Using workforce intelligence to reduce agency spend

Dorset County Hospital NHS Foundation Trust has successfully implemented a programme to reduce temporary staffing costs, saving approximately £70,000 a month in 2011/2012 and with ongoing benefits.

High impact change 1:
Increase understanding of the issue

The trust recognised the need to examine patterns of staff use and agency spending to identify where savings could be made without there being a corresponding negative impact on services.

What we did:

Looking at statistics we found that annual temporary nursing staff costs peaked at £3m in 2010/11. One third of this money went on agency spending, and two-thirds on bank expenditure. We calculated that we paid £200,000 in agency margins, which provided no benefit to the organisation.

High impact change 2:
Manage the process and take control

A workforce project manager was appointed (from within the existing HR resource) and, in April 2011, began consultations on standardised shifts. A rolling programme to implement all necessary changes to existing local arrangements ran over the subsequent nine months.

What we did:

We began with data from all available sources. We used the Electronic Staff Record (ESR) to understand the vacancy factor and sickness by type and duration, and the bank system to understand temporary staff use by date and time. We cross-referenced this with ward rosters to understand allocation of annual leave and days off. We looked for evidence of cause and effect. We assessed the planned and reasonable use of temporary staff and highlighted inefficiency and waste. This understanding provided a solid basis of precisely what areas needed to be addressed.

High impact change 3:
Manage your workforce, establish a sustainable supply

The trust was clear on its intention to reduce expenditure for which it received no benefits, while also maintaining safe and efficient service delivery.

What we did:

We reviewed and standardised shift patterns to control handover periods and established the option for 'long days' (i.e. the option of two overlapping 6.5 hour or one 12 hour shift). We assessed all the HR policies relevant to effective staff planning. These included annual leave, sickness absence, staff rostering and flexible working arrangements. These policies were revised to ensure appropriate focus on patient outcomes. We then reviewed the basic control processes for recruitment, bank and agency use. We expanded our nurse pool and implemented proactive nursing recruitment events. Authorisation processes for bank and agency use were strengthened to make the reason for use explicit.

The project created increased awareness. Data was shared weekly with the executive team and senior managers. We highlighted dissatisfaction with the current position and set goals to eliminate 95 per cent of the nurse agency spend. Proposed policy and process changes were agreed and then shared with matrons and ward managers.

High impact change 4:
Work collaboratively and demonstrate leadership

Effective team working at all levels in the organisation was key, and the successful implementation of day-to-day control and process changes relied upon strong leadership from ward managers and matrons.

What we did:

The overall plan required extensive team working with divisional workforce managers, ward managers, the recruitment and bank teams, matrons, divisional managers and executive leads. Without the strong and consistent leadership of ward managers and matrons, improvements would not have been achieved.

Some resistance to the changes was encountered, but this was limited. The workforce project manager found that, in the face of accurate and timely facts and figures (effective workforce intelligence), resistance tended to melt away. Also, a policy of safe ward staffing was maintained throughout the process. We continued the analysis of why bank and agency is being used. Sharing data weekly in an open and transparent way is essential. Education of staff is important and we are reviewing training for Band 6 and 7 roles to further develop staff planning and budgetary management skills. The improvements are credited to ward managers for successfully implementing the changes. The savings are embedded within ward budgets.

High impact change 5:
Engage with staff

Effective engagement with staff was an important enabler towards achieving a 'culture change', which will ensure sustained improvement.

What we did:

Regular communication and updates have helped to bring staff on board with the changes, but more importantly the trust culture has changed. Ward managers have become increasingly focused upon managing resources effectively within budget, while also maintaining high levels of patient safety and care. Independent assessments confirm that quality standards have improved as the reliance on temporary staff decreases.

Results and next steps:

The results, thus far, have been significant: the average nurse agency cost in 2010/11 was £75,000 per month. The run rate for the last six months to March 2012 was just £2,500. The forecast full year expenditure on all temporary staffing for 2011/12 is £2.2m, with the largest reduction being in nurse agency costs (down by over 70 per cent in-year).

Many lessons have been learned during the process, including the need to communicate the cost improvement consistently and relentlessly, the requirement for a proactive recruitment policy and the effectiveness of frequent, accurate and simple reporting.

The trust is now rolling out e-rostering to all staff groups. This will provide a new dimension to the data available and we will begin to identify and manage further cost pressures within other staff groups, including administrative and clerical, estates and medical staffing.

Case study: Dorset County Hospital NHS Foundation Trust