

Case study

Agency reduction plan



The Pathology Partnership, formed on 1 May 2014, is a joint venture between six NHS Trusts in the East of England that came together to modernise the delivery of pathology services for hospitals, GPs and patients.

The Partnership was formed in response to changes driven by commissioners and NHS England to transform pathology services and follows the best practice recommendations set out in the Carter Report on Pathology 2008.

By consolidating pathology services into a network of laboratories across a wider geographical area, the aim was to deliver significant efficiencies and benefits for patients, hospitals and GP surgeries.

Background

Long before NHSI introduced the concept of caps, the Partnership determined that it needed to get a handle on agency usage and spend. We were cognisant of the fact that our partners were paying us to provide value for money services, not “jobs for life” for agency workers.

Between May 2014 and July 2015, laboratories managed their own contractor demand; including agencies used, rates and length of contract. There was no discernible authorisation process in place. Exacerbating this was a lack of understanding of their establishment – what was budgeted and what wasn't.

By December 2014 we were tied into locally agreed contracts with circa 15 agencies, accounting for approx. 178 operational agency workers. Our agency spend for 2014/15 was approx. £13m.

Time for change

In the spring of 2015 our Senior Management Team endorsed a proposal to centrally manage the use of agency workers for the foreseeable future.

Our range of measures;

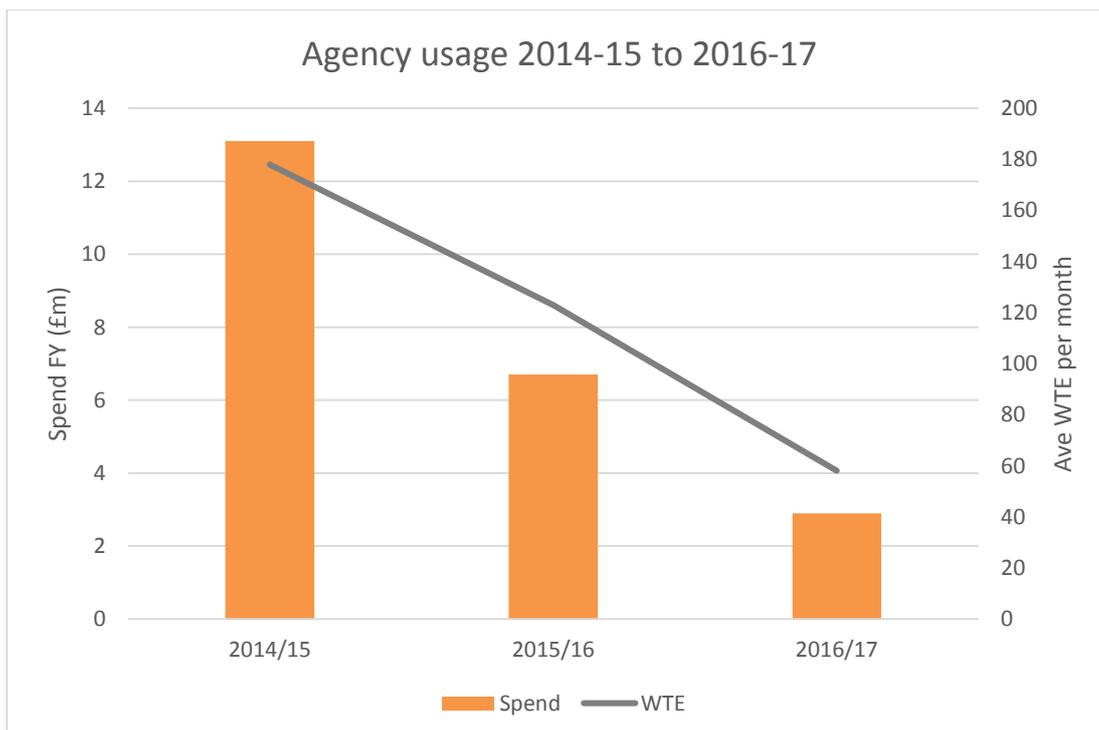
- A policy to:
 - Ensure that only NHS preferred suppliers are used
 - Ensure there is a consistency of approach, throughout the Partnership in the use of temporary workers
 - Minimise agency and contractor costs, ensuring value for money
 - Ensure that the health, safety and welfare of patients/service users are not compromised by ensuring appropriate pre-engagement safe-guarding checks (such as DBS, ID checks and references)
 - Ensure that the Partnership is in compliance with current employment law
 - Ensure that third party suppliers comply with legislation, policies and procedures and the regard it must have for diversity in age, gender, disability, gender reassignment, ethnicity, religion or belief and sexual orientation in appointing its workers in its practices
 - To provide assurance to the Partnership Board in respect of monitoring
 - Outlining protocols and circumstances under which agency workers may be used
 - To cover long-term unplanned sickness absence
 - To cover a vacancy (where evidence is provided that the post is under active recruitment) (maximum three months cover)

