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WALES AUDIT OFFICE  
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# Expenditure on agency staff by NHS Wales

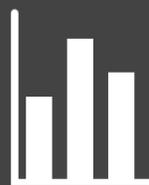
This report has been prepared for presentation to the National Assembly under the Government of Wales Act 1998.

The Wales Audit Office study team comprised Nicholas Raynor, James Ralph, Nigel Blewitt and Huw Lloyd Jones under the direction of Mike Usher.



This document is an interactive pdf

To navigate through the document please use the buttons on the right side of the page and the links marked with underlined text.



Data tool

This document links to an external data tool that provides more detailed information.

There is a print version of this document, please <https://www.audit.wales/publication/expenditure-agency-staff-nhs-wales>



# Introduction

The NHS in Wales employs almost 80,000 full-time equivalent staff, excluding General Practitioners and those employed directly by General Practices, spending £3.62 billion on pay in 2017-18.

But NHS Wales also needs to use additional staff to supplement the full-time workforce so that they can continue to deliver services when:

- key posts are vacant;
- staff are on sick leave, on holiday or absent for some other reason; or
- demand for services increases because of, for example, winter pressures.

The seven Local Health Boards and three NHS Trusts (collectively referred to as health bodies in this report) secure the services of temporary staff from:

- substantive staff paid overtime to work additional shifts;
- internal staff banks, which typically include staff who have substantive contracts at the health body or at a neighbouring health body, as well as other suitably qualified staff who prefer to be able to choose where and when they work;
- private-sector agencies, who charge a fee for supplying staff; and
- people who enter into a direct contract with the health bodies on ad hoc terms of engagement. Some of these people may also have substantive contracts within the NHS.

Staff working on a temporary basis generally cost more for a shift than a person of the same grade who has a substantive contract. Staff supplied by agencies tend to be the most costly source of temporary staff. NHS bodies in Wales collectively spent over £160 million on agency staff in 2016-17, more than four times the equivalent figure for 2012-13. There have also been large increases in agency expenditure in other UK countries.

The scale and rapid growth of expenditure on agency staffing have created considerable media and public interest, not least because of the financial pressures faced by NHS bodies. NHS Wales has responded through a range of national and local initiatives aimed at reducing demand and controlling costs.

This report sets out key facts about the use of agency staff by NHS bodies in Wales, including:

- expenditure;
- analyses by health bodies of underlying reasons;
- national initiatives to control this type of spending; and
- challenges that lie ahead.

The report, together with the data tool we have developed, aims to:

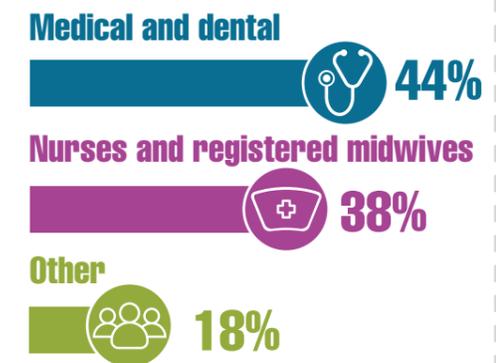
- offer insight, enabling readers to conduct their own analyses; and
- promote improvement by sharing information about initiatives to curb spending on agency staff and highlighting issues for the NHS to consider when developing future initiatives aimed at managing agency expenditure.

It does not attempt to evaluate the use of agency staff or the effectiveness of the actions taken to control costs. This report and information gathered when preparing it will also be used to inform the planning of the Auditor General's forward programme of national and local audit work.

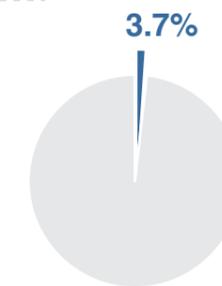
Agency expenditure  
in **2017-18**



Proportion of agency  
expenditure by staff group  
in **2017-18**



Agency expenditure as  
a proportion of total NHS pay  
in **2017-18**



About **82%** of agency expenditure in  
**2018-19** is providing  
cover for vacant positions

Part  
1

Part  
2

Part  
3

Part  
4



## Part 1

# Expenditure on agency staff by NHS Wales has increased markedly in recent years

Agency expenditure in 2017-18 was £135.7 million, a rise of 171% over seven years. (See [Definition of agency expenditure](#)). After a period of stability, it grew significantly after 2013-14, peaking at £164.4 million in 2016-17. (See [Expenditure on agency staffing](#))

On average, health bodies in Wales have spent nearly half their total agency expenditure on medical and dental staff since 2014-15 and a further third on nurses and midwives. (See [Distribution of agency expenditure](#))

Agency expenditure as a proportion of total pay increased from 1.6% of total pay in 2013-14 to 4.7% in 2016-17, before falling to 3.7% in 2017- 18. (See [Agency expenditure as a percentage of total pay expenditure](#))

Real term growth in total pay expenditure has outpaced the growth in staff numbers in recent years, reflecting the sharp increase in agency expenditure. (See [Real-term growth in total pay expenditure and staff numbers](#))

Factors that have contributed to the rise in agency expenditure include:

- escalating hourly rates of pay charged by agencies and individuals engaged directly by health bodies;
- increase in demand for services;
- skill shortages;
- difficulties recruiting and retaining staff;
- meeting the requirements of the Nurse Staffing Levels Act (Wales) 2016; and
- individuals choosing to work through agencies.

But there is no national analysis of just how much each of these factors has contributed to the increase in agency spending. (See [Factors that have contributed to increased agency expenditure](#))

## Definition of agency expenditure

The definition of 'agency expenditure' in this report is set out below. It is the definition provided in Welsh Health Circular WHC 2018/017, '2018-19 LHB & Trust Monthly Financial Monitoring Return Guidance' that is used by Local Health Boards (LHBs) and NHS Trusts (Trusts) to report on agency and locums (paid at a premium) expenditure in their monthly financial monitoring returns to Welsh Government.

Agency expenditure includes:

- staff not employed by the LHB or Trust and therefore not in receipt of payments through its payroll. This would include staff employed through Agencies, Self Employed Individuals etc.
- staff employed by another NHS organisation who are undertaking sessional work within the LHB or Trust, and again are not in receipt of payments through the LHB's or Trust's payroll for whom the work is being undertaken, which are paid at a premium.

