



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

DYDDIAD Y CYFARFOD: DATE OF MEETING:	18 August 2022
TEITL YR ADRODDIAD: TITLE OF REPORT:	Workforce Efficiency
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Lisa Gostling, Director of Workforce and Organisational Development
SWYDDOG ADRODD: REPORTING OFFICER:	Sharon Richards, Senior Workforce Manager: Workforce Efficiency, Job Evaluation and Business Support

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Er Gwybodaeth/For Information

ADRODDIAD SCAA

SBAR REPORT

Sefyllfa / Situation

The purpose of this report is to present to the People, Organisational Development & Culture Committee (PODCC) an update on progress with the workforce efficiency agenda.

Cefndir / Background

In response to a request from the Executive Team, potential opportunities to deliver a £7.65m saving for a three-year Workforce Efficiency Programme have been scoped.

A range of workforce efficiency initiatives were explored e.g.:

- Workforce Planning, workforce modernisation and new role development
- Attendance management and employee well-being
- Employee relations management
- Terms and Conditions of employment
- Temporary workforce utilisation including agency SLA management
- Rostering
- Recruitment
- Retention
- Staff Benefits.

39 schemes were identified as potential opportunities to deliver workforce efficiencies (Appendix A).

An overarching Plan on a Page has also been developed setting out our approach for delivering this programme of work (appendix B).

Asesiad / Assessment

Where possible, schemes have been costed; others remain work in progress.

Each scheme has been assessed and assigned one of three categories:

- Category A – highest priority and significant investment of W&OD capacity in 2022/23, potential for a high financial return (12)
- Category B – medium priority and secondary investment of W&OD capacity in 2022/23, potential for a lower financial return (17)
- Category C – wider stakeholder engagement essential and longer lead in time, potential for a high/medium/low financial return (10)

The schemes that we feel reasonably confident that we can deliver and have the most financial return are set out below.

Scheme ref	Title	Description	Year 1 cash releasing
1	International Recruitment	International Recruitment Nursing - project to onboard minimum of 100wte	£703k
2	Strategic Turnover Reduction Plan	Implement the strategic turnover reduction plan and deliver a reduction of 1% in 22/23 resulting in reduced variable pay spend. Initial priority N&M staff group.	£477k
3	Sickness absence	Reduction in sickness absence and self-isolation (0.25%) resulting in reduced (15% backfilled in clinical areas where back-fill is incurred) variable pay spend through less cover	£120k
4	Allocate Roll-out Efficiency audits	Roll out of Allocate and ensure roster efficiency audits are measured for improvement in financial control via quantitative and qualitative benefits realisation tracker	See schemes 10 & 12
6	Strategic Recruitment Plan for N&M staff group	Implement the strategic recruitment plan for all staff groups and resulting in increase in substantive roles being offered. N&M staff group prioritised.	£422k
7	Medical Agency spend - Medacs	Improved control on Medical Agency Expenditure via Medacs Managed Service Model	£428k
8	Allied Health Professionals (AHP) / Healthcare Scientist Staff (HSS) agency spend - Medacs	Improved control on AHP/HCS Agency Expenditure via Medacs Managed Service Model	£85k
10	Nursing & Medical Agency (Linked to Scheme 4)	Improve control on Nursing & Medical Agency Expenditure	£264k
12	Eliminate Healthcare Support Worker (HCSW) agency (Linked to Scheme 4)	Eliminate HCSW agency expenditure	£58k

13	Non-clinical agency worker exit strategies	Review all Admin & Clerical and Estates & Ancillary (non-clinical) agency worker or contractor/strategic advisor bookings via a PO/invoice and focus on exit strategies	£170k
14	Eliminate non-medical finders' fees payments for perm agency recruitment activity	Eliminate practices/introduce strong governance of using perm recruitment finders' fees with the exception of M&D staff group.	£559k
34	DBS checks	From 6 th April 2022 the cost for Disclosure and Barring Service (DBS) checks is reducing	£8k

