

NHS Professionals

White Paper | June 2010

Flexible Staffing:
Delivering more for less



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NHS Professionals: Flexible Staffing: Delivering more for less

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Executive Summary

NHS Professionals: Flexible Staffing: Delivering more for less

- Flexible workers form a vital part of the NHS workforce
 - The NHS can drive down rising costs by using flexible workers to better effect and without compromising quality of care, helping them to deliver on the QIPP agenda
 - Trust boards must be mindful of clinical governance issues and their obligations as employers to ensure that flexible workers comply with necessary legal checks and mandatory training before they start work
 - To-date, few Trust boards have taken a strategic view of how they use flexible workers; this needs to change
 - Trusts need to take a sustainable approach, balancing the needs of the organisation, the needs of their substantive staff for a work-life balance and the needs of flexible staff for a predictable volume of work
 - The management information and tools to do this are now available to Trust boards and can help them to understand current and future demand and to develop a planned, strategic approach that incorporates the flexible workforce within overall workforce planning
- [This paper is the first in a series that will help Trusts understand and respond to this agenda.](#)
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Foreward

NHS Professionals: Flexible Staffing: Delivering more for less

This is the first in a series of short reports produced by NHS Professionals that examine the issues and challenges facing Trust boards in effective use of their flexible workforce. Substantial savings targets are expected over the next five years, yet demand on the service continues to soar. If the NHS is to survive we have to adapt our behaviours.

NHS Professionals has been supplying flexible worker managed services to the NHS since 2004. Our highly efficient and effective model is enabling approximately 80 Trusts (principally acute, mental health, foundation and teaching Trusts) to make very significant cost savings without compromising quality of care.

Future papers in this series will look in more detail at how NHS Trusts can:

- Reduce the cost of temporary working
- Use management information to plan their temporary workforce demand more effectively increasing productivity and reducing cost
- Ensure that their flexible workforce contributes to improved quality of care

Within the series, we expect to address the many and complex issues facing directors of nursing, finance and HR in these challenging economic times.

We welcome your feedback and questions.

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Introduction

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The use of flexible workers in the NHS – both agency staff and bank workers – is under scrutiny for two reasons:

- Quality of care
- Cost

NHS Trusts use flexible workers to manage gaps in rotas that arise for many reasons, including vacancy, sickness absence, uneven leave patterns, for example over Christmas or school holidays, and peaks in activity such as winter flu. More recently, the increase in flexible working practices adopted by the permanent workforce, such as annual hours or term time contracts had led to an increase in demand for temporary workforce, although demand is currently falling. In general, the way in which Trusts have used temporary staff has been ad hoc and led by the demands of their permanent staff rather than those of the organisation or the service.

Inefficient use of flexible workers is expensive and Trusts have attempted to manage the cost

by moving from expensive agency provision to using bank staff and agreed purchasing frameworks. Few have moved beyond this to a more strategic approach. Indeed, many NHS Trusts would struggle even to articulate the case for service-led provision of flexible workers, lacking both the management information and strategic imperative at board level.

The QIPP agenda means that this ad hoc approach is no longer sustainable, even over the short-term. Trusts must gain strategic control of their flexible workforce to improve quality of care and patient safety and to contribute to overall workforce productivity. Trusts need to understand current and future demand for flexible workers and begin to set out where they want to use them, at what level and for how long.

See page 7 for an exert from NHSP's National Trends July 2010 which shows average fill rates by Flexible Worker type, across regions and Trust types over the 24 months to June 2010.

