



Llywodraeth Cymru
Welsh Government

PUBLICATION, DOCUMENT

All-Wales control framework for flexible workforce capacity (WHC/2023/046)

Circular to NHS Wales organisations about starting a phased approach to reducing agency spend in NHS Wales.

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Not applicable.

For action by:

- chief executives, NHS Wales health boards / trusts / special health authorities
- chief operating officers, health boards / trusts / special health authorities
- directors of finance, health boards / trusts / special health authorities
- directors of workforce, health boards / trusts / special health authorities
- nurse executive directors, health boards / trusts / special health authorities
- medical directors, health boards / trusts / special health authorities

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Action required by:

5 January 2024.

Sender:

Helen Arthur, Director of Workforce and Corporate Business

HSSG Welsh Government Contact(s):

Martin Mansfield and Emma Coles,
Health and Social Services,
NHS Workforce and Operations, agencyreduction@gov.wales

Enclosure(s):

None.

All-Wales control framework for flexible workforce capacity

Coordinating action to reduce agency workforce expenditure in Wales

We have committed, in social partnership, to take joint action across Wales to reduce agency spend in NHS Wales as a key part of the agenda for change pay deal. It is also identified as a priority in the National Workforce

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Implementation Plan and also by the Value and Sustainability Board.

Integrated Medium Term Plans (IMTPs) and NHS organisations cost reduction plans identify agency expenditure as an opportunity for savings by individual health boards with NHS current financial projections estimating a reduction in expenditure of c£50m (15% reduction) this financial year compared to last year. National alignment and coordination will maximise the impact of this work and offer assurance across the system that the benefits are being delivered.

Objectives for this work

- Enhance quality and safety of patient experience by delivering more care by our own workforce who are employed and familiar with our organisations and processes.
- Transparent, consistent, and equitable application of existing agreed national terms and conditions, ensuring we pay our employed workforce for their contractual and any additional hours worked at the appropriate contractual rate and with clear rates.
- Transparent, consistent, and equitable application of national terms and conditions in pay and reward for those people who work flexibly through the NHS Staff Bank.
- Better value for money for NHS resources; reducing the additional costs associated with avoidable deployment of agency workforce into the NHS at premium rates (covering all professional groups).
- Avoid inter-organisation competition for people leading to increase in costs for the NHS with no extra workforce capacity for the additional costs.
- Identification of measures to address long standing hard to fill roles which are reliant on agency cover.

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Programme delivery

Overall, this work will focus on two simultaneous strands:

- reducing avoidable agency deployment through a clear control framework; and
- enhancing the supply of substantive and flexible employed workforce capacity including through NHS Workforce Banks
- this circular focusses on reducing avoidable agency deployment through a clear, improved control framework within organisations at these levels:
 - NHS organisations: agency reduction plans describe how to hit reduction priorities and forecasts; coherent value for money decision making frameworks implemented with analysis and reporting of bookings made.
 - nationally: national reporting of progress against plans and scrutiny at Integrated Quality Planning and Delivery (IPQD) and Joint Executive Team (JET) meetings; All Wales Peer Group to coordinate implementation scrutinise delivery, address barriers and identify opportunities; progress reported via value and sustainability board.

The other elements of the programme (listed below) cover some of the 'non pay agreement' elements including fair and consistent application of national terms and conditions, the detail of this work is not covered in this circular as they will be delivered in social partnership through the agreed social partnership work programme.

- Action under agency programme:
 - fair, transparent pay for substantive hours
 - national framework for additional hours pay
 - consistent establishment control and active vacancy management
 - enhanced rota management and rostering
 - effective job planning and nurse staffing ratios
- Underway under other programmes:

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- flexible working policy and practice
- optimised workforce roles / models / teams
- absence management and wellbeing policies
- education and training pipeline
- retentions plans
- overseas and substantive recruitment

The all-Wales control framework for flexible workforce capacity

This circular focuses on the actions required to deliver a clear control framework for deployment of flexible workforce capacity. This control framework will be implemented within NHS organisations and coordinated on an all-Wales basis to drive best practice, provide transparency and fairness for our workforce, avoid inter organisation competition which unnecessarily inflates cost pressures across Wales and avoid unintended consequences for individual organisations.

Whilst our headline focus is on reducing avoidable agency expenditure, the control framework will be applied to both agency and variable pay expenditure to aid transparency as costs move from the agency to variable pay categories. This will ensure that we realise the potential efficiencies rather than simply transfer costs.

