



**PWYLLGOR DIWYLLIANT, POBL A DATBLYGU SEFYDLIADOL
PEOPLE, ORGANISATIONAL DEVELOPMENT & CULTURE COMMITTEE**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	15 April 2024
TEITL YR ADRODDIAD: TITLE OF REPORT:	Workforce Efficiency Report
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Lisa Gostling, Executive Director of Workforce & Organisational Development (OD)
SWYDDOG ADRODD: REPORTING OFFICER:	Dan Owen – Senior Workforce Manager, People Effectiveness

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Er Gwybodaeth/For Information

**ADRODDIAD SCAA
SBAR REPORT**

Sefyllfa / Situation

In December 2023, the Welsh Government introduced a standard control framework for all health boards. This framework emphasised a phased approach to identify agency usage across all directorates. It was noted that national alignment of this workstream would enhance assurance across all systems. The objectives of this work are:

- Improve patient experience by delivering quality and safe care through our employed workforce who are familiar with our processes.
- Apply national terms and conditions transparently, consistently, and equitably, ensuring fair pay for our workforce's contractual and additional hours.
- Apply national terms and conditions for pay and reward transparently, consistently, and equitably for those working flexibly through the NHS Staff Bank.
- Achieve better value for NHS resources by reducing costs associated with unnecessary deployment of agency workforce at premium rates.
- Prevent inter-organisation competition for personnel, which leads to increased costs without additional workforce capacity.
- Identify strategies to fill long-standing, hard-to-fill roles that rely on agency cover.

Phase 1 required baseline returns to be submitted to the Welsh Government, detailing:

- The top agencies used, both on and off contract.
- Hours and expenditure for Nursing, Medical, Health Care Support Workers (HCSW) (Band 3 and 4), and Administration and Clerical roles (including estates and ancillary services).
- The top earners in each staff group from agency work.

This data was submitted to the Welsh Government on 19 January 2024.

Phase 2, titled "Enhanced Reporting," necessitates the creation of detailed action plans to reduce variable pay for the 2024-25 fiscal year. This phase includes the compulsory achievement of the following targets:

- Predict the additional flexible workforce capacity required in 2024-25, aligning with the organisation's Integrated Medium Term Plan/Annual Plan.
- Set ambitious targets to reduce the agency pay bill, focusing on the health board's largest areas of expenditure: nurse and medical pay.
- Aim to eliminate agency deployment for administration/clerical roles, HCSW's, and estates/ancillary roles. These roles should be filled through substantive employment or the health board's internal Bank if more flexibility is needed. Include a process for agreeing on exceptional safety-critical roles where an agency worker is required in the short term.
- Implement measures to deliver flexible capacity. Plans should outline the steps to reduce agency spend and the strategies to meet the predicted need for flexible capacity, such as increasing the Bank and substantive recruitment. Plans should focus on delivering the best value for money, avoiding simple cost transfers from one budget to another, and clearly outlining the risks to the plan's delivery.
- Implement transparent decision-making frameworks in each organisation in Quarter 1 of the 2024-25 fiscal year. This will ensure a consistent, rational, and transparent approach across NHS Wales organisations for deciding the most cost-effective way to cover workforce gaps, with appropriate controls over suboptimal choices, including Board-level scrutiny.
- Standardise Board Reporting, requiring Board reporting and scrutiny and Board approval of variable pay reduction plans for 2024-25.
- Establish national reporting and feedback on progress, with scrutiny at Joint Executive Team (JET) and Integrated Planning Quality and Delivery (IPQD) meetings.

Phase 3, starting from April 2024, will focus on implementation and feedback. This phase will include:

- Implementation of agreed plans by individual organisations.
- A national reporting mechanism to monitor the delivery of organisations against their plans.
- Organisational accountability ensured through Board scrutiny and focused accountability through NHS JET and IPQD meetings.

Cefndir / Background

Hywel Dda University Health Board's (HDdUHB) variable pay expenditure is significant and can be categorised into three groups: Agency, Bank, and Locum (Medical Bank). The largest staff groups for variable pay expenditure for Month 11 (February 2024) are as follows:

Agency	Bank	Locum Bank £2.5m
Nursing £1.8m	Health Care Support Worker £655k	Locum Consultant £1.4m
Medical £407k	Nursing £396k	Locum Speciality Doctor £591k
Health Care Support Worker £48k	Estates and Ancillary £183k	Locum Speciality Registrar £371k

Despite these expenditures, significant challenges persist in the identification of recruitment demands of all services within HDdUHB. This is evident across all staffing groups, from

HCSW to consultant level. Further strategies and initiatives may be required in order to address these challenges.