Expenditure excludes:

- staff that are employed by the LHB or Trust, who undertake additional work on a temporary basis for another department within the same LHB or Trust or at another hospital site within the same LHB or Trust.
- any staff employed on a temporary basis or fixed term contract but who are in receipt of payment through a LHB's or Trust's payroll, on terms and conditions defined by that LHB or Trust.

Locums 'paid at a premium' are those paid above the rate of the substantive post holder.

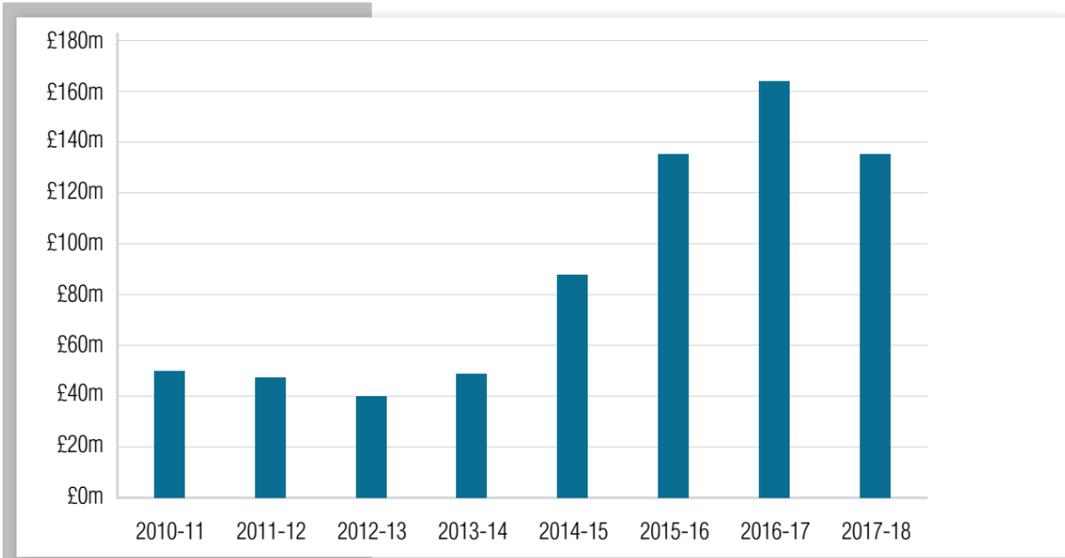
The above definition, and all data in this report, exclude doctors and dentists who are General Practitioners, because they are independent NHS contractors. The analysis also excludes staff who are employed directly by General Practices.



# Expenditure on agency staffing

Expenditure on agency staff was relatively stable until 2013-14, after which there was a sharp increase, with expenditure peaking at £164.4 million in 2016-17.

Exhibit 1: total NHS expenditure in Wales on agency staff between 2010-11 and 2017-18



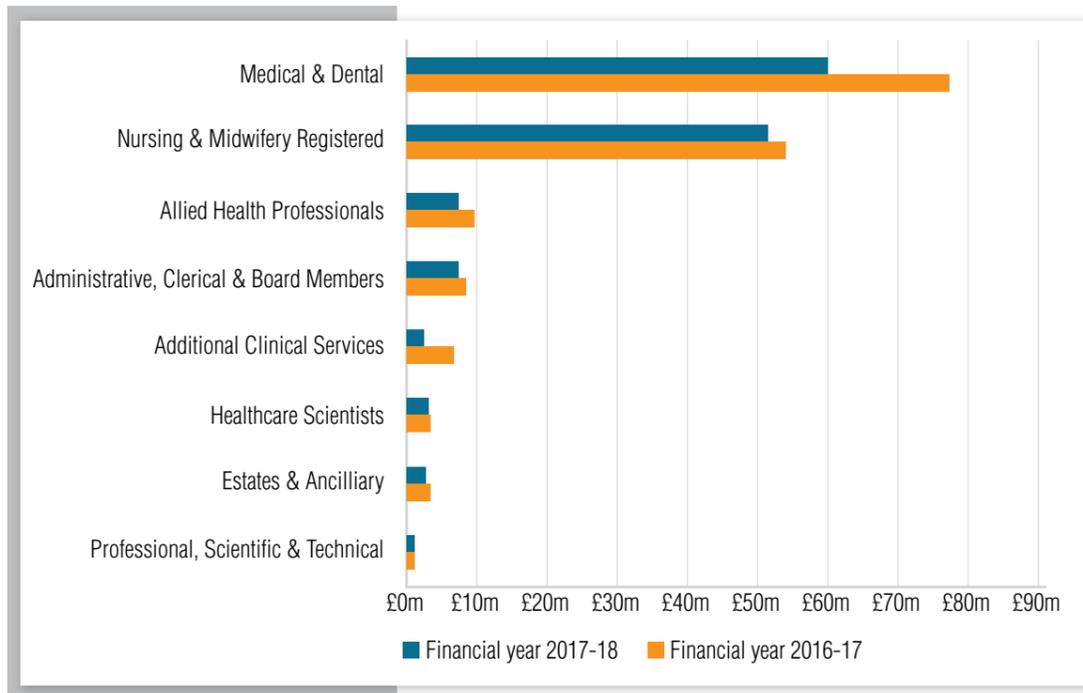
Source: Workforce, Education & Development Services, NHS Wales Shared Services Partnership



Use the data tool to look at expenditure on agency staff at each health body over the period 2010-11 to 2017-18. [↗](#)

There was a fall in total agency expenditure in 2017-18 of £28.7 million. Expenditure fell in all staff categories except one.

Exhibit 2: NHS expenditure in Wales on agency staff by staff group for 2016-17 and 2017-18



Source: Workforce, Education & Development Services, NHS Wales Shared Services Partnership

The largest reduction in expenditure was for Medical and Dental agency staff, where expenditure fell by over £17 million. There was a further reduction of £2.4 million in expenditure on Nursing and Midwifery agency staff. However, the scale of reduction varied widely between health bodies.