The key elements of this programme are:

- a ministerial commitment to tripartite working to deliver additional hours through direct NHS employment and drive a substantial reduction in agency spend
- development of transparent agency reduction plans within in each NHS organisation
- national reporting mechanism to track organisations delivery against plans
- organisational accountability through board scrutiny and focussed accountability via the established mechanism of NHS JET and

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IPQD meetings

- progressive targets to eradicate agency deployment of certain staff groups, starting with administration / clerical roles, health care support workers and estates / ancillary roles aiming to reduce substantially by the end of the 2023 to 2024 financial year
- a 'decision-making framework' implemented in each organisation to ensure national pay and conditions of employment for substantively employed workforce are met for contractual and any additional hours worked, and this will ensure that there is a consistent, rational and transparent approach to make decisions about the most cost-effective mechanism to cover workforce gaps
- standardised rates for additional hours where not prescribed by existing national terms and conditions
- an 'Operational Agency Reduction Peer Group' to coordinate all Wales actions, support operational engagement on implementation, share learning and experience and identify barriers and opportunities for future phases of this work
- national governance; reporting progress into the Value and Sustainability Board structure, via the Workforce Recovery Steering Group, and social partnership structures, via the Wales Partnership Forum Business Committee and the Medical and Dental Business Group, to highlight collective progress and plan subsequent phases of the work
- phasing; the programme will be phased into a number of stages so that the learning from the data and information from each phase can be used to remove barriers and accelerate progress in the next phase

Transparent agency reduction plans, requirements of this circular

Phase 1, baselining returns to be returned

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to agencyreduction@gov.wales by 5 January 2024

Action for NHS organisations

As part of organisational cost reduction plans, it is expected that all organisations are making significant efforts to reduce agency expenditure and deliver additional flexible workforce capacity through more cost-effective means. Each NHS organisation needs to provide baseline information and progress against their current agency reduction plans which will enable us to assess the current plans, share and build on good practice and plan the detail of subsequent phases of this work.

This return should include:

1. Three named individuals: nominations of three specific individuals who will act as organisational contacts for this work.
 - An Executive Director who will be Welsh Government's key contact for your organisation on this work.
 - Two other individuals with practical operational knowledge. One to cover medical workforce management and one with experience of nurse deployment who will join the Operational Agency Reduction Peer Group. These individuals do not need to be able to speak on behalf of your whole organisation but to be able to contribute to discussion about best practice and practical solutions that will inform development of the national response.
2. A summary of current targets and your agency reduction plan (in the form of a plan on a page).
3. Decision-making framework: a copy of any instructions or frameworks issued in your organisation to support decision making to ensure that there is a consistent, rational and transparent approach to decisions about the most

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cost-effective mechanism to cover workforce gaps.

4. Board reporting: details of the ways that your organisation currently reports to the board about agency expenditure and deployment, with a copy of the most recent report.
5. Baseline data and information: about the current position on agency expenditure. This will be considered by Welsh Government and used to target areas for future action with the Operational Agency Reduction Peer Group. A template data request form will be circulated direct to your Workforce Director and your assistance is requested in ensuring full and speedy returns.

National action

NHS organisations baseline information will be considered, and a national view developed about priorities for all Wales action through the Agency Reduction Tripartite Group and the Workforce Finance Recovery Steering Group.

An 'Operational Agency Reduction Peer Group' will be established to deliver operational engagement on implementation across Wales, share learning, experience and identify barriers and opportunities for future phases of this work.

