

NHS Professionals

White Paper

A partnership approach: collaborative
working with agencies



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Chief Executive's foreword

This is part of a series of white papers exploring the differing strategies and tactics Trusts use to manage their flexible workforce. Managing the demands of the flexible staff bank has always been a challenge. Those responsible for providing continuity of care for patients are under constant pressure to provide a full complement of appropriately skilled and competent staff that meet the twin aims of 'fit for purpose' and 'value for money'.

Another paper in the series, *Managing demand: best in class approach to reducing shift demand*, argues that the facility to understand patterns of demand through the use of robust Management Information (MI) is vital. Without comprehensive MI, Trusts are likely to experience severe problems filling shifts, especially short-notice shifts, at a containable cost. Having real-time data available to underpin accurate forecasting is key to managing demand and reducing expensive agency usage. Through application of sound management and control, some Trusts have been able to reduce and even eliminate agency usage. However, we know that for many Trusts wholesale avoidance of agency usage is unrealistic. We believe a partnership approach is a positive step forward. With the goal of maintaining patient safety while minimising cost, we have introduced a programme that brokers the relationship between Trusts and agencies, giving both parties increased confidence and mutual trust.

For those Trusts that rely on agencies for a proportion of their supply, it is clear that the existing relationship is often one of mistrust and contempt. The Agency Partner Programme calibrates the agency recruitment process to ensure that it applies stringent compliance procedures to reassure Trusts that all temporary and flexible workers meet the high standards required by the NHS. At the same time, they can be assured that their costs are being constantly monitored and reviewed. The Preferred Agency Support Service helps NHS Trusts keep track of their agency expenditure. It exposes charges above agreed capped rates, minimise opportunities for fraud by validating time-sheets against the shift request and verifying that invoices use the agreed rate card and timesheet.

Trusts that do best are those that understand that the temporary workforce is part of the seasonal nature of the NHS and plan accordingly. NHS Professionals is proud of the significant achievements it has made in supporting excellent quality and continuity of care for patients.

This white paper should provide Trust executives with some insight into what the Agency Partner Programme is, why we have developed it and how it can benefit your Trust. I welcome your input into developing new initiatives to help Trusts save money safely.

Stephen Dangerfield
Chief Executive, NHS Professionals

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Executive summary

- While widespread, long-term use of agencies to plug gaps in shift-fill must be avoided, there is growing recognition that for Trusts facing particularly pressing short-term difficulties or specific skill-set shortages, agency use may be both inevitable and appropriate
- The Agency Partnership Programme helps Trusts manage a small number of competent, reasonably priced agencies cost-effectively and efficiently
- By establishing strict procurement protocols within a code of conduct, the APP can help Trusts to eradicate a wide range of unacceptable agency behaviours in relation to recruitment, placement, invoicing and complaints
- Calibration of agencies' compliance processes gives Trusts confidence that all agency staff meet NHS Employment Check Standards
- Through the APP, NHS Professionals brokers the relationship between Trusts and agencies, giving both parties increased confidence and overcoming mutual mistrust
- The Preferred Agency Support Service helps Trusts to manage agency usage. All agency shifts are booked via the NHSP:Online system ensuring that they are visible to bank and locum staff first. This allows tracking of the assignment, the timesheet and the invoice
- It is good practice to reconcile all agency invoices against the initial assignment request, the actual timesheet generated to cover the assignment and the agency rate card. This helps to minimise opportunities for overcharging from either human error or fraud
- Statutory breaks should be automatically deducted from all agency timesheets and related invoices

"Our ideal scenario is maximum fill from NHS Professionals, supported by a few agencies, all participating through the Agency Partnership Programme."

Keith Nash, Director of Human Resources,
NHS Professionals

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Agency use in context

While Trusts recognise that it is essential to reduce agency use, there is a growing acceptance that for those facing particularly challenging circumstances – for example, winter pressures, an outbreak of Norovirus, or particular skill-set shortages – it is both inevitable and appropriate to turn to agencies to plug gaps in shift-fill. Historically there has often been mistrust and hostility between Trusts and agencies. Not surprisingly, Trusts resent paying high fees for distress purchases. Conversely, some relationships have become too cosy, resulting in unacceptable behaviours that have not been effectively performance managed.

Since 2013, in anticipation of publication of the enquiry into Mid-Staffs, many Trusts have increased their staff establishment to help maintain standards of patient care in an overstretched NHS. This has led to a rush on healthcare recruitment and recognition that there are simply not enough staff to fill the number of vacancies that have been created by increasing WTE requirements.