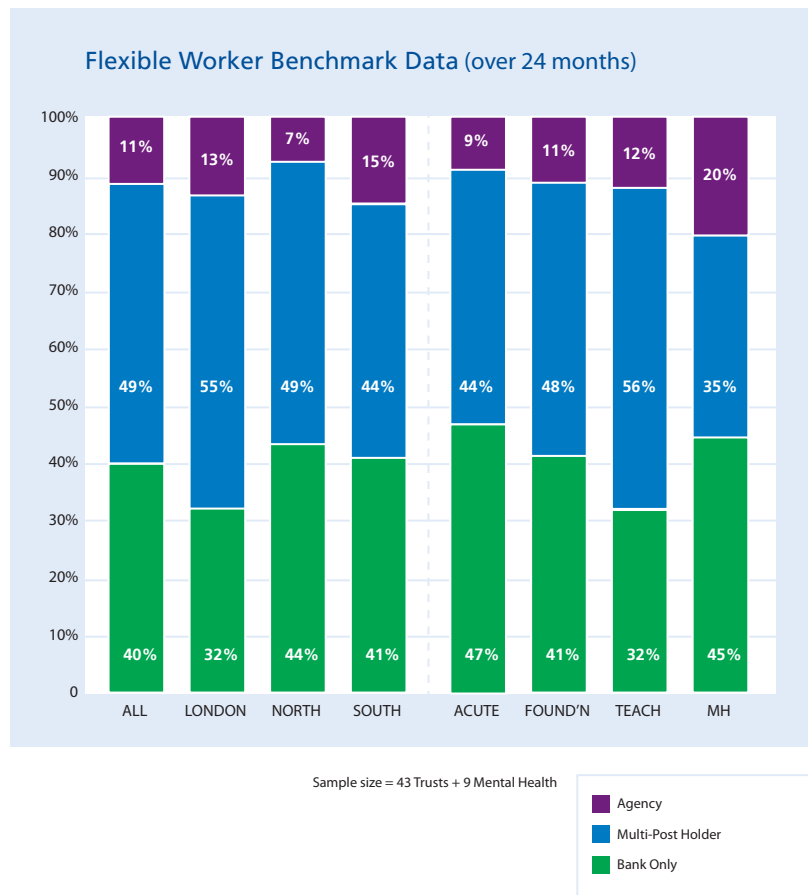
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Average fill rates

Over the 24 months to June 2010 average fill rates show the relative usage of expensive agencies compared to MPH and Bank Only staff.

The differences observed in the overall 24 month average since Q4 2009/2010 are all very small, of the order of 1%, with no observable difference by region.

In Acute Trusts, agency fill is up and fill by MPH is down. In Foundation Trusts, Bank Only shift fill is up and expensive agency fill is down. MPH fill has increased in Mental Health (MH) with a reduction in Bank Only.



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Who are flexible workers?

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NHS Trusts use flexible staff, including support workers, general and specialist nurses, allied health professionals and doctors, to manage fluctuations in demand and to cover vacancies and short-term staff absences. Many of these flexible workers already have an NHS job and work a few extra shifts a month to top up their earnings, either on a bank or on overtime. Some work exclusively for banks or agencies, often part-time. Flexible workers are recognised as an essential component of the workforce.

“Temporary staff have, and continue to have, a key role in helping the NHS to respond to fluctuations in demand for services and in staff availability.”

[Department of Health, January 2010](#)

“Temporary staff remain a key component of Trusts’ ability to be flexible in order to meet fluctuations in activity levels and to cover vacancies and short-term staff absences.”

[National Audit Office, 2006](#)

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Rising demand - and rising cost?

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The research and data on Trusts' use of flexible staff are inconsistent and in most cases refer only to nurses. Estimates suggest that NHS Trusts in England spent £1.3bn in 2009/10 on bank and agency nursing staff and that until recently demand for flexible workers was increasing.

In summary:

- The NHS Information Centre data to 2009 indicates that Trusts' use of bank nurses rose in the last decade, twice as fast as the rate of

increase in employed nursing staff.

