is £79.4m above plan. Within this context the letter outlines urgent action to reduce temporary staffing costs at system and regional level. These actions are summarised at para 1.6 below.

1.2 On 10 October, Professor Nina Morgan, Regional Chief Nurse NHS England – Midlands, wrote to Midland providers and ICBs to advise that as at month 5 (August 2023) the Midlands region was failing to deliver the 3.7% national target for agency expenditure, with the Midlands having the second highest percentage of WTE agency staff nationally (2.5% vs. national average 2.2%). This letter outlined that this position is unsustainable from both a quality patient care and financial perspective and outlined some immediate actions, which are summarised at paragraph 1.6 below.

1.3 At a recent performance update to the West Midlands Chief Executives and Chairs on 18ᵗʰ September 2023, data highlighting off-framework agency usage for the Midlands systems was shared, which highlighted the Black Country ICS as having one of the highest levels of off-framework agency usage (6.2%), see data table below.

Rank	Row Labels	Total Shifts	Off framework shifts	% OF agency shifts
1	Nottingham and Nottinghamshire Health and Care ICS	12,044	1,050	8.7%
2	Joined Up Care Derbyshire ICS	6,377	415	6.5%
3	The Black Country and West Birmingham ICS	10,516	654	6.2%
4	Herefordshire and Worcestershire ICS	8,347	510	6.1%
5	Northamptonshire ICS	6,859	361	5.3%
6	Shropshire and Telford and Wrekin ICS	8,761	281	3.2%
7	Coventry and Warwickshire ICS	9,064	199	2.2%
8	Staffordshire And Stoke On Trent ICS	8,528	166	1.9%
9	Leicester, Leicestershire and Rutland ICS	14,105	261	1.9%
10	Birmingham and Solihull ICS	18,263	202	1.1%
11	Lincolnshire ICS	5,068	46	0.9%
	Grand Total	107,929	4,145	3.8%

NB Figures for June 2023 only, not YTD

1.4 In total the three systems with the highest off-framework agency usage accounted for 51% of the total off-framework agency usage for the Midlands region (based on data for the month of June 2023). Subsequently, NHS England have written to ask that all NHS Trusts/NHS Foundation Trusts organisations take several actions to reduce agency staffing expenditure to deliver the 3.7% national target, this includes providing assurance that organisations are compliant with the Agency Rules and are implementing a new Agency Toolkit.

1.5 This paper provides the Board with a summary of the Trust's temporary staffing usage, including off-framework agency, and sets out the actions and measures that are in place to continue to reduce temporary staffing usage, with a particular focus on addressing agency/off-framework agency use. The paper also provides the Board with assurance that the Trust is fully implementing the actions and requirements from NHSE, including fully embedding the Agency Rules and new NHSE agency toolkit.

1.6 NHSE has asked that providers take the following actions:

   a. Identify granular data on off-framework procurement of agency shifts (staff group/location etc) and work with framework providers to source alternative provision.
   b. Report performance in reducing non-compliant agency spend to public Trust Boards to improve transparency.
   c. Demonstrate compliance to report progress on temporary staffing expenditure on a routine monthly basis to their Boards, with specific reference to the progress to reduce agency off-framework procurement, admin and estates agency and price cap breaches.
   d. By 31 October 2023, confirm in writing that the Agency Rules and the Toolkit are understood by the Executive Team, and that there is evidence of a commitment to the application of this policy to the activities of their organisation.
   e. By 31 October 2023, provide a gap analysis detailing any variation between the organisation's current compliance and the Agency Rules requirements.
   f. By 31 October 2023, provide a plan with clear actions, timescales, and trajectory to achieve full compliance with the Agency Rules requirements.
   g. Review their escalation processes for approving agency spend above price caps to ensure decisions are taken at the appropriate level of seniority and/or clinical expertise.
   h. Update organisational rate escalation ('break glass') policy ensuring this provides the appropriate level of rigour and discuss/approve this policy at Trust Board level.
   i. Receive monthly reports on the top ten most expensive and top ten longest serving agency staff and the plans to replace these staff with more affordable workforce solutions.

2.   SWB's Latest Temporary Staffing Position - September 2023

2.1   The Trust continues to use temporary staffing to fill substantive vacancies within the Trust. The use of this temporary staffing should be considered in the context of the overall pay costs.

