

# NHS Professionals

## White Paper

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Managing demand: best in class  
approach to reducing shift demand

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# 2

## Chief Executive's foreword

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The purpose of this paper is to explore the issues and challenges facing Directors of nursing, HR, and finance in managing demand for the flexible workforce. Managing a Staff Bank in-house can present many logistical difficulties, with some Trusts running more than one bank at any one time. This often results in confusion over ownership and subsequent distress purchases from expensive agencies.

Inevitably, some shifts require filling at very short notice due, for example, to unexpected illness or childcare issues, and are therefore by nature incidental.

This paper sets out to show how insight and understanding are key to planning and managing demand for temporary staff. The strategic overview that a managed service provider is able to give the Trust is the bedrock of an effectively managed bank service. NHS Professionals' experience shows that demand can be much more effectively managed by a trusted third party,

using sophisticated management information tools that monitor patterns of shift demand and fill. Accurate data allows for intelligent forecasting, resulting in fewer short-notice shifts, which helps to reduce agency usage and therefore contains costs. Without real-time intelligence, Trusts are only able to fill shifts in a reactive, rather than a planned, way. In a highly seasonal healthcare market, Trusts that do best are those that understand that the temporary workforce is fact of life and plan accordingly, and that this must start with understanding and managing demand.

In the light of the many patient safety reports published in 2013, the NHS is facing some very difficult workforce challenges. I sincerely hope this paper will help NHS Trust Executive teams with managing their demand for bank and agency working.

[Stephen Dangerfield](#)  
Chief Executive, NHS Professionals

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# 3

## Executive summary

- Managing a staff bank is more than just filling vacant shifts. It's about understanding the underlying business issues that cause excess demand
- Consistent Management Information, captured at source, enables Trusts to analyse and understand their demand profile, and optimise shift hours
- Use of a bank service managed by a trusted third party can help Trusts to make substantial savings through demand management and a reduction in the use of expensive agencies as a distress purchase
- A well-managed bank with transparent procedures, from procurement through to invoicing, greatly reduces fraud opportunities
- Registration of all temporary and flexible workers with a single bank provides Trust-wide harmonisation of pay and benefits, improves governance and minimises risk to patient safety
- All temporary and flexible workers registered with the bank should be subject to the same stringent checks as substantively employed NHS staff, ensuring consistency with NHS Employment Check Standards.

The other papers developed by NHS Professionals to help NHS Trust Board members are:

- **Flexible staffing:** Delivering more for less
- **Delivering efficiency:** Exposing the true cost of managing a temporary workforce
- **Patient safety:** Addressing temporary worker clinical standards, governance and compliance
- **A partnership approach:** Collaborative working with agencies.
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- **Another point here: Collaborative working with agencies.**

# 4

## The cost imperative

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Severe national economic pressures persist with the NHS Procurement Efficiency Programme, launched in August 2013, aiming to save £2bn from the annual NHS Budget. In the wake of the Francis Report, temporary staffing costs have increased from £2.5bn in 2011-12 to £3.5bn in 2012-13. The national savings target for agency cost reduction is £170m (£2.1bn in total

annual expenditure) and £280m for workforce management (£1.4bn total annual expenditure).

With the NHS in a transition phase, long-term demand trends remain in a state of flux. It is therefore imperative that Trusts find ways to understand and manage the demand for temporary and flexible workers as effectively and efficiently as possible.

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# 5

## Measuring the problem

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Let's start by looking closely at the issue. How big is the problem? How many shifts/hours/people are involved? What temporary staff do locations and units need? What skills profile is required? Who fulfils the demand and at what cost? Who decides if the preferred supplier meets the needs of the Trust?

A Trust bank is a complex puzzle with incomplete data and many conflicting needs. Accurate, timely information is the key to making effective decisions.

**Rule #1: Measurement:** you can only manage what you can measure.

**Rule #2: Single source:** choose a single accurate, trusted and verified source for each piece of data.

**Rule #3: Be consistent:** measure regularly and consistently.

**Rule #4: Understand the data:** analyse what you have measured to see what has changed.

**Rule #5: Compare and contrast:** understand why different locations have different demand profiles.

Our experience of managing banks for all staff groups across the NHS suggests that demand falls into two categories.

Firstly, genuine demand relates to seasonal fluctuations in staffing needs, covering substantive staff absence and meeting unexpected patient-related pressures. This can be considered a normal level of demand for temporary working to maintain operation in any large enterprise and is not unique to the NHS.

Secondly, superfluous demand arises from deficiencies in planning, forecasting, practice, management and policy. Segregating one from the other requires consistent Trust-wide measurement, monitoring and approval processes that reward and reinforce Trust policy.