Use the data tool to look at the changes in expenditure on the different agency staff groups at each health body between 2016-17 and 2017-18. [↗](#)

A reduction in agency expenditure may be offset by increases in other elements of the NHS pay bill, but a breakdown of variable pay elements is not provided in the financial monitoring returns submitted by health bodies to Welsh Government.

The reported falls in agency expenditure may, in part, be because changes to the method of paying agency staff and locums result in expenditure falling outside the definition of agency expenditure in the monthly financial returns to Welsh Government.

A national working group (the Medical Workforce Efficiency Group) is leading a project to improve the consistency of coding locum variable pay.

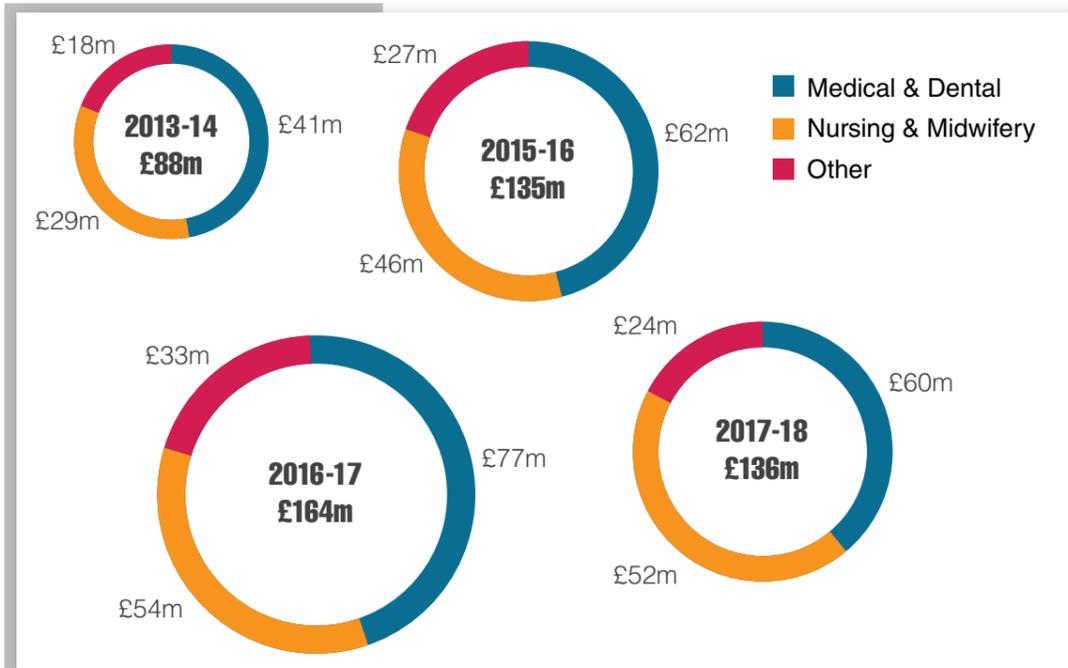


## Distribution of agency expenditure

Health bodies use agencies to provide all types of staff, but expenditure on doctors and nurses represents about 80% of total agency expenditure.

Although total agency expenditure increased significantly between 2014-15 and 2016-17, [Exhibit 3](#) shows that the proportion spent on each staff group has remained broadly constant.

**Exhibit 3: the distribution of agency expenditure by staff group between 2014-15 and 2017-18**



Source: Workforce, Education & Development Services, NHS Wales Shared Services Partnership