2.2   At the end of September pay costs are £3,476k above the planned budget. However, when excluding the costs of industrial action (unplanned and expected additional income to be received) the pay costs are £1,797k favourable to the budget.

| | Year to Date (Month 6) | | | | | |
	Plan £000s	Actual £000s	Variance £000s	Industrial Action £000s	Revised Variance £000s	RAG
Imaging	11,493	11,036	457	(13)	444	
Medicine & Emergency Care	59,352	64,274	(4,922)	3,439	(1,483)	
Primary Care, Community and Therapies	35,709	33,451	2,258	235	2,493	
Surgical Services	47,641	48,732	(1,091)	1,135	44	
Women & Child Health	29,755	29,337	417	510	927	
Corporate	37,461	36,876	585	(34)	551	
Central	(56)	1,125	(1,180)	0	(1,180)	
	221,356	224,832	(3,476)	5,272	1,797	

2.3   In the context of the pay underspend (excluding industrial action costs) the Trust does continue to use temporary staffing (bank and agency). Bank and agency staff costs are above the planned level reflecting the number of substantive vacancies, fluctuating additional capacity requirements to maintain safety and increased sickness rates.
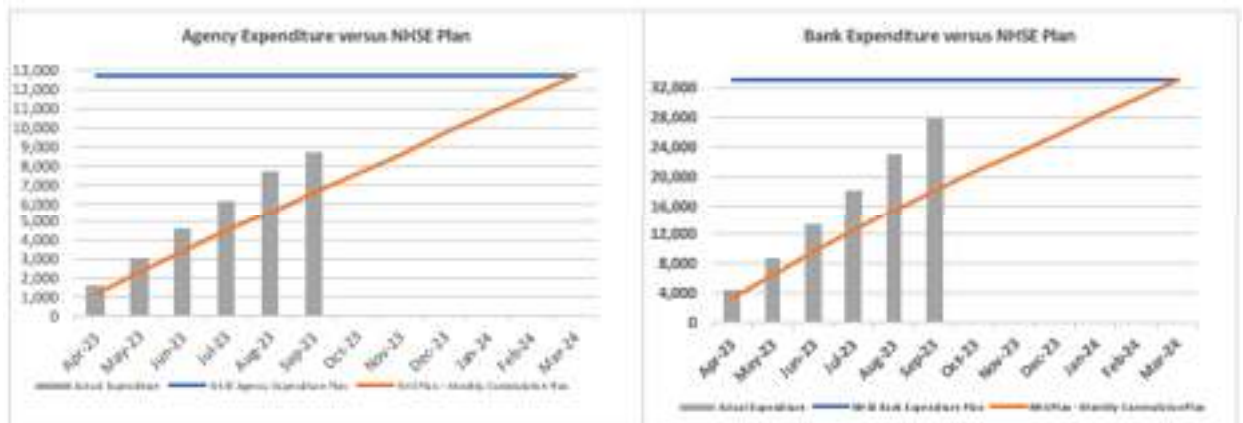
2.4   During September, the total number of bank and agency shifts requested totalled 22,370, with 17,664 (79%) of those being filled by the Trust internal bank and 1,758 (7.9%) shifts filled by agency staff, the remaining 2,948 shifts remained unfilled. This shows a marked improvement from the August position with fewer bank and agency shifts being requested, an increase in internal bank fill rates with a reduction in agency and unfilled shifts in month.

3.   Agency/off-Framework Agency Position

3.1   The latest available data relating to agency and particularly off-framework agency usage at ICS level is reporting on September 2023, which highlights the following levels of off-framework agency usage across Black Country providers.

- ICS: 7.4%
- SWBH: 1.8%
- RWH: 2.4%
- Dudley: 3.3%
- Walsall: 11%
- Black Country Healthcare: 12.7%

3.2   SWB's off-framework position in September 2023 was 1.8%, equating to 31 shifts where off-framework agencies were used, against the total of 1,758 agency shifts worked.

3.3   September off-framework usage at SWB is in the following areas and all relates to nursing:

- Intensive Care Medicine
- Theatres
- Paediatrics

3.4   The reasons for off-framework agency use in September was due on 10 occasions to additional demand/resource which is requested for patients requiring enhanced support and in particular for specialist roles such as registered mental health nurses being needed to care for patients. The second reason is to staff the additional beds that have recently opened to manage urgent care pressures.