# 6

## Single source management information

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However you choose to manage your temporary and flexible workforce bank, the management information is the key to thoroughly analyse and understand all activity to be able to introduce effective management.

Costs are reduced through demand management and reduced agency dependency. At the same time, the Trust achieves process transparency from procurement through to invoicing – but only if demand and supply are measured consistently and accurately.

Through analysis of its demand profile, the Trust management team can take appropriate measures to ensure that temporary shift requirements are requested at the appropriate grade for the role, and that the shift length requested is appropriate to need.

Good quality management information also enables the Trust to identify and tackle unnecessary practices, such as large numbers of higher-grade bank bookings. Comprehensive ward-level expenditure can be collated from source to produce a single document avoiding duplication of effort. The need for Finance and Payroll to collate data from multiple sources in order to accrue actual spend against budget and workforce plan, becomes unnecessary.

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# 7

## Tactics for reducing demand at ward level

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Key to success in reducing costs is the ability to change behaviour at ward level and to encourage budget holders to think differently about temporary shift fill and how shifts are requested. An increasing number of Trusts have introduced initiatives such as second-tier authorisation of shifts by senior managers and exclusion of staff from high-cost agencies through an agency cascade process.

Trusts with a demand-managed shift system can employ a number of tactics to make a positive impact on demand:

- second-tier authorisation ensures that each shift request is authorised by named individuals, usually a senior manager
  - managers are in a better position to understand ward behaviour and to authorise shifts where needed; finance clerks may withhold important shift requests based on arbitrary cost controls
  - every request requires justification by way of a reason code which the Trust can match against circumstances, such as vacancies, sickness, maternity leave, and special needs, such as, for example, 1:1 observation
  - a telephone (and fax) ban helps prevent shifts from being requested by unauthorised staff; this ensures that only authorised shifts are accepted and minimises opportunities for fraud and manipulation by aggressive agencies.
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# 8

## Harmonisation of pay and workforce benefits

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Encouraging all overtime and part-time working through a managed bank harmonises pay across the Trust. Additional hours are then offered subject to the requirements of the role, rather than the standing of the individual choosing to fulfil the role.

Shift requirements are paid at the agreed rates set by the Trust to ensure that the bank is both attractive to flexible workers and cost-effective for the Trust.

Care must be taken to work within the constraints of local employment market conditions. If, for example, the pay rate at the local supermarket is more attractive than the bank rate, unqualified staff might choose to work elsewhere.

Recruitment and retention premia can be offered for hard-to-fill roles and long-term vacancies. This is particularly important for workers with specialist skills, who might be tempted to move to recruitment agencies and then be supplied back into the NHS at much higher rates.

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# 9

## How much notice is enough?

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The more notice a bank is given of a shift, the more likely it is that the shift will be filled by a bank worker. The shorter the notice period between the shift being released and the start of the shift, the more likely it is to be filled by an agency worker or not filled at all.

Experience shows that anything less than 48 hours' notice should be avoided whenever possible. However, there will always be times when urgent requirements arise because of circumstances beyond the control of the Trust. Sickness of a staff member or a member of their family, travel disruption and even domestic emergencies can all lead to a short-notice requirement. Increased acuity of admissions and protection of vulnerable patients are examples of urgent unforeseen patient care needs. A Trust's substantive workforce planning should take account of these normal fluctuations in demand.

More detrimental to patient care is a shift vacancy that is identified during shift-rostering and not authorised in time, or simply not processed by an admin clerk as a short-sighted cost-saving measure. It is far better to have the vacancy assessed and approved by a senior manager than incur the additional cost of agency supply. Additionally, many short-notice requests leading to distress agency purchases can be avoided through initiatives such as 'ghost/pool wards', whereby the Trust forecasts an approximate shift demand level based on historical trends identified in the management information and pre-authorises release of those shifts well in advance. Flexible workers who book these shifts are then simply reallocated to the assigned ward on the day.

# 10

## Managing overtime effectively

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When all overtime is worked via bank, it is much easier for the business unit manager to see the true underlying additional hours demand in any location. Comprehensive management information covering all additional hours demand, including overtime, puts Trust management teams in a position to assess the impact on budgets of all workforce initiatives, including recruitment freezes and overtime payments.

Put simply, if the overtime rate exceeds the bank rate, the bank will not be an attractive option to substantive staff.

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# 11

## Shift duration

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Shifts do not necessarily have to start and end at the same time. Reviewing peak-demand periods and setting the bank shift hours to match those hours makes perfect sense, providing you are operating safely and not compromising patient care. However, recent evidence shows that Bank Workers tend to prefer longer shifts in order to recoup their basic expenses such as travelling, parking and childcare.