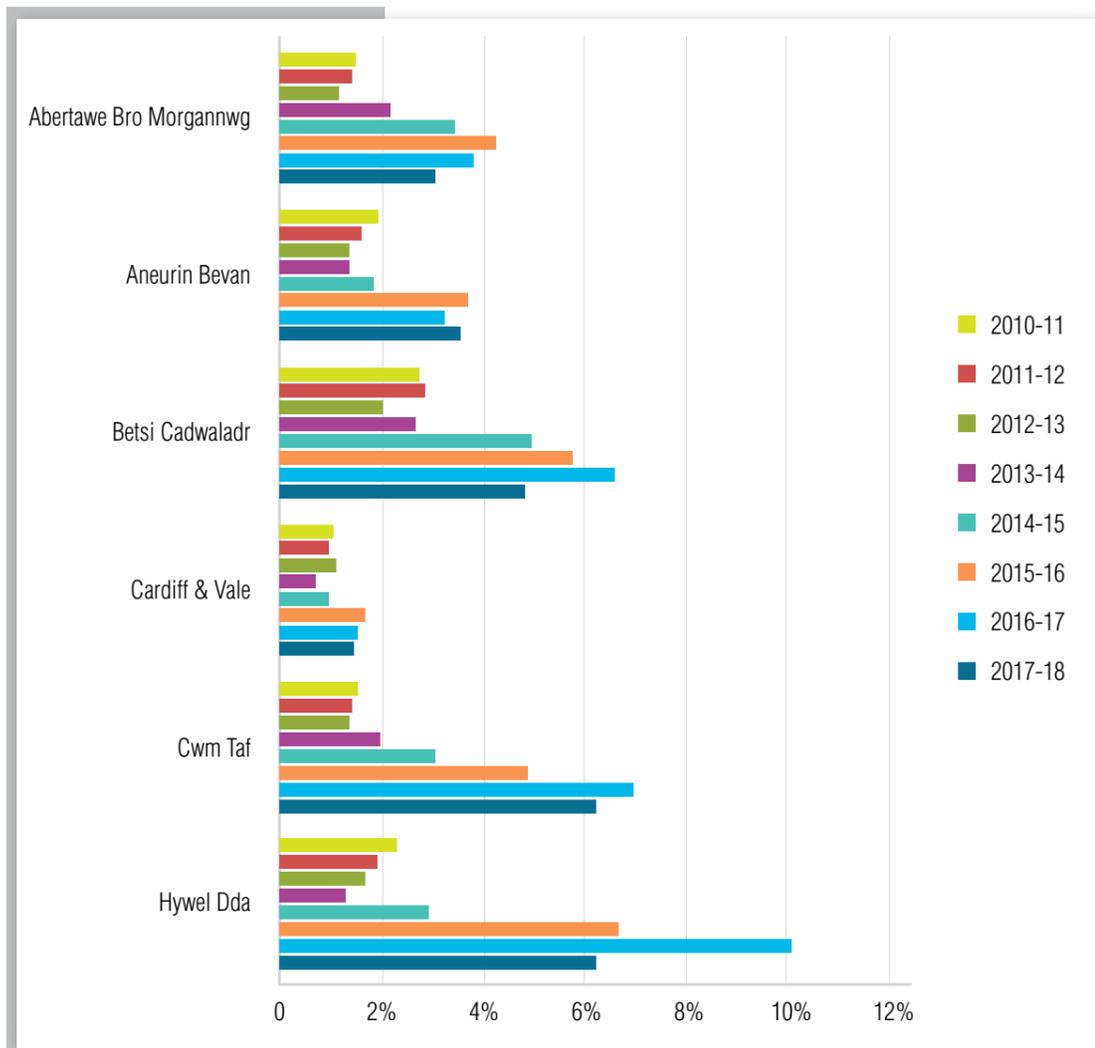


# Agency expenditure as a percentage of total pay expenditure

In 2010-11, expenditure on agency staff represented only 1.7% of total pay across the 10 health bodies in Wales. By 2016-17, the proportion had increased to 4.7%, before falling to 3.7% in 2017-18.

In most health bodies in Wales, there was a significant growth in expenditure on agency pay as a proportion of total pay between 2014-15 and 2016-17, followed by a small decrease in 2017-18.

Exhibit 4: total expenditure on agency staff as a proportion of total pay in the six largest health bodies in Wales between 2010-11 and 2017-18



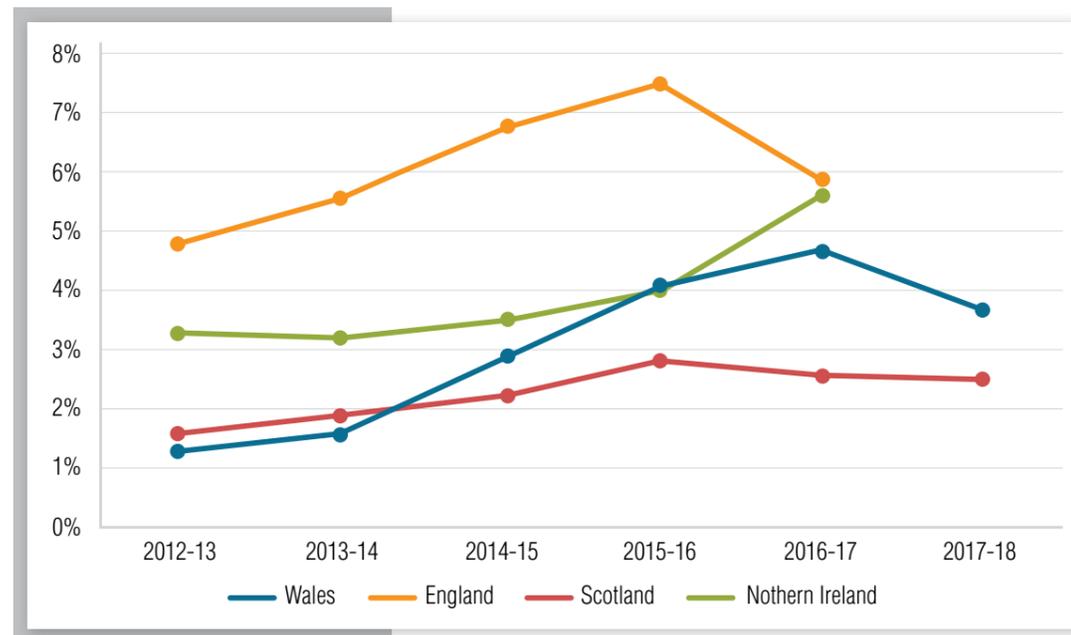
Source: Workforce, Education & Development Services, NHS Wales Shared Services Partnership



Use the data tool to look at total agency expenditure as a percentage of total pay expenditure at each health body between 2010-11 and 2017-18.

Significant increases in NHS expenditure on agency staff have not been confined to Wales, with high levels also being seen in England and Scotland. The scale of expenditure across the United Kingdom is different, but the trend in agency expenditure as a proportion of total pay expenditure is similar.

Exhibit 5: total agency expenditure as a proportion of total NHS pay in Wales, England, Scotland and Northern Ireland between 2012-13 and 2017-18



Note: The data for 2017-18 are not yet available for England and Northern Ireland.

Sources: Data received and collated by NHS Wales Shared Services Partnership, the National Audit Office, Audit Scotland and the Northern Ireland Audit Office from financial returns and accounts





# Real-term growth in total pay expenditure and staff numbers

On 30 September 2017 the NHS in Wales employed almost 80,000 full-time equivalent staff, excluding General Practitioners and those employed directly by General Practices.

The composition of the workforce is shown in [Exhibit 6](#).

[Exhibit 6: number of full-time equivalent staff directly employed by health bodies in Wales by staff group on 30 September 2017](#)