3.5   Of the shifts filled by agency staff, these fell into the following staff categories:

Staff Group	Agency Shifts worked September 2023
Medical & Dental	705
Nursing, Midwifery & Health Visiting	509
Healthcare Assistants & Other Support	18
Admin & Estates	35
Scientific, Therapeutic & Technical	491

Tables 1 and 2, (located within the reading room - **Annex 1**), summarise the total bank and agency usage for September 2023, broken down by staff group, shift type and framework status as reported each month to NHSE.

3.6 Total agency spend year to date (to 30 September 2023) is £8,377k, 3.7% of total pay. This is delivering against the national target of 3.7%. However, the Trust is committed to focus on reducing this further, through focused action as captured below.

4. Action to Reduce Temporary Staffing usage and costs

4.1 In addition to existing control measures for nurse agency staffing (Tier 2 and above), additional measures (Tier 1) have been implemented with effect from 16th October by the Trust's Chief Nursing Officer to further restrict and address agency usage. Under the new arrangements, only a small number of areas, which are impacted by high vacancy/sickness, will have access to agency staffing. In these circumstances as of 16th October the approval for such agency is only by the Chief Nursing Officer or nominated deputy in hours and Executive on call out of hours. These new arrangements provide a robust mechanism for reducing agency, including off-framework agency spend. Unfortunately, some additional beds have been opened during October 2023, while the new control arrangements have been implemented, which has resulted in the requirement for agency staffing, to maintain patient safety.

4.2 Regular reporting on agency usage, to include the most expensive and longest serving agency staff, takes place through monthly grip and control meetings which are chaired by the Deputy CEO. These meetings bring together finance, workforce and activity data and inform ongoing progress in delivering against the production plan for the core organisation and MMUH, as well as delivering a comprehensive set of actions to reduce temporary staffing, with a focus on agency/off-framework agency usage. This forum reports upwards to the People Committee which provides senior level challenge and assurance on workforce grip and control.

4.3 The Trust has also commissioned a rapid external review of its agency usage and associated workforce optimisation processes. This work will identify any additional action that the Trust can take to further reduce/eradicate agency/off-framework agency usage. This work is being delivered at no cost to the Trust.

5. Off-Framework Reporting

5.1 An off-framework report has now been created that will report this data monthly to the Board, as part of the standard Board people metrics. Additional elements have also been included to give a fuller picture around temporary staffing usage. This addresses the new requirements of the regional NHSE team in respect of regular Board reporting.

The elements within the report are:

- Price cap overrides
- Framework Overrides
- Bank over £100
- Admin & Estates Agency
- Most expensive and top ten longest serving agency staff

5.2 For each element, and where available, hours, cost and a notional FTE value have been created. Each element has its own tab and there is a summary sheet which reports the overall collated position.

6. Agency Rules and the Toolkit

6.1 The regional NHSE team have distributed a toolkit to support organisations to apply the NHS England Agency Rules. This was circulated by the ICB Chief People Officer on 17th October. The POD and Finance team have jointly reviewed the toolkit and are incorporating this framework as part of the Trust's overall approach to reducing temporary staffing usage and spend. The application of the toolkit is due to be shared with the Trust Executive team at its meeting on 31st October and is now reflected in SWB's process for agency reduction.

6.2 Bank and agency usage is currently reported to the Trust's Finance and Productivity Committee, and the People Committee each month and is also captured within the Trust Board metrics. The reduction of agency usage is one of the Trust's highest priority performance objectives. Reporting on progress to reduce agency off-framework procurement, admin and estates agency and price cap breaches is currently captured but will formally be included in the Board reporting cycle from November 2023. The Trust has undertaken a gap analysis to identify any variations between the organisation's current compliance and the Agency Rules requirements. Having undertaken this piece of work, assurance can be provided that the Trust is compliant with the majority of the Agency Rules requirements. However, there are some areas, principally around the application of the price cap, break glass escalation and the use of admin and estates workers, which require some additional actions and controls.