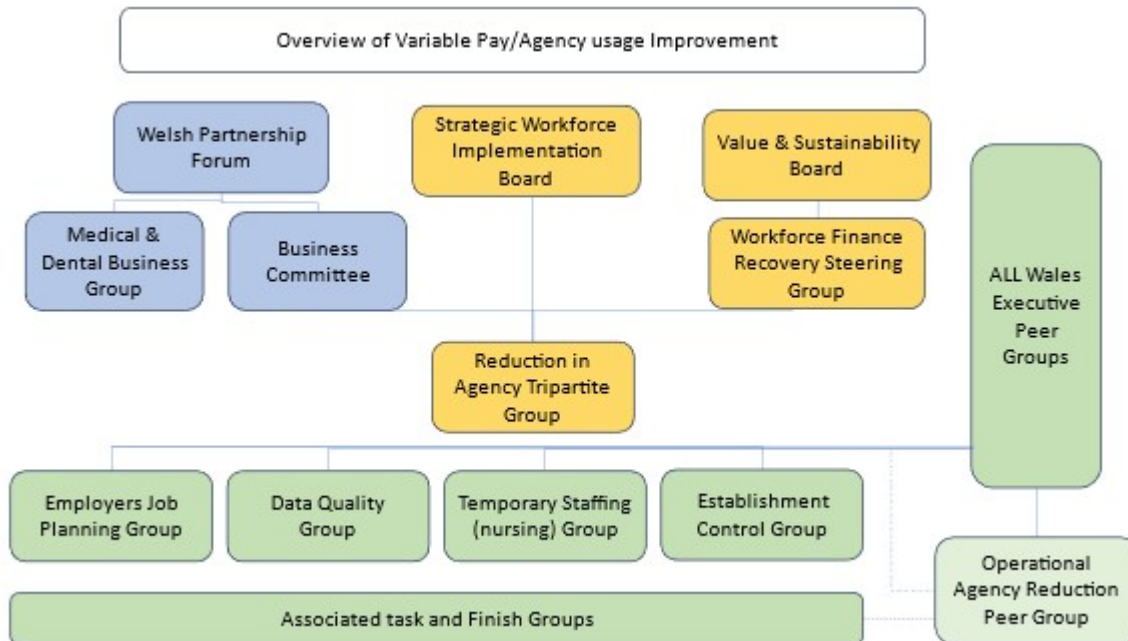
Progress will be reported into the Value and Sustainability Board. We will work with NHS Wales Employers to ensure that work underway across the system on issues that contribute to the reduction in agency expenditure is reported into the board to ensure related work is joined up, well-coordinated and streamlined to ensure maximum effectiveness.

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Overview of the groups' work contributing to the reduction in agency expenditure:



The Strategic Workforce Implementation Board heads the process. The Welsh Partnership Forum is above and related to the Medical and Dental Business Group, and the Business Committee. The Value and Sustainability Board is above and related to the Workforce Finance Recovery Steering Group. All of these groups are above to the Reduction in Agency Tripartite Group. Separately and alongside, the All Wales Executive Peer Groups are above the Employers Job Planning Group, Data Quality Group, Temporary Staffing (nursing) Group, and the Establishment Control Group. These groups are above and are influenced by the Operational Agency Reduction Group. The latter feeds into the Associated Task and Finish Groups.

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Phase 2, enhanced response December 2023 to February 2024

We will work closely with your named executive and operational leads to support the development of a detailed action plan for reduction on the variable pay bill for the 2024 to 2025 financial year with national action to support organisational work.

A format for these plans will be issued in a further circular in early 2024 and will be developed in social partnership, based on the baseline information and practice identified in Phase 1. This phase of the work will include mandatory delivery of some of the requirements and specific targets for delivery.

The expectation for these plans will be that they will include:

- the predicted additional flexible workforce capacity that the organisation will require in 2024 to 2025 which aligns to the organisations IMTP/Annual Plan
- stretching targets for reduction in the agency pay bill with a focus on our biggest areas of expenditure on nurse and medical expenditure pay
- reduction to zero for agency deployment of administration / clerical roles, health care support workers and estates / ancillary roles; these roles should all be filled through substantive employment or staff bank if additional flexibility is required; it should also include a process for agreeing exceptional safety critical roles where in the short term an agency worker is required
- measures to deliver flexible capacity; plans should describe the measures to drive the reduction in agency spend and should also reflect the approaches that will be used to meet the predicted need for flexible capacity, such as increased staff bank, substantive recruitment and so on; plans need to focus on delivering best value for money and avoiding the simple transfer of cost from one budget to another and should be clear about the risks to

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delivery of the plan

- transparent decision-making frameworks fully implemented in each organisation in quarter 1 of the 2024 to 2025 financial year to ensure that there is a consistent, rational and transparent approach implemented across NHS Wales organisations to make decisions about the most cost-effective mechanism to cover workforce gaps, with appropriate controls over less than optimal choices which should include board level scrutiny
- standardised board reporting with a requirement for board reporting and scrutiny and board approval of variable pay reduction plans for 2024 to 2025
- national reporting and feedback on progress and scrutiny at JET and IPQD meetings.

Nationally

This work will continue to be supported nationally through the Tripartite Agency Reduction Group and practical support and learning via the Operational Agency Reduction Group, with formal reporting into the Value and Sustainability Board. These plans will also form part of the scrutiny process through JET and IQPD meetings.

Phase 3, focussed implementation and feedback April 2024 onwards

- Individual organisations to implement agreed plans.
- National reporting mechanism to track organisations' delivery against plans.
- Organisational accountability through board scrutiny and focussed accountability through NHS JET and IPQD meetings.

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