Risks to delivery

- W&OD Directorate are the 'enablers' for the majority of the schemes proposed in Category A. However, Managerial and Clinical Leads who are the budget holders for the costs will need to drive the implementation of many schemes which are not those identified as corporate led grip and control initiatives.
- High risk of potential for double counting with schemes identified at Directorate level as workforce budgets sit in Directorates.
- Moving from a two-year period where the focus on workforce has been well-being and now rest and recovery attempting to implement changes which affect pay for substantive workforce will be challenging in terms of impact on culture, Health Board values and employee engagement.
- High level assessment of opportunities and financial estimates have been calculated at pace - further detailed assessment is required per scheme and full engagement with strategic and operational delivery leads.
- Steady state needed for workforce issues during pandemic recovery stage I.e., stabilisation of labour market (price influenced by demand), stabilise retention and absence patterns.
- Staff contractual consultation and lead in times for some schemes to be delivered.
- Trade Union (TU) support for change management critical to delivery of some schemes.
- Service pressures/future waves of COVID-19 may increase demand for temporary workforce utilisation which may 'skew' the savings realised from the various schemes due to new cost pressures.
- Agency workers likely to resist change and negotiation strategies which affect pay as they are able to secure work elsewhere at same or higher rates.
- The removal of the interim enhanced pay provisions for some staff on 1st April (now extended into May 2022) will impact on substantive staff reaction to any further impact to earnings potential.
- Realising savings compared to 2019/20 pre-pandemic 'price' levels for temporary workforce supply will be challenging e.g., increase in control and reduced spend on overtime.

Individual action plans have been developed for Category A and B schemes and work ongoing with scheme leads to identify and track efficiencies.

Category C scheme opportunities will be further considered in September 2022.

Argymhelliad / Recommendation

For the People, Organisational Development and Culture Committee to receive assurance from the Workforce Efficiency Report of the work being undertaken to address the challenge of variable pay.

Amcanion: (rhaid cwblhau)	
Objectives: (must be completed)	
Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	2.1 To provide assurance to the Board on compliance with legislation, guidance and best practice around the workforce and OD agenda, learning from work undertaken nationally and internationally, ensuring Hywel Dda University Health Board (HDdUHB) is recognised as a leader in this field.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	N/A
Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	7. Staff and Resources 7.1 Workforce
Amcanion Strategol y BIP: UHB Strategic Objectives:	6. Sustainable use of resources
Amcanion Cynllunio Planning Objectives	1A NHS Delivery Framework targets
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2018-2019	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 report
Rhestr Termiau: Glossary of Terms:	Included within the report
Partion / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Diwylliant, Pobl a Datblygu Sefydliadol: Parties / Committees consulted prior to People, Organisational Development & Culture Committee:	Not applicable

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	Reduction in variable pay costs
Ansawdd / Gofal Claf: Quality / Patient Care:	Not applicable
Gweithlu: Workforce:	Workforce Planning, workforce modernisation and new role development Attendance management and employee well-being Employee relations management Terms and Conditions of employment Temporary workforce utilisation including agency SLA management Recruitment & retention
Risg: Risk:	Not applicable
Cyfreithiol: Legal:	Not applicable
Enw Da: Reputational:	Not applicable
Gyfrinachedd: Privacy:	Not applicable
Cydraddoldeb: Equality:	Not applicable

Workforce Efficiency



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

Table 1 – Category A schemes

Scheme ref	Title	Lead	Description	Year 1 cash releasing
1	International Recruitment	Sally Owen	International Recruitment Nursing - project to onboard minimum of 100wte	£703k
2	Strategic Turnover Reduction Plan	Sarah Jenkins	Implement the strategic turnover reduction plan and deliver a reduction of 1% in 22/23 resulting in reduced variable pay spend. Initial priority N&M staff group.	£477k
3	Sickness absence	Heather Hinkin, Suzanne Tarrant and Karen Ryan	Reduction in sickness absence and self-isolation (0.25%) resulting in reduced (15% backfilled in clinical areas where back-fill is incurred) variable pay spend through less cover	£120k
4	Allocate Roll-out Efficiency audits	Michelle James	Roll out of Allocate and ensure roster efficiency audits are measured for improvement in financial control via quantitative and qualitative benefits realisation tracker	See schemes 10 & 12
6	Strategic Recruitment Plan for N&M staff group	Sally Owen	Implement the strategic recruitment plan for all staff groups and resulting in increase in substantive roles being offered. N&M staff group prioritised.	£422k
7	Medical Agency spend - Medacs	Sharon Richards	Improved control on Medical Agency Expenditure via Medacs Managed Service Model	£428k
8	AHP / HSS agency spend - Medacs	Sharon Richards	Improved control on AHP/HCS Agency Expenditure via Medacs Managed Service Model	£85k
10	N&M Agency (Linked to Scheme 4)	Michelle James	Improve control on N&M Agency Expenditure	£264k
12	Eliminate HCSW agency (Linked to Scheme 4)	Michelle James	Eliminate HCSW agency expenditure	£58k
13	Non-clinical agency worker exit strategies	Sharon Richards	Review all A&C and E&A (non-clinical) agency worker or contractor/strategic advisor bookings via a PO/invoice and focus on exit strategies	£170k
14	Eliminate non-medical finders' fees payments for perm agency recruitment activity	Sharon Richards	Eliminate practices/introduce strong governance of using perm recruitment finders' fees with the exception of M&D staff group.	£559k

34	DBS checks	Sally Owen	From 6 th April the cost for DBS checks is reducing	£8k
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Category A costed schemes total £3,294k.