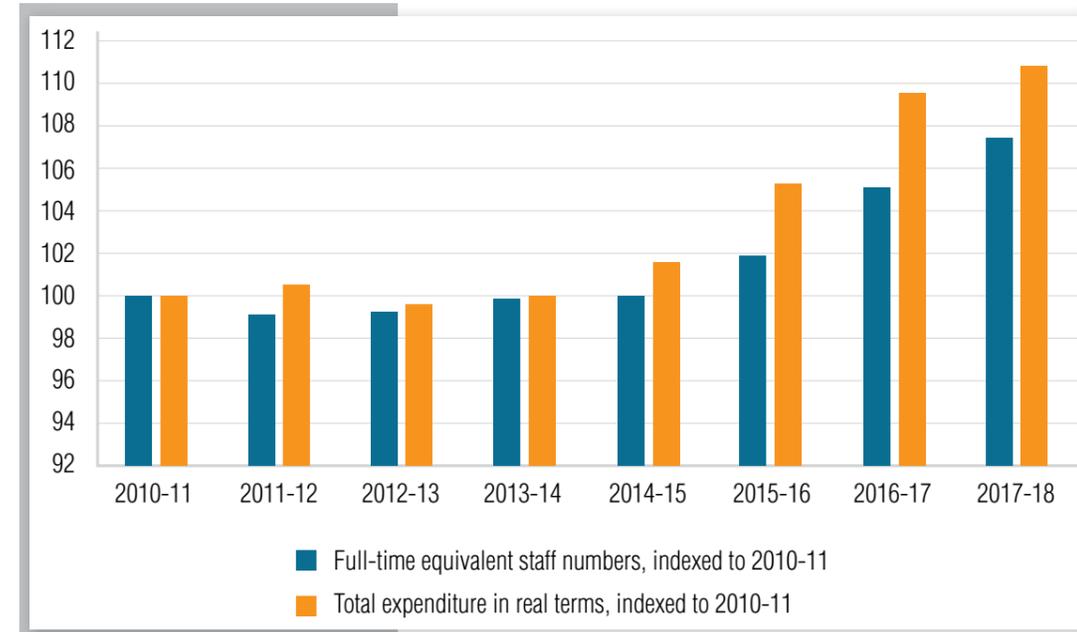
Staff group	Number of full-time equivalent staff at 30 September 2017	Proportion of workforce
Medical and dental staff	6,321	8.1%
Nursing, midwifery and health visiting staff	29,524	37.9%
Administration and estates staff	17,384	22.3%
Scientific, therapeutic and technical staff	12,799	16.4%
Health care assistants and other support staff	9,704	12.5%
Ambulance staff	2,084	2.7%
Other non-medical staff	101	0.1%
<b>Total</b>	<b>77,917</b>	<b>100%</b>

Source: NHS staff by staff group and year, StatsWales

The NHS workforce increased by 7.5% between September 2010 and September 2017. Medical and dental full-time equivalent staff numbers increased by 12.1% during this period and nursing, midwifery and health visiting staff increased by 4.7%.

Total pay expenditure increased from £2.92 billion in 2010-11 to £3.62 billion in 2017-18, an increase of almost 24% in cash terms. [Exhibit 7](#) shows real-term growth in total pay expenditure since 2010-11 and compares it with the increase in full-time equivalent staff numbers. The graph shows that, from 2014-15, both staff numbers and total pay began to increase, with total pay in real terms accelerating more quickly than full-time equivalent staff numbers.

[Exhibit 7: real-terms comparison of full-time equivalent staff numbers against total NHS pay expenditure in Wales between 2010-11 and 2017-18](#)



Source: Wales Audit Office calculations, drawing on data provided by Workforce, Education & Development Services, NHS Wales Shared Services Partnership

The growth in total pay expenditure relative to staff numbers shown in [Exhibit 7](#) cannot be explained by pay inflation among staff on substantive contracts, given that NHS staff have faced pay caps in recent years. Although not the only possible explanation, the growth in total pay is consistent with a significant increase in expenditure on temporary staff, whether via agencies or from other sources.





## Factors that have contributed to increased agency expenditure

The increase in expenditure on agency staffing is due to a range of factors that include:

- escalating hourly pay rates;
- increases in demand for services and changes to the way in which health services are delivered;
- skill shortages;
- difficulties recruiting and retaining staff;
- levels of sickness absence;
- the need to comply with the requirements of the Nurse Staffing Levels Act (2016); and
- actions taken in England to drive down agency expenditure making it more attractive to agencies to focus more directly on the market in Wales.

We were told that increasing numbers of doctors and nurses choose to work for agencies or on a self-employed basis rather than being employed directly by the NHS.

Anecdotal evidence suggests that the lack of public sector pay growth has been a key factor for people registering with agencies for additional shifts or simply leaving substantive posts to work for an agency.

Findings published in the National Institute of Economic and Social Research report [‘Use of Agency Workers in the Public Sector’](#), produced in 2017, suggest that other factors attracting individuals to agency work include:

- valuing highly the preference for flexible working and improved work-life balance, with the opportunity to pick and choose shifts to suit their needs;
- dissatisfaction with working conditions and workloads within the NHS;
- being paid more quickly, as agencies generally make weekly payments; and
- younger generations attaching less importance to job security and pensions, and their desire to experience career breaks.





## Part 2

**About 80% of agency expenditure is providing cover for vacant positions, but information on the number of agency staff used is limited**

Financial projections by health bodies indicate that £90 million (77% of total forecast agency expenditure) will be spent to cover vacant posts in 2018-19.

For the first six months of 2018-19 about 82% of total agency expenditure was covering vacancies, with most of the remainder covering additional activity and sickness absence. (See [Reasons for using agency staff in 2018-19](#))

Each health body holds data on how many agency staff they use, and why. But there is still no all-Wales analysis of how many doctors, nurses and other staff are being hired through agencies, their specialties and their grades. The NHS is developing arrangements at an all-Wales level to better understand nursing and medical agency usage, which are the two largest areas of spend. (See [Availability of information about agency staff used](#))



## Reasons for using agency staff in 2018-19

The NHS in Wales has only recently begun to analyse at a national level the reason for each instance of hiring agency staff.

The financial position of individual organisations and the overall financial health of NHS Wales is monitored using monthly financial returns submitted by each health body to Welsh Government. Since April 2018 these financial returns require health bodies to provide an analysis of the reasons for incurring agency expenditure.

Most of those we spoke to in preparing this report were confident that the need to cover vacant posts accounted for most expenditure on agency staff. The financial returns by health bodies bear out this confidence.

- 77% of forecast agency expenditure for 2018-19, reported by health bodies at the end of April 2018, was to cover vacant posts; and
- 82% of the £66.8 million spent on agency staff during the first six months of 2018-19 was covering vacancies. Six per cent of the reported agency expenditure reflected the need to cover for sickness absence, while 8% was needed for additional activity.

Vacancies are reported at a national level based on 'advertised' posts. NHS Wales acknowledges that this reported data about the number and nature of vacancies is only a proxy for the true number of vacancies and does not give the true vacancy position.

