

<b>Meeting title:</b>	Trust Board	<b>Public Trust Board paper J</b>			
<b>Date of the meeting:</b>	11 <sup>th</sup> April 2024				
<b>Title:</b>	Agency compliance, usage & reduction				
<b>Report presented by:</b>	Clare Teeney Chief People Officer				
<b>Report written by:</b>	Charlotte Whyman, Head of Recruitment & Resourcing				
<b>Action – this paper is for:</b>	Decision/Approval		Assurance	x	Update
<b>Where this report has been discussed previously</b>	N/A				

**To your knowledge, does the report provide assurance or mitigate any significant risks? If yes, please detail which**

This report provides an update and assurance against the existing BAF Risk '10-PCC - Failure to recruit, retain, redesign and transform the workforce' by providing assurance on controls and governance around our temporary staffing workforce together with an agency reduction programme which aligns to substantive recruitment.

**Impact assessment**

This report demonstrates how the agency reduction and compliance programme has a direct impact on workforce staffing, finance and patient care. Increasing our substantive workforce, decreasing our reliance on agency workers impacts positively on our workforce, consistency and quality of care and finances.

Acronyms used:

**Purpose of the Report**

To provide an update and assurance on the programme of work to ensure compliance and governance on agency usage in accordance with the NHSE Agency rules and the work being undertaken to reduce our agency usage to ensure a positive financial impact in addition to positively impacting our existing workforce in terms of capacity and substantive recruitment, which will have a positive impact on consistency and quality of patient care.

**Recommendation**

The Board is asked to:

- Note the content of the report in terms of levels of compliance against the NHSE Agency Rules and receive assurance on the governance and oversight of agency usage and correlated spend.

## Summary

This paper provides an update of our compliance with NHSE Agency rules, overall usage and spend. The paper also describes key areas of focus for 24/25 for NHS Trusts.

## Main Report Detail

### **Agency Compliance**

We continue to progress to a position of compliance in accordance with a number of the Agency Rules.

The areas outstanding remain the use of off framework agency supply, price cap compliance and non-clinical agency use.

In relation to the removal of off framework supply, we are working to procure on-framework suppliers so we can transition throughout April with the aim to remove all of the off-framework usage (one supplier). We currently require the supply to continue due to patient safety as this relates to health care security within ED and with the most highly challenging patients. Recruitment is underway to recruit to our bank for healthcare security officers, so we have an internal supply of workers and to reduce agency usage overall in this area.

In relation to price cap compliance our 3 challenging areas are medical agency, nursing critical rate areas such as ED, ITU, midwifery and children's and radiology. However, overall, UHL are one of the lowest in the Midlands region of rate cap non-compliance, but this will remain an area of focus for us into 24/25.

There remain 4 non-clinical / estates agency workers who are required to continue to complete specific projects. There is an exemption under the Agency Rules as they are required for special projects, such as digital transformation and capital projects.