6.3 A plan with clear actions, timescales, and trajectory to achieve full compliance with the Agency Rule requirements has been developed (the plan is available in the reading room - **Annex 2**) and was approved by the Trust Executive. The Trust will be fully compliant with the Agency Rules by 31st December 2023.

7. Conclusions

7.1 The table below identifies the actions required by NHSE, with a SWB status rating and next steps for achieving full compliance.

	Action	Status	Assurance & Next Steps
1.	Demonstrate compliance to report progress on temporary staffing expenditure on a routine monthly basis to their boards, with specific reference to the progress to reduce agency off framework		Temporary staffing is currently reported to the Finance and Productivity Committee, in addition temporary staffing will be reported to the People Committee. Reporting will be expanded to cover off framework. procurement, admin and estates

	procurement, admin and estates agency and price cap breaches.		agency and price cap breaches for the November reporting cycle.
2.	By 31 October 2023, confirm to us in writing that the Agency Rules and the Toolkit is understood by the Executive Team, and that there is evidence of a commitment to the application of this policy to the activities of their organisation.		The Trust Executive Team are fully briefed and engaged in supporting the actions to reduce temporary spend. Written confirmation to NHSE has been provided as part of a system response to the regional team by the due date.
3.	By 31 October 2023, provide us with a gap analysis detailing any variation between the organisation's current compliance and the Agency Rules requirements.		**Annex 2** (located within the reading room) details the gap analysis to the agency rules including the actions, and timescales to achieve full compliance
4.	By 31 October 2023, provide us with a plan with clear actions, timescales, and trajectory to achieve full compliance with the Agency Rules requirements.		
5.	Urgently review escalation processes for approving agency spend above price caps to ensure decisions are taken at the appropriate level of seniority and/or clinical expertise		Robust control process in place with tight approvals for agency usage and spend (ref 4.1)
6.	Update organisational rate escalation ('break glass') policy ensuring this provides the appropriate level of rigour and discuss/approve this policy at Trust Board level		Review underway to be reported to future Board meeting
7.	Receive monthly reports on the top ten most expensive and top ten longest serving agency staff and the plans to replace these staff with more affordable workforce solutions.		This reporting is in place through the monthly Workforce Controls meeting, chaired by the Deputy CEO (ref 4.2).

8.   Next Steps

8.1   In addition to the action set out above, the following actions are being taken to address temporary staffing usage, and particularly agency/off-framework procurement:

a. Grip & Control

- Enforce the Trust's new grip and control arrangements relating to Tier 1 agency usage.
- Incorporate a focus on non-framework agency usage within the weekly workforce grip and control meeting, chaired by the Trust Chief Operating Officer
- Incorporate temporary staffing usage, including agency/ non-framework agency, into the workforce component of the Group Reviews.
- Workforce optimisation – complete the roll-out of e-rostering for nurses, AHPs and medical staff.

b. **Increasing substantive recruitment:**

- An exercise to develop realistic 2023/24 workforce profiles has been undertaken with the Groups during the past few weeks. These profiles have now been fully approved and a set of measures are being implemented to increase levels of substantive recruitment, these include:

  o Optimising ways of working between the Trust's internal recruitment function and external partner, Remedium, and the operational teams.
  o Supporting the development of a higher number of band 5 nurses into band 6 nurse roles, to benefit from the opportunity to over-recruit to band 5 nurse roles.
  o Work with system partners to explore opportunities to strengthen the Trust's recruitment capacity and capability.
  o Explore and test other potential external partnering recruitment solutions.

c. **Reducing sickness absence levels:**

- The new Interim Chief People Officer is undertaking a deep dive into sickness absence, covering, policy, practice and effectiveness. This review will report to the monthly grip and control meeting and will provide recommendations for strengthening the Trust's approach to reducing sickness absence, which remains one of the principal drivers for use of temporary staffing (bank/agency) usage.

9. **Recommendations**

The Trust Board is asked to:

a) **RECEIVE** the update contained in this paper for assurance of the Trust's compliance with NHSE's requirements relating to reducing temporary staffing costs (reporting and actions).

b) **NOTE** the Trust's commitment to incorporate enhanced reporting on agency/off-framework agency usage within the standard Board workforce performance metrics going forwards.

James Fleet
Interim Chief People Officer
24 October 2023