Table 2 – Category B schemes

Scheme ref	Title	Lead	Description	Year 1 cash releasing
15	Incremental credit A4C staff	Sally Owen	Ensure starting salary process (awarding additional incremental credit) is robust across all staff groups	Not costed – grip and control measure
16	Exclusions and suspensions	Heather Hinkin	Maintain low numbers as appropriate of a) exclusions and suspensions b) restricted duties c) deployment as an alternative to exclusion to suspension - avoid direct additional costs associated with all three outcomes	Not costed – grip and control measure
17	ER investigation timescales	Heather Hinkin	Improvement in Employee Relations Investigations timescales. Reduction in length of suspensions/exclusions. Reduction in timelines for case management. Improved support to staff during procedures less sickness absence.	Not costed – grip and control measure
18	Apprenticeships	Bryony Wiffen	Maximise Apprenticeships in all staff groups	Not costed
19	Retention of staff on fixed term contracts	Heather Hinkin and Sarah Jenkins	Maximise retention in current post or redeployment of all fixed term contract employees avoiding new recruitment episodes	Not costed
20	Time to Hire KPI performance	Sally Owen	Improve Time to Hire Key Performance Indicators – recruit individuals in quicker timescales to reduce any reliance on variable pay	Not costed – grip and control measure
22	A4C Pay protection	Heather Hinkin	Review all short-term and long-term pay protection arrangements to ensure that payments are correct and still appropriate	Not costed
26	BAPIO & MTI medical and dental recruitment	Heather Hinkin	Maximise recruitment via BAPIO and MTI schemes to exit locum and agency costs	Not costed
27	Optimisation of T&Cs (various projects)	Heather Hinkin	Optimisation of terms and conditions for substantive workforce.	Not costed
28	Establishment control	Michelle James	Establishment control embedded	Not costed – grip and control measure
29	JD / PS template review	Sharon Richards	JD/PS template review and reduction in word count. Positive impact on Welsh Language translation costs	Not costed
30	Variable pay review against establishment	Sharon Richards	Baseline assessment of all bank, overtime and extra hours payments against funded establishment & permanent posts for all staff groups	Not costed
31	Map funded establishment / workforce plan	N/A	Mapping of funded establishment to workforce plan	Not costed

35	Salary sacrifice schemes	Rob Blake	Staff Benefits – review scope to increase take up of salary sacrifice schemes	Not costed
37	Overpayments	Sharon Richards	Review of payroll reports to identify overpayments and ensure prompt recovery	Not costed
38	Non-pay expenditure	Sharon Richards	Review of non-pay expenditure e.g. travel expenses / home to base / home telephone line rental	Not costed
39	ANPs GGH A&E	Lisa Hughes	Variation of T&Cs to pay overtime for substantive ANPs covering medical shifts in GGH A&E, working over 37.5 hours per week – more cost effective than medical cover	Not costed

Table 3 – Category C schemes

Scheme ref	Title	Lead	Description	Year 1 cash releasing
5	Medical Bank	Sharon Richards or Bethan Griffiths TBC?	Introduce a Medical Bank model for ALL internal ad hoc medical locum activity (substantive staff working additional duties outside job plan and bank only medical locums)	Not costed
9	Non-nursing bank	Sharon Richards	Review all bank expenditure outside the formal Nurse bank model. Ensure authorisation and spend is within budget and exit strategies exist for substantive recruitment	Not costed
11	Overtime at time and a half	Sharon Richards	Review all areas utilising overtime at 'time and a half' and focus on workforce planning to avoid/minimise overtime rates	Not costed
21	Service redesign – new roles	N/A	Maximise service redesign and change of working model skill mix opportunities	Not costed
23	Restricted duties	Heather Hinkin	Review staff on restricted duties due to health or performance and focus on exit strategies e.g. Med staff not on call, covid risk assessment deployments	Not costed
24	E-job planning	John Evans	Benefits realisation of Roll-out of e-job planning to maximise efficiencies in substantive workforce	Not costed
25	Consultant acting down terms and conditions	Heather Hinkin	Review terms and conditions payment terms including 'acting down' arrangements for Consultants covering gaps on rotas as opposed to cover for unforeseen attendance on site whilst on call to cover SAS grade	Not costed
32	Radiology - on call / compensatory rest breaks	Heather Hinkin	Radiology - review on-call/compensatory rest arrangements to ensure these are operating in accordance with T&Cs/consider full shift systems (Joe Teape SBAR 2019 not implemented due to covid-19)	£115k
33	Radiology - pay in lieu of locum	Heather Hinkin	Review 'pay in lieu of locum' local terms and conditions arrangement in Radiology	Not costed
36	Gateway Partner Trust – Junior Dr level recruitment	John Evans	These appointments will fill vacancies at Junior Dr level and may allow us to exit internal ad hoc locum cover or agency cover at this grade. Costs are £12k per person recruited or £10k per person if we recruit over 10 and sign an MOU. SBAR under consideration.	Not costed