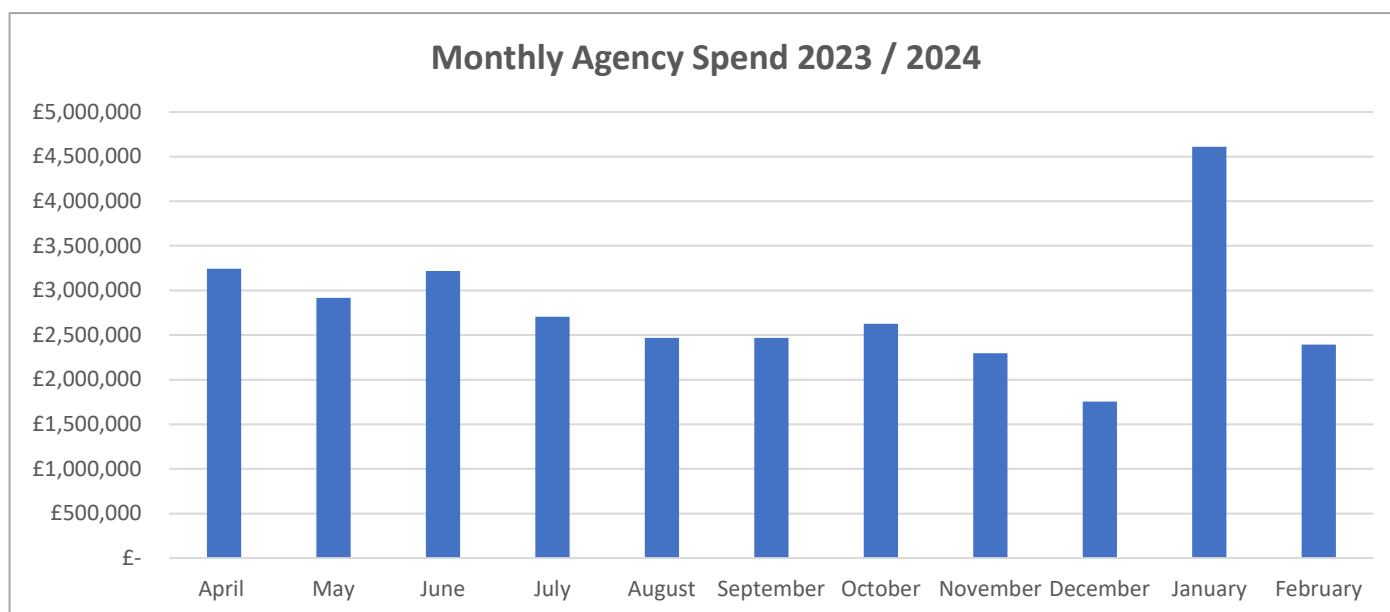
Details of progress and actions against the transition plans are below: -

Agency Rules	Current Position	Actions to improve compliancy
Agency spend 3.7% of total pay spend	Month 11 spend - 3.4% of total pay spend	Compliant
Use framework suppliers	Plan to remove off framework supplier by 31 March 2024	On framework suppliers being procured to supply agency workers from end April 24. Recruitment ongoing to strengthen internal bank for future supply to reduce agency use in the financial year 24/25.
Procure all agency staff at or below the price caps (calculated at 55% above basic substantive pay rates for ALL staff);	<ol style="list-style-type: none"> <li>1. All Medical Agency (driven by wider supply/market issues)</li> <li>2. Radiology (AHP) to meet additional demand</li> <li>3. Nursing (Childrens/midwifery/ED/ITU)</li> </ol>	<ol style="list-style-type: none"> <li>1. Medical agency: EMAP collaboration to work with Framework for Medical regional rate card to drive rates toward NHSE caps</li> <li>2. Radiology: Review of AHP Workforce needed to confirm budgeted establishments &amp; create workforce plan to bridge the gap and reduce reliance on agency.</li> <li>3. Nursing: Meets break glass exception for patient safety</li> </ol>
Agency & bank shifts at £100 an hour or more and above price cap must be signed off by the chief executive		Compliant

Agency Rules	Current Position	Actions to improve compliancy
Agency shift below £100 and/or 50% above the published price cap rate, signed off by an executive director.		Compliant
Remove non-clinical agency	On plan to remove by 31 March 2024	1 non-clinical agency worker will continue until 30th April 24. Extension request via Special Projects exemption until 31 <sup>st</sup> July 2024 due to extension of project 3 Estates project managers required for Capital projects – extension request via Special Projects exemption.