Significant efforts have been made to identify and stabilise the nursing workforce. This includes additional governance, revised agency escalation, and support from workforce pipelines, including the International Educated Nurses (IEN), Central Nurse Recruitment, and agency to substantive processes. These measures aim to address vacancy levels and eliminate high-cost agencies, including off-framework providers. As a result, there has been a decrease in nursing agency expenditure from £2.7m in Month 11 (2023) to £1.8m in Month 11 2024. This demonstrates the effectiveness of these strategies in reducing costs and stabilising the workforce.

The agency usage for Allied Health Professionals (AHPs) and Health Scientists has seen a significant reduction, due to the efforts of the workforce efficiency and resourcing teams. These teams have been instrumental in helping operational teams identify and onboard substantive staff, thereby reducing reliance on agency bookings. This has led to a decrease in agency expenditure from £115k in Month 11 (2023) to £37k in Month 11 (2024).

Additional controls have been implemented to oversee agency escalations. These are authorised by the weekly Financial Control Group (FCG), which is part of the Core Delivery Group (CDG). This ensures that decisions regarding agency usage are made in a clear, transparent, and equitable manner. The process also identifies fragile services and supports them with action plans to return to normal staffing procedures as soon as possible. This approach ensures efficient workforce management and cost control.

Asesiad / Assessment

Phase 2 – Action Plans to address agency usage.

To support Phase 2, a Variable Pay Expenditure Reduction & Efficiency Group has been established. This group, led by Assistant Director colleagues from Nursing, Medical, AHP and Health Scientists aims to oversee the main factors contributing to variable pay expenditure, including agency costs, overtime, and bank usage. The group will co-ordinate and oversee plans to reduce variable pay expenditure and financial run rates across medical, nursing (including HCSWs), AHPs, Health Scientists and administrative and clerical roles. This aligns with HDdUHB's organisational target of reducing agency expenditure by 50% for 2024/25.

The group will partner with operational teams to ensure a clear understanding of individual service/directorate variable pay levels and the highest earners. Detailed action plans to help reduce variable pay will be developed. This collaborative approach will ensure transparency and efficiency in managing workforce costs.

Medical

An enhanced escalation process has been established, with services required to complete a new AG1 form (request for agency worker form) which is required to be submitted to FCG prior to services contacting the managed service to fill an agency request. This process allows auditing to ensure the posts have been submitted to recruitment colleagues as a basic requirement to avoid agency usage.

Analysis has taken place of the top 10 agency usage across the medical directorates, and details have been collected relating to recruitment, medical workforce, finance, service

feedback and workforce effectiveness to ensure a partnership approach to the resolution and step down from the highest agency costs.

Of the top 10 agency workers reported in January 2024, 7 have exited for various reasons including, substantive recruitment, removal due to agency worker failing to re-negotiate rates, agency doctor terminated, and the merging of services with Swansea Bay University Health Board. The top 10 agency requests will be refreshed through our monthly reporting cycle to ensure control and governance.

Further work is ongoing to re-negotiate rates where agency workers fail to do this action plans are being drafted to support the services in practical options available to reduce the need to rely on agency. There continues to be an ongoing effort to strengthen our staffing efficiencies including centralisation of Clinical Fellow recruitment for specific specialties and planned local and centralised recruitment into Foundation Pathway. We continue to engage with the Welsh Governments ethical recruitment campaign in Kerala and are working to identify those gaps through Medical and Nursing as a priority.

Locum bank usage has been highlighted through the reporting process as a significant cost pressure within HDdUHB, a full review of locum bank usage will take place alongside the action plans linked to agency reduction. A medical bank worker locum booking request has been established to ensure that the onboarding of locum bank doctors meets the required governance and scrutiny as a first stage control.

Action plans are being drafted to support the directorate to initiate conversations linked to variable pay usage in the medical directorates. This will follow a Red, Amber and Green status linked to service fragility and service configuration.

Nursing

Continuing the stabilisation work of Phase 1 and Phase 2 of the IEN programme, a detailed programme has commenced to analyse the agency usage in Carmarthenshire by ward area, these areas have been Red, Amber and Green rated dependant on stabilisation, and those vacancies that require prioritising or service configuration requiring demand and capacity work. This process will commence with Glangwili General Hospital (GGH) and Prince Phillip Hospital (PPH), prior to being extended to the Pembrokeshire and Ceredigion localities.

The IEN Phase 3 is taking place in Pembrokeshire with the aim of reducing agency expenditure by reducing vacancy levels within Unscheduled Care, Withybush General Hospital (WGH). A detailed plan for placement of the IEN's is being agreed by the head of nursing and resourcing, targeting areas with high agency usage. The first cohort of IEN's from phase 3 are due to land May 2024.