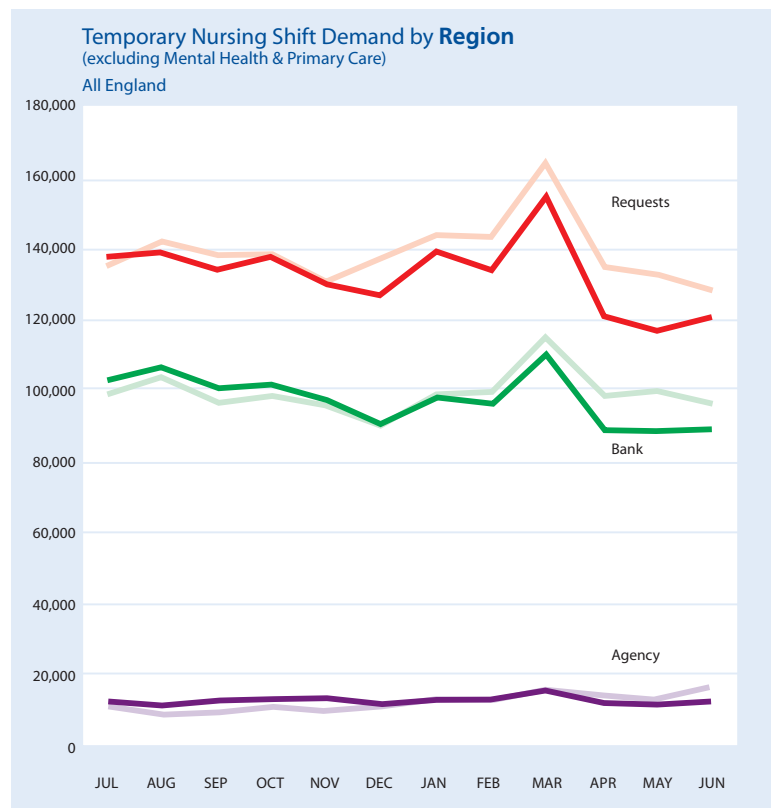
- Department of Health figures indicate that agency spend decreased in the decade to 2009 as Trusts sought to bring their expenditure under control, but began to nudge up again in 2009/10.
 - Figures are not collected centrally on the extent to which Trusts use their substantive staff to work additional shifts or what this costs them.
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Temporary Nursing Shift Demand by Region (excluding Mental Health & Primary Care)

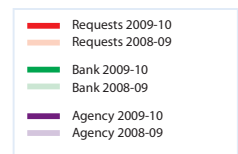
Rising demand - and rising cost?

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NHS Professionals' detailed observations over the last two years at 80 NHS Trusts (including acute, teaching, mental health and foundation) indicates that demand for flexible nurses is currently falling, with **8% - 10%** fewer requests for shifts now compared to a year ago. Given the current trend in hospitals for freezing vacancies and careful examination of how best to use substantive staff, NHS Professionals predicts that this trend will persist throughout 2010/11 and beyond.



Across England shift demand continues to reduce, down 9% on Q1 last year. Bank fill is down 10% and agency fill down 7% over the same period



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The case for efficiency

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The NHS has an urgent need to reduce expenditure as it faces a severe contraction in its finances^{1,2}. Some commentators have argued that the NHS must cut its workforce, possibly by up to 10%³; others have suggested that better use of flexible staffing is one area that can deliver significant efficiencies⁴. The QIPP agenda will require Trusts to use their workforce more productively, including the flexible workforce's contribution.

Since 2001 a series of reports and initiatives have recommended and promoted better management of flexible staff to deliver efficiency gains. In summary, they suggest that:

- Reducing dependency on agency spending offers the easiest gains
- Managing demand effectively can deliver real efficiencies
- Trusts need to move to a strategic approach that aims to raise quality and productivity of the workforce overall
- Trusts require adequate and timely information on staffing needs to have a clear understanding of the factors driving demand
- Trusts need to focus on their own strategic needs, for example by introducing flexible rostering and flexible contracts

The case for efficiency

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NHS Trusts can deliver significant savings by using accurate information to manage demand, streamlining their processes and moving from agency to bank workers.

For example:

- Central Manchester University NHS Foundation Trust reduced its average flexible workers shift cost from £166.90 in 2005 to £125.60 in 2009 and an optimal annual saving of £2.8m
- King's College Hospital NHS Foundation Trust saved £1.1m between 2005 and 2009 despite experiencing a 50% increase in demand for flexible shifts
- North Middlesex University Hospital NHS Trust reduced its spend on flexible workers from £8.0m annually in 2005 to £3.9m in 2009.

"If all trusts were to bring their agency spend down to the average across the NHS that would reduce agency costs by about £350 million."