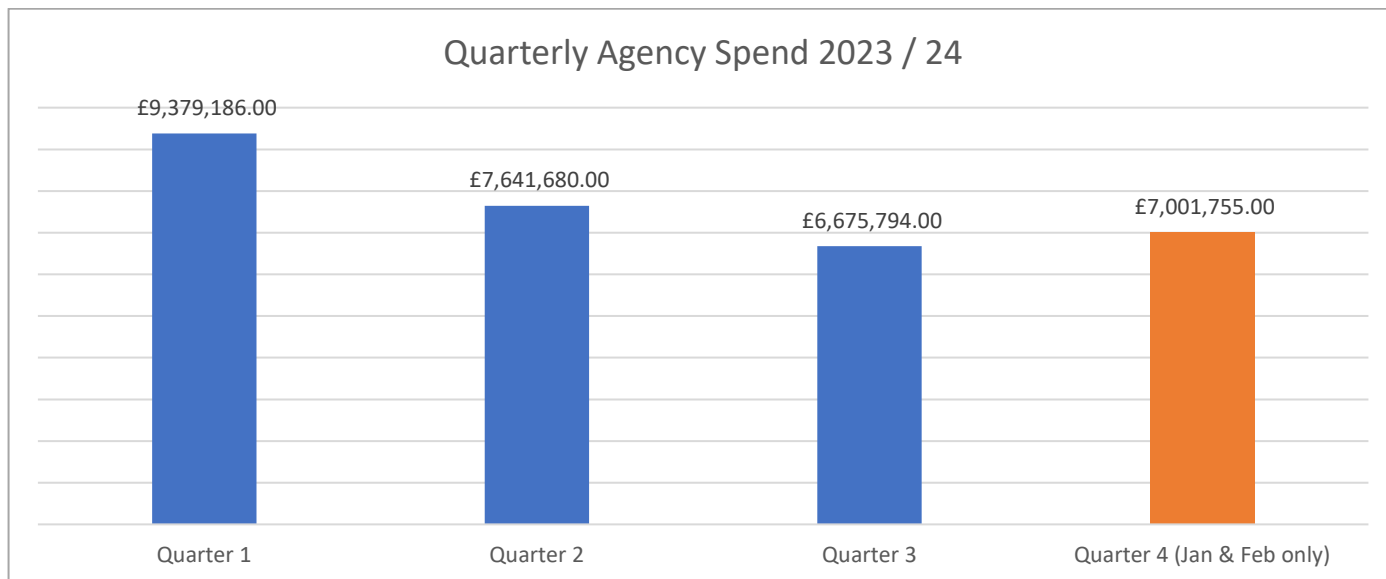
### Agency spend and reduction of use

In terms of agency spend, the month 11 position is shown below and demonstrates an overall reduction in spend from Month 1 (January 2023) to Month 11 (February 2024).



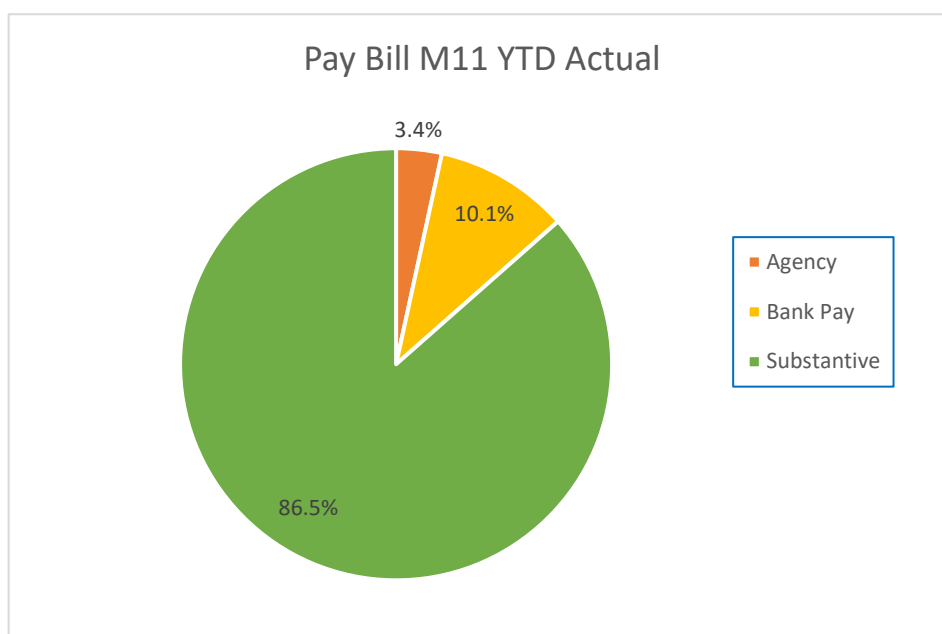
Please note: as referenced in the previous Board report, the increase in pay shown in month 10 (January 2024) is a result of the off-framework agency cost being re-coded from non-pay to pay. Prior to January 2024, all of the spend for this agency was coded into non pay which was discovered as part of the activities which form part of the Agency Oversight Group.

The overall cost reduction is significant, and we have seen reductions across each quarter of 2023 / 24 resulting in £2.7m less being paid in Q3 compared to Q1.



The increase in Q4 is due to the recoding of off-framework agency.

