As a part of the QIPP challenge, NHS Trusts have been tasked with reducing the amount spent on agency and temporary staff by £300m by the end of the 2013/14 financial year. This represents a substantial challenge given that between 2007/8 and 2008/9 agency costs grew by around 50% to reach just short of £1.3 billion.

The challenge facing Trusts is more than simply a financial one. Evidence suggests that by reducing the amount of external agency staff they use, organisations can vastly improve the quality of service they offer to patients by ensuring that they have skilled staff that are familiar with how the Trust works.

It is important however to recognise that the use of temporary staffing, be that through an internal bank or external agency is often helpful in offering a degree of flexibility to the workforce, meaning that it is able to flex to changing levels of demand and service priorities. This should be done as part of a planned workforce solution however, meaning that Trusts are able to keep a tight control on what they are using and spending. The process is very closely linked with workforce planning, and an effective strategy for utilising temporary staffing should form a part of any workforce plan.

Nationally speaking there is an overarching target set by the Department of Health to reduce expenditure on temporary staffing by £300m based upon a baseline of £1.3 billion from 2008/09. In terms of price the main instrument in place on a national basis is the Government Procurement Services (GPS) temporary staffing frameworks.

The framework agreements aim to provide NHS organisations with best possible value for money when sourcing temporary staff from a commercial supplier. They offer assurance that temporary staff supplied are of sufficient quality, having undergone the required employment checks in accordance with mandatory NHS Employment Check Standards. Factors relating to patient safety and clinical governance were major drivers in setting up the framework agreements. All appointed suppliers undergo ongoing performance management through auditing procedures outlined below.

The frameworks set out terms of business such as the conditions of contract, and provide legal protection to NHS organisations. GPS framework agreements are pre-tendered and fully EU-compliant, saving time and money in procurement.

Using existing contracts and framework agreements can deliver significant efficiency savings for your organisation. By aggregating demand with that of other public sector organisations, NHS organisations can achieve highly competitive prices and benefit from standardised conditions that comply with the latest legislation. Contracts can be awarded under the framework agreement without the need to re-advertise and undertake a full procurement exercise.

There are numerous factors that contribute to agency use within organisations, ranging from covering for sickness and planned leave, to increased levels of service demand, and recruitment and retention difficulties.

As mentioned above, a high volume of agency usage often leads to organisations facing an increased wage bill and often can have an adverse impact on the quality of service offered to patients. Therefore this is an area many NHS Trusts are looking to address. Generally speaking NHS Trusts are looking at addressing the issue through two main routes, namely the volume of temporary staffing used and the unit cost of temporary staffing (see below for more information).
There are four separate agreements currently in place. These are:

- medical locums (excluding GPs)
- nursing
- allied health professionals and health science services (AHP and HSS)
- Non-medical, non-clinical staff (NMNC).

These agreements however will be changing in 2012. A renewed version of the medical contract is due to come into place in June this year, and a consultation exercise is due to start shortly aimed at consolidating the three other frameworks into a larger ‘Agenda for Change’ Framework, and NHS Trusts will be given the opportunity to feed into this process.

In addition to this there are also region-wide approaches in place to help employing organisations achieve economies of scale when acquiring agency staff, such as the one run by the SBS North Western Procurement hub.

In terms of volume NHS Employers has been commissioned by the Department of Health to produce a series of resources to assist organisations, more detail of which is provided below.

**Benefits**

By reducing the volume and price of agency staff organisations are often able to achieve an improvement in the quality of care they are able to provide as well as making significant financial savings.

**Useful Tools/Activities**

The NHS Employers Website contains a number of resources which will help NHS Trusts to reduce both their agency use and their expenditure on temporary staffing.

These include:

- A series of good practice case studies based around 5 High Impact Actions that have been identified as being vital to reducing agency spend (please see below for more detail).

- How-to guides covering areas such as managing planned leave, the agency workers regulations, VAT and agency workers and the Government Procurement Services agency frameworks.

- A series of top tips outlining small steps that organisations can take that can have a big impact.

- A productivity network is in development that will aim to bring together those in strategic positions with an interest in agency spend, through an online forum and a series of targeted seminars, webinars and workshops.

- Details of the productivity events to be held in May (see ‘Key Dates’ Section)

**Five high impact actions**

To help organisations achieve the reductions in expenditure expected of them under the QIPP (Quality, Innovation, Prevention and Productivity) agenda, five ‘high impact’ actions for effectively managing your temporary workforce have been identified.

These actions are based on evidence from NHS organisations that have been successful in managing their temporary workforce and show the key actions all organisations should complete to ensure the most effective use of their temporary and flexible workforce.

The five ‘high impact’ actions are:

1. Increase understanding of the issue
2. Manage the process and take control
3. Manage your workforce, create a sustainable supply
4. Work collaboratively
5. Engage with staff

More information on the actions, including specific tasks that Trusts can undertake to implement the changes can be found on the NHS Employers website.

**Useful Links/Resources**

All resources relating to the NHS Employers Agency Programme can be found on the [NHS Employers website](http://www.nhsemployers.org).

**Contact for Further Information**

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**Key Dates**

There are three workforce productivity events planned in early May that will cover Sickness Absence as well as agency reduction. The events comprise of a carefully selected mix of keynote speakers, presentations from organisations engaged in good practice and interactive exercises. These events will offer delegates an opportunity to hear from respected national commentators on delivering a productive workforce alongside real life accounts from NHS colleagues leading highly successful local programmes to reduce sickness absence and agency spend.

The events will be held in London on May 2nd, Birmingham on May 9th and Leeds on May 10th and more information can be found [here](http://www.nhsemployers.org).