Appendix B – Workforce Efficiency Plan on a Page

Workforce Efficiency Schemes 22/23 – ‘grip and control’ on workforce expenditure

PROJECT SCOPE		Patient: Improved patient safety/quality outcomes as a result of reducing reliance on our temporary workforce and reduction in unfilled shifts.			OUTCOME	
PROJECT GOVERNANCE		Service: Stabilisation of workforce for service delivery by improvements in retention, recruitment and sickness absence resulting in less reliance on temporary workforce and extent of unfilled shifts.				
PROJECT GOVERNANCE		Resource: Direct cost savings, productivity savings, opportunity cost savings and cost avoidance schemes identified			KEY DATES & DELIVERABLES	
		KEY PHASE	BY WHOM	BY WHEN		
<p>A range of workforce efficiency initiatives which span the entire portfolio of the functions within the Directorate e.g.:</p> <ul style="list-style-type: none"> Workforce Planning, workforce modernisation and new role development; Attendance management and employee well-being; Employee relations management; Terms and Conditions of employment; Temporary workforce utilisation including agency SLA management; Rostering Recruitment Retention Staff Benefits 		Identify full range of workforce efficiency opportunities, scope potential financial savings and measures of success. Sort into Category A, B and C based on ease of implementation and scale of financial gain if implemented	Assistant Director WOD (Resourcing & Utilisation)	June 2022		
		Agree strategic and operational leads for delivery of each scheme within Workforce Directorate.	Assistant Director WOD (Resourcing & Utilisation)	June 2022		
		Develop action plans for each Category A and B scheme	Scheme Leads	July 2022		
		Agree governance structure for oversight and monitoring progress including financial tracker	Assistant Director WOD (Resourcing & Utilisation)	Aug 2022		
		Identify method of measuring success and start to track efficiencies	Scheme Leads	August 2022		
		Development of data warehouse to allow impact of efficiency scheme on all pay categories e.g. agency, establishment, bank etc.	Senior Finance Business Partner	September 2022		
		Scope Category C scheme opportunities with wider stakeholders	Senior Workforce Manager: Workforce Efficiency, Job Evaluation and Business Support	September 2022		
		Description	Likelihood	Impact	Score	Mitigating Actions
		High risk of potential for double counting with schemes identified at Directorate level as workforce budgets sit in Directorates.	Vary per scheme. Many are high due to the need to consult staff to implement change and market forces/current level of workforce demand. post pandemic.			ED sponsorship for each scheme within the Directorate.
		High level assessment of opportunities and financial estimates have been calculated at pace - further detailed assessment is required per scheme and full engagement with strategic and operational delivery leads				Strategic Lead agreement on the schemes, financial target, monthly/yearly phasing of savings and proposed measurement of success.
		Steady state needed for workforce issues during pandemic recovery stage i.e., stabilisation of labour market (price influenced by demand), stabilise retention and absence patterns.				Strong sponsorship for schemes at managerial and clinical level in directorates as ‘budget holders/implementation leads’ and managers of the workforce impacted by many of the proposed changes.
		Staff contractual consultation and lead in times for some schemes to be delivered.				
		TU support for change management critical to delivery of some schemes.				
		Service pressures/future waves of covid-19 may increase demand for temporary workforce utilisation which may ‘skew’ the savings realised from the various schemes due to new cost pressures.				

Agency workers likely to resist change and negotiation strategies which affect pay as they are able to secure work elsewhere at same or higher rates.

W&OD Directorate are the 'enablers' for the majority of the schemes proposed. Managerial and Clinical Leads who are the budget holders for the costs will need to drive the implementation of many schemes which are not those identified as corporate led grip and control initiatives.

Moving from a two year period where the focus on workforce has been well-being and now rest and recovery attempting to implement changes which affect pay for substantive workforce will be challenging in terms of impact on culture, HB values and employee engagement.

The removal of the interim enhanced pay provisions for some staff on 1st April (now extended into May) will impact on substantive staff reaction to any further impact to earnings potential.

Realising savings compared to 2019/20 pre-pandemic 'price' levels for temporary workforce supply will be challenging e.g. increase in control and reduced spend on overtime.

Key Performance Indicators:

- Reduction in variable pay
- Other KPIs will be scheme dependent