As outlined above we are compliant with the agency spend rule which stipulates that we should spend no more than 3.7% of our total pay bill on agency. The month 11 position indicates an agency spend of 3.4%,



However, it is anticipated that the continued focussed work on reduction of agency will deliver further reductions in spend into the 24/25 financial year. Governance around actions for ongoing compliance with the Agency Rules will continue to be via the Temporary Staffing oversight group which reports through to the Workforce Workstream of the Financial Sustainability Group.

A monthly breakdown of spend per month per CMG is provided in Appendix A.

## **Key Areas of Focus into 24/25**

Moving into 24/25 there will be an adjustment to the national target of 3.7% agency costs as a percentage of total bill. The target will reduce to 3.2% and we will be expected to achieve this.

There has also been a directive included in the Spring budget announcement on 6<sup>th</sup> March that NHS providers must not use off framework agency staffing from July 2024. It is expected that we will have achieved this prior to this date in view of our actions detailed above in respect of the transition plans to remove the 1 off framework supplier we currently have. In addition, we will adjust any escalation process which currently allows us to use the 'break glass' provision to override the framework rules on exceptional patient safety grounds.

There will also be the requirement to eliminate agency usage for band 2/3 roles, the continued rule of no admin and estates agency use and a reduction in price cap breaches.

There is already increased pressure from a national and regional perspective and the following two meetings are in the diary for April:

- 17 April – Meeting with NHSE Midlands Agency Programme Improvement Team to discuss the removal of off framework agency workers by July 2024 (this was triggered by the declaration of Secure Care which had previously been unreported in NHSE returns)
- 23 April – Meeting with NHSE Midlands Agency Programme Improvement Team to discuss agency reduction across LLR (will also involve LPT).

All of the above will be a focus for the Temporary Staffing Oversight Group in terms of actions and governance from April onwards.

## **Summary**

Agency usage and spend in terms of our overall workforce temporary staffing spend will be a focus into 24/25 in terms of further reductions in these areas. Compliance with NHSE Agency rules remains a priority, including the revised directives and governance and oversight of this will continue with the arrangements in place and regular reporting via the Trust Board.

Appendix A – Monthly breakdown of spend per month per CMG

CMG	April £ Actuals	May £ Actuals	June £ Actuals	July £ Actuals	August £ Actuals	September £ Actuals	October £ Actuals	November £ Actuals	December £ Actuals	January £ Actuals	February £ Actuals	March £ Forecast	Total
C.H.U.G.G.S	448,613	402,697	336,644	364,315	380,580	299,458	326,215	269,645	252,662	299,154	265,103	260,495	3,905,581
Central Division	49,976	49,974	37	86	125	-	-	343	343	435	99,322	-	99,758
Clinical Support & Imaging	393,377	469,395	309,047	229,610	312,412	421,408	361,108	277,414	34,988	157,562	187,257	258,959	3,342,561
Corporate	72,126	49,398	116,853	53,480	62,167	50,103	81,086	80,305	16,398	97,850	71,087	80,952	831,805
Emergency & Specialist Med	1,452,620	1,390,931	1,632,771	1,257,367	1,079,185	1,053,041	1,179,935	1,249,772	1,138,836	3,170,547	1,146,008	1,291,918	17,042,932
Estates & Facilities	454,795	194,897	231,036	267,502	232,958	29,030	195,649	34,215	77,600	44,827	94,684	82,838	1,813,542
I.T.A.P.S	84,546	80,691	87,067	57,120	7,651	210,673	79,349	40,870	86,238	127,424	106,362	76,257	1,028,946
Musculo & Specialist Surgery	225,405	269,756	336,301	270,023	219,913	276,982	188,650	185,982	31,537	341,649	216,074	176,721	2,738,993
Renal, Respiratory & Cardiac	33,949	89,715	86,983	107,424	21,233	44,573	73,777	79,196	95,787	164,340	82,243	73,159	952,380
Research & Development	6,699	3,176	116	116	638	-	501	-	5,883	5,883	805	-	10,775
Womens & Childrens	22,006	17,181	80,354	98,266	95,514	140,476	140,963	143,663	94,743	199,574	123,564	159,017	1,315,321
Grand Total	3,244,111	2,917,863	3,217,212	2,705,310	2,395,547	2,467,685	2,627,233	2,292,976	1,752,585	4,609,246	2,392,509	2,460,315	33,082,592