[NHS Institute for Innovation and Improvement, 2006](#)

NHS agency staff spending 'soars' amid funding fears

[BBC news headline, December 2009](#)

¹ Dealing with the Downturn. NHS Confederation, June 2009.
http://www.nhsconfed.org/Publications/Documents/Dealing_with_the_downturn.pdf

² How cold will it be? Prospects for NHS funding, 2011-17. The King's Fund, November 2009.
http://www.kingsfund.org.uk/publications/how_cold_will_it_be.html

³ Health staff drive public sector headcount. Financial Times, September 17, 2009
<http://www.ft.com/cms/s/0/da365ef4-a322-11de-ba74-00144feabdc0.html>

⁴ Leading the NHS workforce through to recovery. NHS Employers, November 2009.
<http://www.nhsemployers.org/Aboutus/Publications/Pages/LeadingtheNHSworkforcethrough.aspx>

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The case for quality

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A number of studies have linked concerns about quality of care with high levels of temporary working. Research by the National Patient Safety Agency, Healthcare Commission, Department of Health and National Audit Office has shown a number of risks associated with using high levels of flexible workers, or with failing to recruit, select, prepare and support them adequately.

They include:

- Patient safety incidents are more likely
- Higher rates of healthcare acquired infection
- Reduced capacity for tackling healthcare acquired infections
- Impaired ability to monitor for compliance with European Working Time Directive
- Reduced patient satisfaction

The Healthcare Commission's report into unexpected deaths at the Mid Staffordshire Hospital highlighted, among other things, the catastrophic consequences of a bank that was unable to provide the nurses needed for safe care⁵. Others have highlighted the need for Trusts to provide flexible staff with an appropriate working environment in order to improve patient safety, satisfaction and quality.

As the National Audit Office noted in its 2006 report⁶; "People are significantly more likely to make errors when they have received inadequate training, when they are working in unfamiliar or pressurised environments or when they are tired. These ingredients can be typical of the circumstances in which temporary nursing staff may find themselves. Trusts need to implement proper induction, training and performance review procedures for temporary staff and monitor compliance with the European Working Time Directive in order to minimise risks to patient care."

The case for quality

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It would be a mistake, though, to equate flexible staff with low quality. Trusts can address the points of familiarity, induction, training and performance review by ensuring that their nursing bank operates in a sustainable manner. By balancing the needs of the Trust to use flexible staff against the needs of flexible staff to have a predictable level of employment, it is possible to develop a trained contingent workforce that

is up -to-date professionally and familiar with the Trust's wards, policies and procedures. NHS Professionals, for example, can show that over 82% of the nurses we supply go on to work on a ward in a sustained way. Only 7% are working on a ward for the first time. All these nurses have undergone mandatory training and keep up-to-date through access to e-based learning tools.

“High use of agency staff is not just an issue of higher staff costs. It can also have a negative impact on the efficiency and quality of care provided.”

[NHS Institute for Innovation and Improvement 2006](#)

“Working with unfamiliar staff is an additional stress for nurses under pressure due to staff absence. Staff have less confidence in unknown agency staff who may require a high level of supervision.”⁷

[Ward manager](#)

⁷ http://www.institute.nhs.uk/building_capability/high_impact_actions_submissions/reducing-agency-and-improving-quality-of-hcas-on-nurse-bank.html

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What are the risk factors for Trusts?

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Getting the best out of your flexible workforce can deliver significant savings while increasing the quality of workers and the quality of care they provide. Doing this right is a multi-faceted task with a number of risk factors.

Managing recruitment and selection

Safe recruitment and clinical governance can lead to better qualified, experienced and trained flexible workers who can be trusted to do their job properly and to relieve the burden on full-time nurses.

All Trusts should now be as interested in clinical governance and safer recruitment policy as they are in cost saving and efficiency. Ensuring the right pool of people from which to select flexible workers supports both quality of care and efficiency. Trust boards need to place this issue higher on the agenda and start to ask searching questions of their suppliers and banks.

- Are you recruiting the right people to work for your bank?
- How do you know?
- Is their mandatory training up-to-date?
- Can you be sure of the quality of agency staff working in your organisation?

Some Trusts claim to manage the clinical governance issues by expecting their own staff to fill additional shifts. That way, they say, the workers are trained and familiar with policies and procedures. This can be an expensive option as it requires either expensive overtime or the use of potentially unenforceable second contracts with substantive staff. It can also be potentially dangerous: tired workers are more likely to make a mistake.

What are the risk factors for Trusts?