Most organisations do not have a defined substantive staff complement to give a baseline to measure vacancies. Reporting vacancy rates based on 'advertised' posts can lead to:

- 'double counting' of vacancies because posts may be advertised more than once before they are filled; and
- vacant positions not being reported if the position is not being recruited to.

We found that, despite the reported link between agency expenditure and vacancies, there is no correlation between month-to-month changes in the number of advertised vacancies and corresponding fluctuations in agency spend.



## Availability of information about agency staff used

Health bodies hold data on how many agency staff they use, who the individuals are and what they are used for. But this data is not collected in a common NHS-wide system, nor is it shared with other health bodies.

By not sharing information there is a risk that individuals may work excessive hours across different health boards, potentially putting patient safety at risk. Also, it is harder for NHS Wales to prevent fraudulent practices, such as people working for agencies whilst on sickness absence from their NHS employer.

Data produced at a national level on agency usage is limited but is developing. To better understand the use of agency doctors and nurses, which are the two largest areas of agency spend:

- spending data on agency nurses that is collected by a sub-group of the Temporary Nurse Staffing Capacity Steering Group is being converted to whole-time equivalent staff for each agency supplier since April 2017. This gives a better understanding of the volume of agency staff engaged as well as the cost. However, the data is collected independently of the financial monitoring returns submitted by health bodies to Welsh Government and is not consistent with the agency spend reported by Welsh Government.
- health bodies are submitting data about their use of agency and locum doctors to Welsh Government following the introduction of Welsh Health Circular 2017-042 'Addressing the impact of NHS Wales Medical and Dental Agency and Locum deployment in Wales' in October 2017 (see [National Initiative – Controlling the cost of medical and dental agency staff](#) for detail on the Circular). However, the data reflects 'bookings' made in the month rather than expenditure incurred. The bookings may be worked and paid for over a period covering more than one month or may not be worked in full if it is a 'call off' booking.





## Part 3

# NHS Wales is seeking to reduce the demand for agency staff as well as controlling the price it pays for them

In seeking to reduce agency expenditure, NHS Wales bodies generally deploy a two-pronged combination of:

- reducing the need to hire agency staff; and
- where they are hired, paying less than before to do so.

NHS managers generally hire agency staff only as a last resort. Initiatives at individual health bodies to reduce the demand for agency staff focus mainly on: recruiting and retaining more staff; reducing sickness absence; and improving rota management and job planning.

NHS Wales has put in motion a number of national workforce initiatives aimed at increasing the attraction of the health service as an employer and therefore reducing the demand for agency staff. (See [National workforce developments](#))

The demand for agency staff has fuelled competition between health bodies and driven up rates of agency pay, particularly in areas of skill shortages. Health bodies are working together via all-Wales working groups to control the cost of using nursing and medical agency staff. In this report we profile two national initiatives:

- the introduction in 2017 of capped rates of pay for nursing agencies with a focus on eradicating 'off-contract' agency usage, led by the Temporary Nurse Staffing Capacity Steering Group. (See [National Initiative – Controlling the cost of nursing agency staff](#))
- the introduction of arrangements in November 2017 to drive down both the volume of medical and dental agency and locum use and its cost, which took account of detailed work undertaken by the Medical Workforce Efficiency Group. (See [National Initiative – Controlling the cost of medical and dental agency staff](#))



Use the data tool to look at expenditure on Medical & Dental and Nursing & Midwifery agency staff at the six largest health bodies between 2012-13 and 2017-18. [↗](#)

## National workforce developments

National workforce developments and initiatives aimed at increasing the attractiveness of NHS Wales as an employer, and therefore reducing the demand for agency staff, include:

- the recent creation of the special health authority Health Education and Improvement Wales whose key functions include: education and training, workforce development and modernisation, leadership development, strategic workforce planning, workforce intelligence, careers and widening access.
- the campaign to attract high calibre health professionals by promoting Wales as an excellent place for doctors and dentists to train. The campaign<sup>1</sup> promotes initiatives such as:
  - the [Less Than Full-Time Training policy](#);
  - the [Wales Clinical Academic Track \(WCAT\)](#) scheme; and
  - the new [education contract for junior doctors](#) which ring-fences time for learning opportunities during the working week to support career development, a UK first.
- The [Train Work Live](#) national campaign launched in 2016 to promote Wales as an attractive place to work for GPs and other doctors.
- The recent pay agreements for the NHS Wales workforce. The pay deals agreed for doctors, nurses and other NHS staff include a range of pay and non-pay measures aimed at providing better terms and conditions for NHS Wales staff and thereby improving recruitment and retention within the workforce.

<sup>1</sup> <https://www.walesdeanery.org/future-doctors-and-dentists---come-and-train-wales/future-doctors-and-dentists---come-and-train>





## National Initiative – Controlling the cost of nursing agency staff

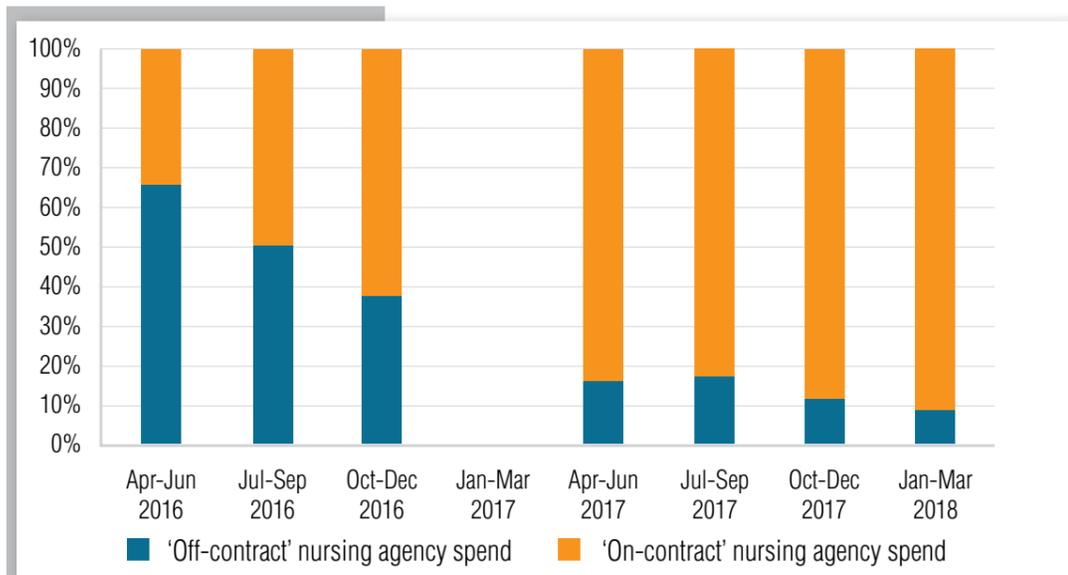
Framework agreements for supplying agency nurses have been in place since 2006. Such agreements avoid the need for each health body to conduct procurement exercises before hiring agency staff. The current All Wales Agency Framework Contract came into effect on 1 April 2017 and introduced capped hourly rates of pay to nursing agencies. The contract has a duration of 24 months with the option to extend for up to a further two years.