Not surprisingly, staffing agencies have been able to use that deficit to place nurses with considerably greater regularity than before, leading to an increase in agency costs and spiralling hour rates.

There is no doubt that some healthcare staffing agencies do play an important part in distributing hard to find skills, such as theatre nurses, paediatrics, A&E, high-dependency and community psychiatric nurses. But where they are filling basic nursing and even healthcare assistant roles, this is clearly of great concern. Sadly once invited in, staffing agencies have a habit of making themselves indispensable. Their placement teams are trained to exploit opportunities to place their staff, not to support the real needs of the Trust.

Our role is to help NHS Trusts optimise their use of bank staff and get the best from their agency relationships without exposing the Trust to excessive cost or risks to patient safety.

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Unacceptable agency behaviours

The trouble with the staffing agency industry is that a few bad agencies taint the rest of the sector. Listed below are some of the sharp practices we have observed:

- **Recruitment:** failure to get sight of compliance documents, harassment of potential recruits.
 - **Placement:** accepting bookings from unauthorised Trust personnel; placing agency workers banned in one Trust with another Trust; ignoring compliance restrictions; ignoring Working Time Directive (WTD) regulations; placing staff above their competence level; failure to carry out correct identification of agency staff (name, National Insurance number, etc); harassing Trust managers to accept supply; referring non-framework sister agencies; encouraging managers and medical recruiters to breach company policy by placing bookings outside the agreed procurement mechanism.
 - **Invoicing:** fraudulent timesheets and invoices; overcharging hours worked or rates applicable; charging higher rates without approval; failure to deduct payment for statutory breaks from invoices.
 - **Complaints:** failure to follow up complaints about agency workers from both Trust staff and members of the public.
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A new way of working

As agent for client Trusts, NHS Professionals' Client Board requested NHSP to explore opportunities that would overcome some of the traditional difficulties in dealing with staffing agencies. The objective was to create more open, collaborative and efficient working relationships with preferred staffing agencies.

There are three important aspects of the relationship to be addressed:

1. Cascade of assignments via the bank to ensure that the bank has first call;
2. Administration and control of the preferred agency relationship;
3. Development of closer collaborative partnership approach.

The Cascade

A cascade process, ensures that agencies see shifts in order of preference depending on their charges and compliance processes. Assignments are first offered to bank workers and if they remain unfilled, gradually fed out to staffing agencies in a predetermined order. This is designed to ensure that agencies with a poor quality record and more expensive agencies are only offered shifts where no other agency can provide cover at a lower cost.

Agency invoices are validated against approved time-sheets and agreed rate cards through the Preferred Agency Support Service (NHSP:PASS).

Each client Trust selects its preferred agency suppliers who provide rate cards for each grade and specialism. Timesheets are automatically generated by the NHSP:Online system, complete with hours and grade following each assignment. The timesheet is the authorised by the Trust, and the appropriate rate applied to generate an invoice. Otherwise the invoice is passed for automatic payment. NHSP then consolidates the agency invoices weekly and recovers the amount from the Trust. Any change to either hours or grade requires approval by the Trust.

NHSP:PASS

- Is designed to help Trusts to establish and oversee strict procurement protocols with a small number of reputable, high-quality agencies to cover any unavoidable gaps in shift-fill.
- Has clear administrative advantages for the agency provider, reducing their unpaid invoices and improving their cashflow.

Agencies not included in the Crown Commercial Services (CCS) Agency Framework, tend to be the most expensive and may have questionable clinical governance processes. Following an edict from the Department of Health in June 2015, Trusts will be restricted from procuring from non-framework agencies.

Monitoring and control of agency use by the Trust may be difficult or even impossible.

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Agency Partner Programme

The Agency Partner Programme (NHSP:APP) takes the agency relationship to its logical conclusion. We help the Trust to review current agency usage with a view to minimising the number of agencies and optimising the quality.

To bring some order to the agency management process, NHSP:APP requires agencies to sign up to a code of conduct in which they agree to work within agreed parameters covering the key areas of recruitment practices for compliance, placement and invoicing.

1. Calibration checks are carried out on all agencies selected by the Trust for the programme, thereby providing reassurance that all flexible and temporary staff working for the Trust meet its standards for staff competence.
2. Under the code of conduct, any complaints against agency workers must be swiftly followed up, minimising potential threats to patient safety.
3. The code also ensures that the Trust complies with the Agency Worker Regulations which provide agency staff with important employment protection rights encompassing both pay and non pay-related issues.