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Trusts boards need to ask how seriously the organisation takes its responsibility for management of their temporary workers and whether there is a regular audit of compliance with their own and their agencies' recruitment processes. Some issues to consider include:

Continuity

- Studies show that one of the biggest risks in using flexible nurses is the burden it imposes on Ward Managers when there is no continuity. A brief ward induction covering fire hazards and health and safety typically takes 15 to 30 minutes but is only considered worthwhile by Ward Managers when they expect a flexible nurse to return to the ward.

Quality

- Studies show that flexible workers, whether bank or agency, frequently miss out on mandatory training and performance appraisal.

Performance

- Studies show that typically Ward Managers do not invite poorly performing nurses back. This compounds the problems associated with lack of continuity highlighted above.

Reliability

- One of the biggest complaints from Trusts is over bank or agency nurses who do not turn up for a booked shift, which again impacts on continuity.

Nursing Values

- Trusts wish to employ staff who share their organisations' values. How can this be achieved for flexible staff?
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What are the risk factors for Trusts?

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Managing the cost of your bank

Trusts' arrangements for managing the nursing bank vary wildly, from the managed service provided by NHS Professionals to a couple of HR staff with pagers.

NHS Professionals' analysis indicates that managing a bank effectively and efficiently may be more costly than many managers imagine.

Hidden costs include:

Recruitment and selection

- Just carrying out routine pre-employment checks is costly. But if checks take too long to process or are not undertaken, this can impact not only on individual workers but also on patient safety, quality of care and the bank's ability to fill shifts as well as impact on the Trust's Care Quality Commissions' annual Health Check and NHS Litigation Authority Clinical Negligence Scheme for Trusts return

Hidden charges

- There are many hidden charges that are not necessarily attributed to an in-house bank and which make it more costly than it appears. For example, charges for validating agency transactions are not usually charged to the bank by the finance department; some agencies produce an invoice for every shift

worked so it could be a large cost. Similarly the hidden costs of payroll processing the weekly payments preferred by bank workers or of administering (checking and authorising) timesheets

Fraud detection

- Banks have a role in detecting fraud, for example claims for shifts that were not worked or by people who should not be working because they are on benefits. Undetected fraud is costly. Solving it requires making an investment in tools such as online booking, e-timesheets, timesheet validation and invoice reconciliation.

Management information

- Banks can only reduce agency spend and improve the use of bank workers if they have good management information that enables them to measure ward level demand, shift fill and agency usage. This requires investment in IT and people with the right skills to use and develop it.

Customer care

- Poor customer care from an overstretched and under-resourced bank impacts on the bank's reputation.

What are the risk factors for Trusts?

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Managing EWTD compliance

The European Working Time Directive was introduced partly to ensure that workers get adequate rest time and do not work excessive hours. Trusts frequently use their own substantive staff to fill shifts and evidence suggests that Trusts fill half their shift demand in this way. This may put staff in breach of the EWTD and is not a sustainable approach. Measuring EWTD compliance is a growing concern for NHS Trusts and, in the short to medium term, may restrict the supply of bank workers.

- Is your Trust able to keep track of the number of hours your staff have worked in a given week?

Do you know whether you are EWTD compliant?

Managing complaints & incidents

Complaint handling is an important part of any Trust's business. When there is a complaint about a flexible worker, Trusts need:

- A structured process for dealing with the complaint
- Detailed information about the worker at the point at which they were recruited, ranging from their address to information from relevant employment checks
- A means to ensure that any disciplinary process is properly managed if the complaint is upheld
- A means of sharing learning from incidents

Managing demand

Trusts need to take a strategic overview of demand management in order to reduce costs and improve the quality of care. This requires management information, from ward level upwards, that enables a Trust to paint a detailed picture of demand drivers and policies for day-to-day management. Such information will help Trusts identify outliers who use either more or fewer flexible workers than the average and can assist with performance management where appropriate.

Managing the impact of the Agency Working Directive

This legislation, due to come into force in October 2011, has the potential to increase Trusts' costs dramatically. From this date agency workers, including bank nurses, who work 12 weeks or more in a role equivalent to a permanent member of staff will be entitled to equal treatment including holiday entitlement, sickness benefits and pension contributions. We believe some of this expense may be avoided by moving to a managed solution to provide flexible workers as workers employed under this arrangement are likely to be exempted from the AWD.