Suppliers of agency nurses through a framework contract are referred to as ‘on-contract’ agencies. Agencies that are not part of a framework contract, referred to as ‘off-contract’ agencies, generally have a higher hourly charge to health bodies than ‘on-contract’ agencies.

The Temporary Nurse Staffing Capacity Steering Group was set up in 2015 to explore how health bodies in Wales can work together to address the growing concern over high cost and escalating nursing agency spend. The group aims to eradicate the use of ‘off-contract’ agencies to meet the demand within NHS Wales for temporary nurses.

Exhibit 8 shows there has been a reduction in the proportion of nursing agency expenditure. ‘Off-contract’ agency spend across Wales fell from 65% at the beginning of the 2016-17 financial year to an average of 14% for the 2017-18 financial year.

Exhibit 8: proportion of nursing agency expenditure spent with ‘off-contract’ and ‘on-contract’ agencies



Note: Data for the period January 2017 to March 2017 is not available.

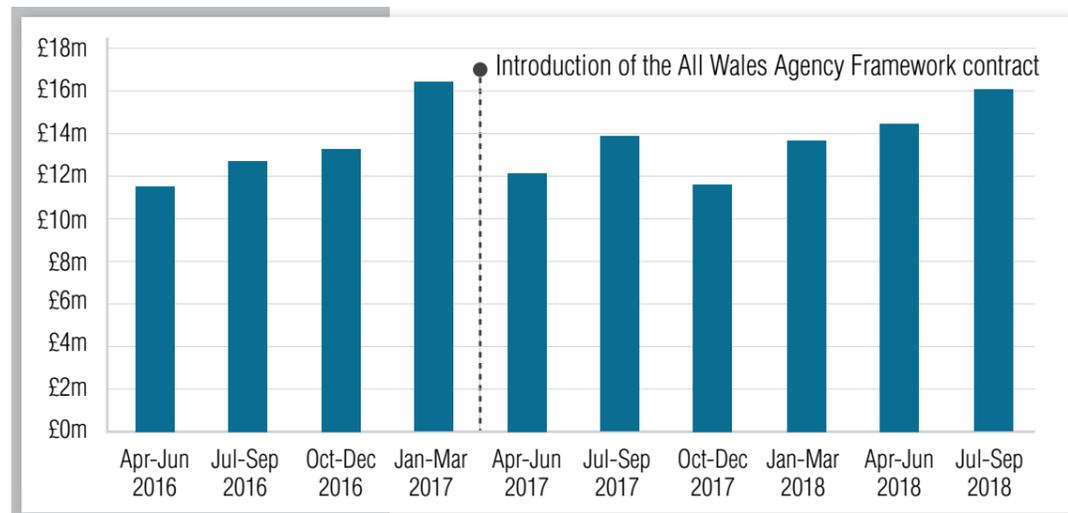
Source: NHS Wales Shared Services Partnership

We were told that two main factors have been instrumental in achieving this significant and consistent decrease in the use of ‘off-contract’ nursing agencies:

- the commitment from health bodies to use agencies on the framework contract as much as possible and not to breach the contract’s capped rates; and
- setting capped rates that are deemed to be good but not excessive so that the framework contract can supply the agency nurses needed.

Despite the success in reducing the proportion of ‘off-contract’ agency expenditure, Exhibit 9 shows that agency expenditure on nurses and midwives in the first two quarters of 2018-19 is greater than it was in the corresponding periods in 2016-17 and 2017-18. Data is not available to fully explain the reasons for expenditure increasing.

Exhibit 9: expenditure on Nursing and Midwifery Registered agency staff from April 2016 to September 2018



Source: Workforce, Education & Development Services, NHS Wales Shared Services Partnership





## National Initiative – Controlling the cost of medical and dental agency staff

Welsh Government issued Welsh Health Circular 2017-042, 'Addressing the impact of NHS Wales Medical and Dental Agency and Locum deployment in Wales' (the Circular) in October 2017.

The Circular sets out the arrangements for:

**'a programme of coherent and coordinated system-wide action across the NHS in Wales aiming to drive down agency and locum deployment and expenditure whilst maintaining the delivery of a safe and sustainable service across Wales'.**

The programme aims to:

**'encourage return of people to the NHS labour market so improving regular workforce supply and quality and consistency of care to patients; increasing the equity and transparency of reward systems and reduction of internal wage competition; and reduce the overall spend whilst we focus on the underlying causes'.**

The Circular was developed by Welsh Government in partnership with the NHS in Wales, taking account of detailed work undertaken by the Medical Workforce Efficiency Group. This group was established in 2017 with aims and objectives that, if achieved, should reduce both reliance on and cost of agency doctors across NHS Wales. The membership of this group is drawn from Welsh health bodies and NHS Wales Shared Services Partnership.

The Circular sets out a national control framework of limits and targets for agency and locum deployment and expenditure, clearly defining the respective roles and responsibilities of Welsh Government and health bodies, and setting out a performance management regime at local and national levels.

