

Cyfarwyddwr Cyffredinol Iechyd a Gwasanaethau Cymdeithasol/
Prif Weithredwr GIG Cymru
Grŵp Iechyd a Gwasanaethau Cymdeithasol

Director General Health and Social Services/
NHS Wales Chief Executive
Health and Social Services Group



Llywodraeth Cymru
Welsh Government

Nick Ramsay AM
Chair,
Public Accounts Committee

Our Ref: AG/SOT

25 April 2019

Dear Mr Ramsay

Expenditure on agency staff by NHS Wales

I am writing in response to your letter of 28 March 2019.

Welsh Government welcomes the January 2019 WAO report on expenditure on agency staff by NHS Wales which will inform future activity in Wales. We had already started significant work nationally to manage this expenditure which we shared with the WAO during completion of their report. It is encouraging that the observations made by the WAO on developing a single source of consistent data collection and strengthening leadership to steer the work and deliver future efficiencies are very much in line with our focus for phase two of this work programme.

We introduced a new national control framework in November 2017 approved by the Minister to reduce agency deployment and expenditure which enabled us to reduced expenditure by £30 million in 12 months between 2016-17 and 2017-18. This represents an improvement of 17% in the underlying spend and has reversed a pattern of annual increases.

This reduction resulted from joint working between Welsh Government and NHS organisations to implement a number of controls and management processes which were introduced by Welsh Government Health Circular WHC 2017-042 in November 2017 to reduce agency and locum deployment in NHS Wales organisations.

Alongside the controls on agency and locum deployment, we have also implemented a range of more strategic measures to build a sustainable substantive workforce against a background of the highest spend on record on the workforce, including our successful Train, Work, Live campaign.

There has been progress in workforce recruitment, with a record number of staff working in the Welsh NHS. In September 2017 (the latest available official statistics) there were 77,917 full time equivalent (FTE) directly employed NHS staff in Wales. This was up 2.1% per cent (1,629) from 2016 and represents a record high.

In addition, in November 2018 the Minister for Health and Social Services announced a £114m investment package to support education and training programmes for healthcare professionals in Wales. This represents an increase of £7m compared with 2018/19.

We have achieved significant rapid reduction in spend on agency and locum staff through our new control framework. The information collection that underpins this control framework, alongside the analysis and reflections made by the WAO, has enabled us to identify the next steps for a second phase of the work to further reduce NHS reliance on agency and locum staff and to maintain this good progress

Whilst there is significant potential to further control agency and locum deployment, some organisations have made more progress than others. Welsh Government officials are therefore working with individual health boards to spread good practice and scrutinise their actions and exploring the potential benefits of organisations, including commercial options, who offer a range of services which aim to reduce agency and locum spend.

A breakdown of expenditure on agency and locum deployment across all staff groups in NHS Wales for 2018-19 has been included at Appendix 1.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Andrew Goodall', written in a cursive style.

Dr Andrew Goodall CBE

Staff Group	2018/19 Agency & Locum (paid at a premium) Expenditure (M11 Actual + M12 Forecast)											Staff Category as a % of Total Expenditure £000's
	ABM £000's	Aneurin Bevan £000's	Betsi Cadwaladr £000's	Cardiff & Vale £000's	Cwm Taf £000's	Hywel Dda £000's	Powys £000's	PHW £000's	Velindre £000's	WAST £000's	Total £000's	
Admin & Clerical & Board Members	1,223	269	1,672	421	993	239	70	763	1,093	160	6,902	4.9%
Medical & Dental	9,737	10,334	13,809	144	13,909	4,308	1,286	673	-	-	54,200	38.5%
Nursing & Midwifery Registered	11,575	7,358	12,428	9,442	6,741	14,216	2,074	-	4	-	63,839	45.3%
Prof Scientific & Technical	8	86	300	5	50	22	710	-	-	-	1,181	0.8%
Additional Clinical Services	851	48	25	15	342	138	368	-	101	-	1,888	1.3%
Allied Health Professionals	1,006	1,438	2,293	591	808	1,222	409	48	522	-	8,337	5.9%
Healthcare Scientists	201	716	213	164	296	168	-	642	44	-	2,444	1.7%
Estates & Ancillary	679	736	21	347	1	-	237	2	62	12	2,097	1.5%
Students	-	-	-	-	-	-	-	-	-	-	-	0.0%
Total NHS Wales	25,280	20,985	30,761	11,129	23,139	20,313	5,154	2,127	1,826	172	140,887	100.0%
As a % of Total	17.9%	14.9%	21.8%	7.9%	16.4%	14.4%	3.7%	1.5%	1.3%	0.1%	100.0%	
Total Forecast Pay Expend	670,203	537,896	739,998	613,540	355,679	414,727	78,626	82,838	159,508	131,237	3,784,252	
As a % of Total Pay Expend	3.8%	3.9%	4.2%	1.8%	6.5%	4.9%	6.6%	2.6%	1.1%	0.1%	3.7%	

Reasons for expenditure Agency/ Locum (paid at a premium)	2018/19 Agency & Locum (paid at a premium) Expenditure (M11 Actual + M12 Forecast)											% spend by Category £000's
	ABM £000's	Aneurin Bevan £000's	Betsi Cadwaladr £000's	Cardiff & Vale £000's	Cwm Taf £000's	Hywel Dda £000's	Powys £000's	WAST £000's	Velindre £000's	WAST £000's	Total £000's	
Vacancy	17,275	16,073	26,256	6,046	17,205	18,675	2,557	2,127	1,782	172	108,168	76.8%
Maternity/Paternity/Adoption Leave	-	174	533	650	114	49	73	-	-	-	1,593	1.1%
Special Leave (Paid) – inc. compassionate leave, interview	-	151	-	81	-	4	-	-	-	-	236	0.2%
Special Leave (Unpaid)	-	-	-	-	-	1	-	-	-	-	1	0.0%
Study Leave/Examinations	-	-	-	-	91	-	99	-	-	-	190	0.1%
Additional Activity (Winter Pressures/Site Pressures)	4,677	2,150	581	2,657	1,855	996	1,173	-	44	-	14,134	10.0%
Annual Leave	-	34	1,889	23	1,309	-	286	-	-	-	3,541	2.5%
Sickness	3,328	1,348	1,502	1,672	2,550	588	971	-	-	-	11,958	8.5%
Restricted Duties	-	-	-	-	15	-	-	-	-	-	15	0.0%
Jury Service	-	-	-	-	-	-	-	-	-	-	-	0.0%
WLI	-	818	-	-	-	-	-	-	-	-	818	0.6%
Exclusion (Suspension)	-	236	-	-	-	-	-	-	-	-	236	0.2%
Total NHS Wales	25,281	20,985	30,761	11,129	23,139	20,313	5,158	2,127	1,826	172	140,892	100.0%