Bank workers have choices and we must strike the right balance to optimise shift fill without incurring excess cost.

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# 12

## Cancelling shifts

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When a ward cancels a shift that a flexible worker has already booked, there are two consequences: the Trust saves money by not paying for the shift and the flexible worker needs to find another source of income. If the same unit regularly cancels shifts, particularly at short notice, bank workers stop booking shifts in that location.

While substantive staff may not mind missing an occasional additional shift, a regular bank worker may suffer a reduction in their sole source of income. When cancelling an assignment, flexible workers should be given as much notice as possible to find another shift. If they are given a reason to work outside the Trust, they might never come back. Skills should be kept where they belong: looking after patients in the NHS.

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# 13

## Building the bank

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Trust substantive staff of all grades and disciplines should be encouraged to join the bank during their recruitment to the Trust. This will ensure that they are available to work additional hours through the bank as and when required. Experience of operating banks in more than 60 Trusts suggests that not all substantive staff will be willing to work at the grade specified by the temporary shift vacancy. However, this can be mitigated by, for example, recommending that senior nursing staff are encouraged, where appropriate, to wear a different uniform - relevant to the role they are undertaking and are not expected to perform management tasks normally associated with their senior role.

Encouraging workers to work additional hours on different wards and departments, other than their own, benefits them through improving clinical and medical skills that they may use infrequently as part of their normal day job.

Managed and controlled bank work is a normal part of any Trust activity and all substantive staff should be able to benefit from the additional income. Substantive staff particularly enjoy the attraction of weekly pay, which is often treated as completely separate from salaried income and used towards special purchases.

### Working Time Directive

Steps must be taken to ensure the safety of both patients and staff. A well-managed bank is able to monitor hours worked in extra duties and identify anyone regularly working excessive hours by reference to Working Time Regulations (WTR).

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## Working Time Regulations and Part-Time Work Regulations compliance

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While enormous effort has been put into complying with the Working Time Regulations (WTR), many Trusts are inadvertently overlooking the demands of the Part-Time Work Regulations (PTWR). This legislation has been in effect since 2001 and provides part-time workers with important employment protection rights covering both pay and non pay-related issues.

A Trust-wide bank policy that includes all part-time workers, and is managed by a third-party provider, greatly reduces the risk of a trade union alleging accidental non-compliance by the Trust.

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## Workforce quality

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The ultimate responsibility for pre-employment checks rests with the employing NHS organisation and this requirement cascades from contract to sub-contract. However, with all temporary and flexible workers registering with the bank, consistent workforce quality standards should be applied, to all temporary and flexible workers registering with the bank, ensuring that all staff engaged by the Trust, in any capacity, are subject to rigorous NHS Employment Check Standards. This offers clear advantages to the Trust both in staff and patient safety and in the management of governance and complaints.

Recruitment to values is an essential part of the NHS recruitment process, consistent with the expected standards of compassion in NHS care.

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# 16

## Recruiting for the right role

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When a vacancy at a senior position becomes available, the tendency is to recruit an expensive interim manager on a long-term placement. Yet there are often Trust staff quite capable of stepping up to the role, even if only temporarily. This enables them to gain wider experience and helps with their career development. At the same time, the cost is reduced because the role that has to be filled from the bank is now paid at a lower pay grade than the original senior role. This simple step can deliver real benefits in cost savings, personal development and staff morale.

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# 17

## Conclusion

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In summary, there are significant benefits for Trusts that recognise the value of measurement and management of the flexible workforce. This supports strategic goals such as service design and transition. Management Information, local knowledge and experience all play a vital part in validating demand requirements, the skill levels required and the hours requested. A proactively managed bank is able to grow and match its capacity with future needs, diminishing the requirement for hurried, last-minute shift requests to expensive agencies by a harassed ward manager or medical recruitment team.

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NHS Professionals has worked in partnership with more than 60 Trusts in England to provide a highly skilled, reliable and patient-focused flexible workforce. It is regarded as the leading provider of managed flexible workforce solutions in the UK and is proud of the part it is playing in helping NHS Trusts meet the imperative to achieve £450m of savings on temporary staffing. Trusts most likely to play their part in meeting this challenge are those that understand the value of measurement and insight.

# About NHS Professionals

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## Also available in the series:

- Flexible Staffing: Delivering more for less
- Delivering efficiency: exposing the true cost of managing a temporary workforce
- Patient safety: addressing temporary worker clinical standards, governance and compliance
- A partnership approach: collaborative working with agencies
- Medical Locum expenditure: treating the disease, not the symptoms
- People, not things: A new approach to NHS Procurement

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