

**Northumberland, Tyne and Wear NHS Foundation Trust**

**Board of Directors Meeting**

Meeting Date: 23 November 2016

Title and Author of Paper: NHS Improvement Agency Expenditure Board of Directors Self Certification Checklist

Anna Foster, Deputy Director of Commissioning & Quality Assurance

Executive Lead: Lisa Quinn, Executive Director of Commissioning & Quality Assurance

Paper for Debate, Decision or Information: **Debate and Decision**

Key Points to Note:

NHS Improvement has asked all Trust Boards to review their management of expenditure on agency staff, using a checklist provided to assess systems and processes based upon good practice.

The Board of Directors is asked to review, debate and agree the attached checklist, highlighting any amendments or agreed actions. The final checklist must be submitted to NHS Improvement by 30<sup>th</sup> November 2016.

Risks Highlighted to Board: Risks in relation to management of agency expenditure where not in line with best practice as suggested by NHS Improvement.

Does this affect any Board Assurance Framework/Corporate Risks?

Please state Yes or No **No**

If Yes please outline

Equal Opportunities, Legal and Other Implications: None

Outcome Required: Agreed statement to submit to NHS Improvement

Link to Policies and Strategies: NHS Improvement Single Oversight Framework 2016

## **BOARD OF DIRECTORS**

**23 November 2016**

### **NHS Improvement – Taking Further Action to Reduce Agency Spending**

NHS Improvement has introduced further controls via the “Strengthening Financial Performance & Accountability in 2016-17” framework to reduce expenditure on agency staff.

Three new agency returns have been introduced. Trust level data on agency expenditure has been included within NHS Improvement’s quarterly finance report from quarter two and providers have been asked to provide to NHS Improvement the following information:

- a) Monthly agency spending broken down by cost centre – to be provided separately to NHS Improvement. This information has not been included within this report due to the volume of data (c 200 cost centres, expenditure totalling £6.7m YTD).
- b) List of the 20 highest-earning agency staff, anonymised
- c) List of agency staff that have been employed for more than 6 consecutive months as at 30.09.2016, anonymised

The above data was shared at the October Board meeting and submitted to NHS Improvement in October 2016.

Additionally, the Board of Directors is required by NHS Improvement to complete a self-certification checklist to be assured that the Trust is taking all appropriate actions on agency spending and to identify any immediate actions that can be taken. The checklist includes actions that can have an immediate impact, and is due to be submitted to NHS Improvement by 30 November 2016. NHS Improvement will be following up with some trusts to ensure that the relevant board level discussion has taken place with sufficient challenge and assurances that actions have been taken or will be taken by executive directors.

### **RECOMMENDATIONS**

The checklist is attached overleaf with suggested responses for discussion. The Board of Directors are asked to debate and agree the final responses for submission to NHS Improvement by 30 November 2016.

**Lisa Quinn**  
**Executive Director of Commissioning & Quality Assurance**  
**November 2016**

Self-certification checklist Please discuss this in your board meeting		Yes - please specify steps taken	No. We will put this in place - please list actions
<b>Governance and accountability</b>			
1	Our trust chief executive has a strong grip on agency spending and the support of the agency executive lead, the nursing director, medical director, finance director and HR director in reducing agency spending.	Yes - expenditure is monitored via the monthly finance report provided to Execs. More detailed analysis of agency expenditure is provided via monthly Clinical group expenditure reports.	
2	Reducing nursing agency spending is formally included as an objective for the nursing director and reducing medical agency spending is formally included as an objective for the medical director.	Reducing agency expenditure has been included within the draft 2017-18 objectives and has been discussed in recent one to one meetings.	
3	The agency executive lead, the medical director and nursing director meet at least monthly to discuss harmonising workforce management and agency procurement processes to reduce agency spending.	The Executive Directors meet twice per week and discuss these issues as and when they arise. Finance is also discussed at the monthly CDT and BoD meetings.	
4	We are not engaging in any workarounds to the agency rules.	Yes - we are not engaging in any workarounds to the agency rules.	
<b>High quality timely data</b>			
5	We know what our biggest challenges are and receive regular (eg monthly) data on: - which divisions/service lines spend most on agency staff or engage with the most agency staff - who our highest cost and longest serving agency individuals are - what the biggest causes of agency spend are (eg vacancy, sickness) and how this differs across service lines.	The biggest cause of agency spend at NTW is vacancies within medical staff and qualified nursing and this issue is well known across the organisation, with strategies to improve recruitment in place eg targeted international recruitment of medical staff, values based recruitment. Details of individual agency staff and associated costs are regularly provided to clinical services.	

**Clear process for approving agency use**

6	The trust has a centralised agency staff booking team for booking all agency staff. Individual service lines and administrators are not booking agency staff.	There is a centralised booking system for procuring agency staff, with the exception of agency medical staff who are arranged via local medical management structures and overseen by the Executive Medical Director.	
7	There is a standard agency staff request process that is well understood by all staff. This process requires requestors and approvers to certify that they have considered all alternatives to using agency staff.	Yes	
8	There is a clearly defined approvals process with only senior staff approving agency staff requests. The nursing and medical directors personally approve the most expensive clinical shifts.	There is an approval process in place with Director level approval via the Medical Managers and discussions with the Executive Director of Nursing and Operations	Approval processes to be reviewed and documented

**Actions to reducing demand for agency staffing**

9	There are tough plans in place for tackling unacceptable spending; eg exceptional over-reliance on agency staffing services radiology, very high spending on on-call staff.	Yes	
10	There is a functional staff bank for all clinical staff and endeavour to promote bank working and bank fill through weekly payment, auto-enrolment, simplifying bank shift alerts and request process.	Yes - note that weekly payments for bank staff are currently being piloted by our payroll provider.	
11	All service lines do rostering at least 6 weeks in advance on a rolling basis for all staff. The majority of service lines and staff groups are supported by eRostering.	Yes	
12	There is a clear process for filling vacancies with a time to recruit (from when post is needed to when it is filled) of less than 21 days.	Partly - there is a clear recruitment process in place.	
13	The board and executives adequately support staff members in designing innovative solutions to workforce challenges, including redesigning roles to better sustain services and recruiting differently.	Yes	

14	The board takes an active involvement in workforce planning and is confident that planning is clinically led, conducted in teams and based on solid data on demand and commissioning intentions.	Yes	
<b>Working with your local health economy</b>			
15	The board and executives have a good understanding of which service lines are fragile and currently being sustained by agency staffing.	Yes	
16	The trust has regular (eg monthly) executive-level conversations with neighbouring trusts to tackle agency spend together.	Yes	

**Signed by**

[Date]

**Trust Chair:**

[Signature]

**Trust Chief Executive:**

[Signature]

*Please submit signed and completed checklist to the agency inbox (NHSI.agencyrules@nhs.net) by 30 November 2016*