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Conclusions and recommendations

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NHS Trusts must move to a planned, strategic approach in order to ensure that they get the best out of their flexible workers, improving quality of care, delivering productivity gains and ensuring safety.

Recommendations

1. Develop a strategic approach: Trust boards need to ensure that they have the relevant management information in order to understand their demand for flexible workers and develop a service-led model of provision.
 2. Analyse predictive trends: Trust boards need to examine the trends in flexible worker demand, not just in their own organisation but more widely and consider how this will impact.
 3. Put safety on the agenda: Trust boards need to place safety and clinical governance higher on the agenda with Risk Management, asking questions of their suppliers and carrying out independent audits of employment checks.
 4. Take a business approach: Trust boards need to examine how much their bank arrangements really cost, taking into account all the hidden charges, to see whether it can be provided more cost effectively.
 5. Raise the quality: Trust boards need to consider how flexible workers can be better integrated into the substantive workforce to drive up quality of care.
 6. Ensure a sustainable approach. Trust boards need to understand that a sustainable approach can deliver continuity of care, thereby raising quality and safety. A sustainable approach balances the needs of the organisation with those of the substantive staff and the flexible workers.
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About NHS Professionals

NHS Professionals: Flexible Staffing: Delivering more for less

NHS Professionals provides a managed flexible worker service to some 80 NHS Trusts.

Through this service, we deliver detailed management information, e-based recruitment systems and advice to Trusts wishing to control their costs by moving to a service-led, strategic approach to temporary workforce management

Continuity

Analysis by NHS Professionals shows that over 90 per cent of the shifts placed are repeat shifts.

Mandatory Training

NHS Professionals provides all flexible workers with access to mandatory training using e-learning tools and can provide employers with evidence of training undertaken.

Performance

Where Trusts use NHS Professionals, Ward Managers are empowered to complain about poorly performing nurses and demand a

replacement. NHS Professionals then follows up the complaint, working with the flexible worker to resolve the performance issue.

Recruitment

NHS Professionals recruits on average around 500 bank-only and 600 substantive workers (i.e. workers who have a substantive post and wish to work extra shifts for their employer) per month, performing all the necessary employment checks before releasing flexible workers to Trusts. Even with this continuous recruitment activity, the process typically can take up to 70 days to complete for each individual.

Working Time Directive

Where NHS Professionals has information relating to substantive contracts, contracted hours are recorded on the system so that when a flexible worker wants to book a shift, they are reminded how many hours they have worked in that period.

About NHS Professionals

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Complaints & Incidents

NHS Professionals' managed service solution includes a comprehensive complaint handling and disciplinary process. It includes a remedial action framework that ensures workers receive any add-on training they may need and a system for sharing lessons from incidents with employers.

Driving down demand

As part of the NHS, NHS Professionals has a remit to help drive down demand for flexible working. Saving money for the Trust is the primary focus after patient safety. On-site support teams share knowledge with Trusts. Relevant learning from

engagements with other Trusts is applied where appropriate to help manage demand and reduce expensive agency costs.

Agency working directive

NHS Professionals can potentially make savings for Trusts by providing a managed solution, under which workers maybe exempt from the Agency Working Directive.

eLearning & CPD

Flexible workers who join NHS Professionals benefit from e-learning for both mandatory and Continuing Professional Development (CPD).

About NHS Professionals

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To find out more about NHS Professionals:

Address

3rd Floor
Edward Hyde Building
38 Clarendon Road
Watford
Hertfordshire
WD17 1JW

E-mail

bdm@nhsp.co.uk

Telephone

01923 690 565

Website

www.nhsp.co.uk

Also available in the series:

White Paper 1 | Flexible Staffing: Delivering more for less

White Paper 2 | Delivering efficiency: exposing the true cost of managing a temporary workforce.

White Paper 3 | Patient safety: addressing temporary worker clinical standards, governance and compliance

White Paper 4 | Managing demand: best in class approach to reducing shift demand

White Paper 5 | Bank is best: reducing excessive agency spend by effective use of bank

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