- To carry out a discreet piece of work outside of normal day-to-day activity
- A master vendor agreement (see page 4 for further details)
- A managed worker list that includes:
 - Agency
 - Hourly rate
 - Band
 - Post
 - Objectives
 - Commencement and expected end date
 - BAU or transformation post
- A crib sheet for managers to use with band 6 contractors that highlighted the advantages of being a permanent employee:
 - Annual salary v hourly rates
 - Monetary value of annual leave
 - Monetary value of employer pension contributions
 - Welcome payment of £1,000

(we estimate that we were able to recruit approx. 10% of agency workers to permanent posts without incurring any additional agency fees)
- Trajectory – each site manager meets with the Chief Operating Officer at least quarterly to review the contractor reduction plan and ensure it is fit for purpose
- Vacancy approval panel
 - Recruitment planner required for ALL posts
 - Business case required for anything other than like-for-like replacement:
 - Why
 - Other means of covering explored
 - Length of time required
 - Cost and funding stream

Operational agency spend

The main driver for contractor management was cost. The measures that have been introduced have netted a year 1 saving of approx. £6.4m, with year two estimated at £3.8m



Information sharing

The use and cost of agency workers is regularly discussed by the Partnership's Management Board. We are now able to present information with confidence that it is accurate, why this additional resource is in place and mapped against a planned reduction plan.

Reports are also prepared and regularly discussed at site, senior and operational leadership team meetings.

The agency worker information we have has been fed into our establishment management database, so that HQ and sites are clear on vacancies and supernumerary posts.

HR and Finance are able to have intelligent meetings with department heads regarding their past, current and future contractor use, mapped against the budgeted establishment and workforce attendance.

Managers are invested in understanding their budgeted establishment as it is a requirement of the vacancy approval process that they identify:

- Budgeted fte
- Current fte in post
- + Current contractors in post:
- = Current vacancies:

Difficulties

- When we commenced the project in 2015, not all managers were clear on what staff they had and which of these were contractors. They didn't know how much they were being paid, what agency they were from or what contractual terms they were signed up to.
- Managers felt that agencies had the power – they were desperate for staff and worried about the contractors they had being poached, so it was not unheard of for them to be paying £50+ per hour for a Band 6 agency worker.
- We have constant push-back from managers – “you don't understand”, “we're trying to save lives”, other NHS employers pay above cap rates”, “we should be an exception”
- We have tried to ease off on the strict management protocols. It doesn't work. If we don't continue to robustly manage, stick to the rules and remind ourselves why we did this in the first place, managers would simply revert to past practice
- In the early days non master vendor agencies were continually approaching us with allegations against the agencies we were using. To date, no evidence has ever been provided to back up what they have said

The way forward

The Partnership's vision of “working together to provide an excellent pathology service to patients” can only be achieved with a fully functioning and engaged workforce.

Whilst contractors can be used as a stop gap, it has been our experience that they do not contribute to the development of permanent staff and services.

Over the past 12 months we have rolled out a new performance management platform that saw 96.5% appraisal compliance in year one.

We are working towards a culture of “continuous conversation”, whether this is about an individual's performance, their development, how they contribute to the bigger picture or their future career aspirations.

We have introduced a leadership academy that has seen three cohorts to date and a series of HR topic management workshops that all staff with supervisory and management responsibilities are encouraged to attend.

In order to ensure that we have a workforce that's fit for the future, we've recently rolled out multi-disciplinary training. It is hoped that with a workforce that can flex between both disciplines and sites, the reliance on contractors will be a thing of the past.

Master vendor

The Partnership contracts with Atlantis Medical as its master vendor (MV.) This gives us access to contractors from:

- Atlantis Medical
- Day Webster
- HCL
- Mediplacements
- Sanctuary
- Sugarman
- TLTP

Any agencies that approach our managers directly are put in touch with Atlantis so that they can determine whether it is mutually beneficial for them to join

All bookings go through the MV, with escalation to 2nd tier as follows:

- Immediate start – 1 hour
- 2-7 days – 4 hours
- 8-14 days – 2 days
- 15 days+ - 4 days

The MV contract is cost neutral, but provides the following benefits:

- One point of contact
- Spend reduction on agency services
- Aligned rates of pay across sites (since the introduction of cap rates, we have not taken on any agency workers above Improvement rates)
- Visibility of staffing requirements and usage
- Quicker response to requirements
- Quarterly KPIs
- Dedicated account manager
 - Based in our office
 - Regular meetings with site managers
 - There to answer any immediate queries
 - Manages any queries with the requesting and authorisation portal

The process is as follows:

- Manager identifies a requirement, prepares vacancy approval paperwork and this is processed and authorised through the vacancy approval panel
- The manager and Atlantis receive an email from HR that confirms the request has been approved and the duration
- Atlantis sends CVs to designated manager using the above escalation times
- Shortlisted candidates have a telephone interview
- Atlantis processes/provides compliance data for preferred candidate and logs them onto their portal
- The contractor and manager process hours through the portal
- The account manager keeps in regular contact with appointing manager and regular site visits are conducted