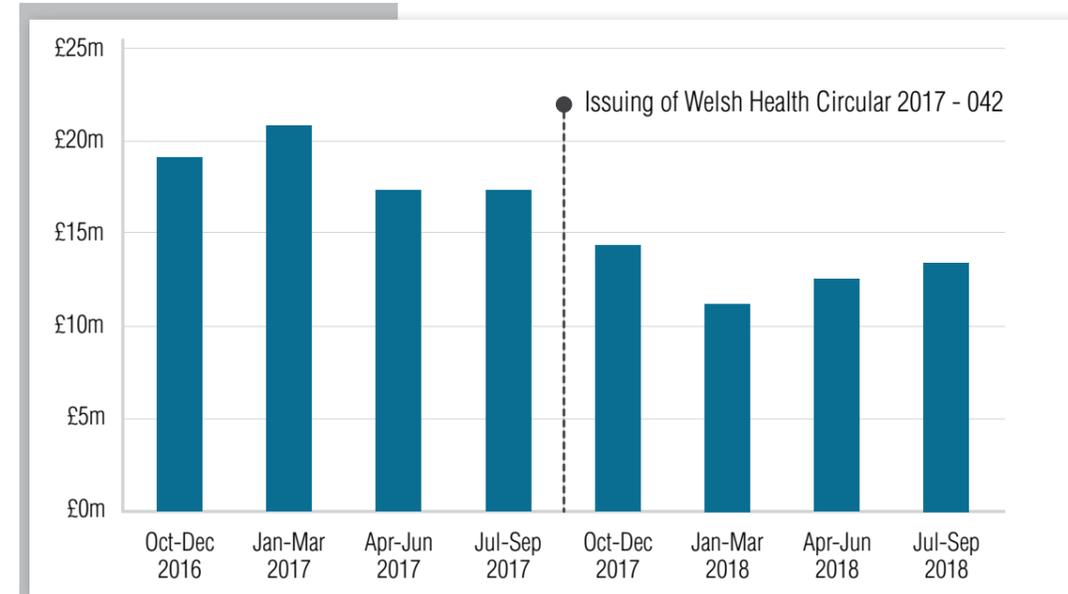
A key feature of the control framework is the introduction of price caps for all medical and dental agency workers. The framework includes provision for health bodies to override the price caps under prescribed circumstances, which is not the case for nursing agency staff.

The Circular has improved controls over the authorisation of expenditure. The price caps can only be breached following internal escalation processes that require authorisation at Executive level following a robust risk assessment of the impact on patient safety.

The Circular refers to the establishment of a Workforce Delivery Unit to provide central capacity for scrutiny, identifying and sharing effective practices and targeted interventions to tackle specific issues or priorities. The Workforce Delivery Unit would also analyse the monthly data returns submitted by health bodies on medical and dental agency usage set out in the Circular 2017. The Workforce Delivery Unit had not been established at the end of our fieldwork.

Exhibit 10 shows that since the introduction of the Circular in November 2017, expenditure on medical and dental agency workers has reduced. However, the lack of data available means that NHS Wales is unable to ascribe the entire fall in expenditure to the impact of the Circular. Other factors may have contributed to this reduction, such as the hiring of fewer staff and the use of alternative temporary staffing solutions.

Exhibit 10: expenditure on Medical and Dental agency staff from October 2016 to September 2018



Sources: Workforce, Education & Development Services, NHS Wales Shared Services Partnership, and Welsh Government





## Part 4

# We identified two key challenges to improving the management of agency staffing expenditure

This report does not attempt to evaluate the effectiveness of the actions taken to control the use of agency staff. However, we have identified two factors that we consider key to underpinning the management of agency expenditure in the wider context of temporary staffing across NHS Wales.

- 1 To gain a deeper understanding of the root causes of agency spend NHS Wales needs consistent and comparable data at an all-Wales level on:
  - the volume, nature and cost of agency staff used; and
  - the impact of changes in agency expenditure on other temporary staffing costs, such as overtime and internal staff banks. (See [Developing all-Wales information to better understand and manage agency expenditure and usage](#))
- 2 The working groups established by NHS Wales to reduce nursing and medical agency costs are delivering much of what they set out to achieve. But the next steps in managing agency expenditure are expected to require the consistent implementation of difficult decisions across Wales. To achieve this, future projects to manage agency and other temporary staffing expenditure will therefore need strong leadership and the capacity to drive change in a timely fashion. (See [Leadership of future initiatives to manage agency and other temporary staffing expenditure](#))



## Developing all-Wales information to better understand and manage agency expenditure and usage

Information on agency cost and usage at a national level is limited. Data is held by individual organisations but is not easily accessible in a consistent form.

We consider that action to further develop two data-related themes is necessary to manage agency expenditure more effectively at a national level.

1

### **The ability to access and share consistent and comparable data held by individual NHS organisations at an all-Wales level.**

This will allow information to be produced that is detailed enough to understand and explain:

- the volume of agency staff used;
- the frequency and regularity with which they are used;
- the roles they fill;
- the reason for needing them; and
- the cost.

Such information has the potential to inform and significantly enhance workforce planning across NHS Wales.

2

### **The ability to assess agency spend and usage data in the context of other temporary staffing costs.**

A fall in agency spend or usage may lead to increases in other areas of temporary staffing such as overtime and internal bank working.

NHS Wales needs to be capable of evaluating reductions in agency expenditure and fully understanding consequential changes in agency expenditure on other forms of temporary staffing.





## Leadership of future initiatives to manage agency and other temporary staffing expenditure

The Temporary Nurse Staffing Capacity Steering Group and Medical Workforce Efficiency Group have made positive contributions to reducing agency expenditure and are delivering much of what they set out to achieve. The groups rely heavily on the commitment of members and on partnership working. But, at times progress with developing and implementing change is hampered by:

- difficulties in reaching consensus before making decisions; and
- the lack of staff capacity to carry out work outside meetings of the groups.

In our view, a step change is needed to drive forward projects focusing on managing temporary staffing expenditure with greater pace and consistency.

Future national projects that are set up to manage expenditure on agency and other temporary staffing, such as developing the capacity and usage of staff banks, will need:

- leadership of sufficient seniority and membership of sufficient authority to make difficult decisions and drive change in a consistent way across the whole of NHS Wales;
- the financial, staffing and technological support needed to support and deliver the work; and
- a structure that is closely linked with wider workforce planning considerations.