Further work is ongoing to report on the demand and capacity of Section 25a areas (Phase 1) including the GGH Emergency Department and the PPH Acute Medical Assessment Unit (AMAU), highlighting the need for additional substantive budgets to manage the service and eliminate agency usage. The demand change was agreed in February 2024, with additional nurses being onboarded through agency to substantive conversation, central recruitment, IEN programme and student streamlining. With the conversion of 17 nurses, the cost saving of £680k will be delivered and the timeline for delivery is currently being finalised based on onboarding pipelines. As of February 23, 29 agency nurses have responded to our centralised nursing recruitment pathway across the health board, these nurses have been captured through our agency conversion process.

Additional work has been undertaken to right size Section 25b areas where additional pathways have been placed, however, these are not funded. The changes to Dewi ward

were agreed by CDG in December 2023 and have been transacted. Further discussions have taken place regarding Padarn ward GGH, Y Banwy BGH and Ward 1 PPH and the nursing staffing requirement for these wards will be reviewed as part of the spring 2024 calculation cycle. The outstanding service change wards are Cleddau ward (Unscheduled care, GGH) working as 21 bed, Rhiannon ward's enhanced care unit Unscheduled care, BGH) and Picton ward (Women and Children Directorate).

HCSW

The Mental Health and Learning Disabilities Directorate is currently an outlier in usage of HCSW agency, due to operational pressures and increased sickness. The usage of HCSW agency has increased during both the January and February 2024 reporting periods. A separate task and finish group is being established to support the directorate management in revising plans to reduce the requirement of agency and bank workers. A revised recruitment process to convert agency HCSW to substantive has been put in place to improve recruitment timelines, with 4 agency HCSW's being identified and requesting to convert to substantive staff. Reviews are taking place to understand the demand and capacity requirement in all areas, in particular the Psychiatric Intensive Care unit (PICU) where agency usage is high due to demands linked to enhanced patient care. A training needs analysis is being undertaken with MHLN nurse leads to ensure that substantive and bank staff are adequately equipped with the skills and knowledge to work within the directorate, recognising specialist patient need. This will improve recruitment and retention opportunities.

Daily reporting of HCSW agency is also being implemented to service leads and corporate nursing colleagues to highlight the current agency requirements for HCSW and to assess and review requests for the service. Whilst the service will not achieve the WG expectation of elimination by end of March, a significant improvement has been noted and work is ongoing to eliminate.

AHP/Health Science

A significant reduction in agency spend has already taken place through the enhanced governance process, which aligns with medical agency worker requests. All requests for agency workers are required to be submitted to FCG prior to services contacting the managed service to source agency cover.

Administration and Clerical (Including Estates and Ancillary Services)

Underlined in the Phase 1 reporting cycle was the bank usage which had been required to cover the following areas, Out of Hours Services (OOH) and WGH Accident and Emergency (A&E) Reception. These two areas are outliers for the highest usage of bank for administration and clerical, based on Month 11 OOH service (£9k) and WGH A&E Reception (£2k).

Estates and Ancillary Services currently utilise bank to support their operational delivery. The top four areas by spend based on Month 11 are GGH Hotel Services (£38k), WGH Hotel Services (£25k), Bronglais General Hospital Hotel Services (£16k), GGH Porter Service (£11k) and PPH Hotel Services (£10k). There remains one agency worker and so not compliant with WH circular. This is externally funded.

Future meetings will be undertaken across the services to better understand the usage and barriers to substantive recruitment.

Argymhelliad / Recommendation

The People, Organisational Development & Culture Committee is requested to:

- **NOTE** the content of the Agency Reduction Plan report.

Amcanion: (rhaid cwblhau) Objectives: (must be completed)	
Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	2.3 To provide assurance to the Board on the organisation's ability to create and manage strong, high performance, organisational culture arrangements.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not applicable.
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	3. Effective 4. Efficient 5. Equitable
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	5. Whole systems perspective 3. Data to knowledge 4. Learning, improvement and research
Amcanion Strategol y BIP: UHB Strategic Objectives:	All Strategic Objectives are applicable
Amcanion Cynllunio Planning Objectives	2c Workforce and OD strategy 1a Recruitment plan
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	2. Develop a skilled and flexible workforce to meet the changing needs of the modern NHS

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Included within the main body of the report.
Rhestr Termiau: Glossary of Terms:	Included within the main body of the report.
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Diwylliant, Pobl a Datblygu Sefydliadol: Parties / Committees consulted prior to People, Organisational Development & Culture Committee:	Executive Team. Core Delivery Group Variable pay expenditure reduction and efficiency group

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	This impacts on the financial position of the Health Board.
Ansawdd / Gofal Claf: Quality / Patient Care:	An efficient workforce is required to provide quality/patient care.
Gweithlu: Workforce:	This impacts on the current workforce as well as the future workforce.
Risg: Risk:	Risk and delivery of cost savings linked to IEN stabilisation.
Cyfreithiol: Legal:	All legal implications have been considered and safeguards in place.
Enw Da: Reputational:	Not applicable.
Gyfrinachedd: Privacy:	Not applicable.
Cydraddoldeb: Equality:	Not applicable.