4. Partnered agencies must not place excluded workers back into the Trust.
5. APP protocols ensure that bookings are only accepted through a named individual at the Trust.
6. Staff must not be placed above their competence level and bookings must not circumvent the agreed procurement mechanism.
7. Agencies also undertake to pay their staff defined rates for different shift types.

In addition to negotiating best-value rates, NHSP:PASS ensures that all invoicing meets the agreed standards.

By placing all assignments through a single service platform (NHSP:Online), Trusts benefit from a single-source management information that not only helps Trusts to avoid excessive costs and unbudgeted expenditure, but also leads to improved forecasting and planning.

Naturally, failure to follow the code results in payment being withheld and eventually exclusion from supplying to the Trust.

¹ Any references to "partner" or "partnership" do not imply entering into a partnership as a legal entity.

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A collaborative approach

With a reduced number of agencies on the APP programme, each individual agency tends to win an increased share of the Trust's shift fill, which offers them economies of scale and helps to reduce their overhead costs – savings which are then passed on to the Trust.

Through the APP, selected agencies may gain introductions to other Trusts and access to additional opportunities. This provides a considerable incentive for agencies working in an increasingly tough commercial environment.

Most Trusts have little time to develop positive working relationships with agencies. For their part, agencies sometimes feel that they are regarded with distrust. They fear that if they approach Trusts with concerns about processes, fairness or the behaviour of a member of Trust staff, their relationship will be at risk. The APP works hard to collaborate with both Trust and agency, thereby facilitating a far more positive relationship between the two. The APP provides a direct line to a dedicated APP account executive for both Trusts and agencies; there is no call centre. Any difficulties that arise can be addressed swiftly and efficiently.

“With the APP on hand to broker the relationship between Trusts and agencies, a more comfortable understanding soon develops. With the segregation of duties provided by APP, the feeling of defensiveness quickly goes and a far more productive relationship ensues. With over 30 years' experience in healthcare, both in a clinical role as a nurse and as an agency chief executive, I have experienced both sides of the relationship.”

Jacqui Skinner, NHS Professionals Head of Agency Partnership Programme

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Capping rates

In June 2015 both the secretary of State for Health and the Chief Executive of NHS England made it clear that they were unwilling to allow the continuing escalation of agency rates for engagement of temporary healthcare staff in the NHS.

Trusts will be limited to using agencies that comply with both NHS procurement frameworks and supply within agreed pricing levels.

NHS Professionals provides NHS client Trusts with all of the information required to monitor the rates charged by its preferred agencies and ensure that excessive charges are avoided. For some of our Trusts, we have provided them with the information needed to expose agencies charging excessive fees and allow the Trust to challenge these rates.

Unsurprisingly, when challenged and exposed, those staffing agencies agreed to reduce their rates in line with the capped rate determined by the Trust.

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Advantages for staffing agencies

Both Preferred Agency Support Service and Agency Partner programme offer considerable advantage for agency providers.

Agencies selected by the trust to participate in the agency Partner Programme benefit from a closer relationship with the Trust management team, including regular meetings where they can discuss performance management issues and suggest different approaches that will improve shift fill and reduce the cost of supply and the burden of invoice administration.

“Any payments to the APP are reinvested into the programme and enable us to work with more Trusts **REVISE** savings for the NHS. We're putting money back where it should be – with the NHS – by working with the Trusts to make significant savings.”

Jacqui Skinner, NHS Professionals Head of Agency Partnership Programme

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Conclusion

Use of expensive staffing agencies remains firmly under the microscope. Since publication of the Francis Report, Trusts must take the issues currently presented by inappropriate and unplanned agency usage very seriously indeed. But at the same time they must ensure minimum staffing levels are maintained to ensure patient safety. With a general shortage of registered nurses across the country, this will remain a difficult puzzle to solve.

NHS Professionals has an important role to play in supporting its NHS client Trusts. As the service provider responsible for managing the Trusts supply of temporary staff, we provide a 24/7/365 service to ensure as many shifts as possible are fulfilled by bank and locum staff known to the Trust. Where this is not possible, we will continue to support client Trusts' considered use of pre-selected staffing agencies.

Self-funding from savings, both the Preferred Agency Support Service and the Agency Partnership Programme form part of a considered, mature response to a problem that is threatening to become out of control. It provides participating Trusts with an operating model that helps determine which agencies can safely meet the needs of the Trust at the best value, whilst ensuring compliance with agreed standards and minimising opportunities for error and fraud.

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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
- Managing demand: best in class approach to reducing shift demand
- Medical Locum expenditure: treating the disease, not the symptoms
- People, not things: A new approach to NHS Procurement


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