Written evidence submitted by Independent Clinical Services (ICS) (CSR0071)

Overview of ICS

Independent Clinical Services (ICS) is a leading provider of health, life sciences and social care staffing and services to the UK health sector. It has more than 1,700 employees in 38 locations across the UK, more than 30,000 doctors, nurses and health professional across health, life sciences and social care, and fills approximately 500,000 agency shifts annually at NHS trusts.

ICS operates in four market segments: (i) provision of staff to the NHS and private sector for temporary and permanent jobs; (ii) managed staffing solutions and outsourced banks for NHS trusts; (iii) care and nursing support to people with complex conditions at home; and (iv) managed health services.

ICS-owned agencies include Pulse, Thornbury, Maxxima, Asclepius and Hobson Prior. Temporary and permanent staff supplied cover all major health and social care disciplines. ICS also owns Bank Partners, the leading independent provider of bank management services to the NHS, which has a strong reputation for reducing overall agency spend whilst providing high quality staff.

ICS’s view on CSR/Autumn Statement

In our submission we would like to comment on one key announcement in the CSR and Autumn Statement:

- The Government’s intention to transform the NHS into a 7-day service which includes enabling the provision of up to 10,000 additional nursing and health professional training places this Parliament which the Government says in its CSR documentation, ‘will reduce the current reliance on expensive agency staff.’

The Government enjoys characterising health staffing agencies as ‘ripping off the NHS’ and that as stated above they believe that agency staff are expensive. We reject these characterisations of our industry and firmly believe that rather than ripping off the NHS, the staff we provide offer flexibility, value for money and play a vital role in ensuring safe staffing levels are maintained at a time when healthcare demand is growing and where there is a shortage of healthcare professionals. This is particularly evident in the nurse workforce where approximately 1 in 10 full time posts remains unfilled.

This is compounded by an increasing demand for healthcare professionals following the patient care scandal in mid-Staffordshire, and a growing and ageing population giving rise to significant increases in hospital admissions and A&E attendances. The combination of clinical staff shortages and greater demand for health services has left NHS trusts struggling with long-term workforce planning, leading to more frequent unplanned staffing demands, often at the last minute. Despite some of the recent negative rhetoric concerning healthcare staffing agencies, we are enormously proud of the work we do to help meet this increased demand.

In the CSR, the Government has pledged to create 10,000 additional nursing and health professional places which we welcome. However, these places are going to take time to fill and for those staff to be ready for the front line. In the meantime, the Government has chosen to bring in punitive caps on agency workers’ pay that will have a serious impact on the quality, efficiency and safety of patients throughout the NHS.
The caps will also seriously inhibit the Government’s attempts to create a 7 day service, in an age where the NHS is already short of nurses, facing long waiting lists and cancelling operations. The changes to the caps will make the job of the NHS Trusts even more difficult to fulfil the Government’s manifesto pledge to create a 7 day service, never mind the current needs. The use of agency staff, often through the break-glass provision will be needed more than ever to fulfil the pledge, which undoubtedly will end up costing the NHS more money than the current plans intend to save and put patient safety at risk.

Backed up by comprehensive polling of agency staff, we believe that:

- The proposed price caps will actually exacerbate staff shortages in the NHS. Agency staff anticipate reducing the number of shifts they work by half to three quarters if the proposed caps are implemented. On top of this, significant numbers of permanent NHS staff who top up their income through agency work anticipate leaving their NHS jobs.

- The lack of staff willing to work at capped prices will drive NHS trusts into using the ‘break glass’ provisions. Due to their last-minute nature, appointing staff under ‘break glass’ provisions will incur higher prices. Operating outside existing framework agreements, Trusts will not have assurance on quality of temporary staff and care quality risks for patients will increase.

- The cost to the NHS of administering the proposed price cap rules will be very high. Conservative assumptions, suggest administering these rules could cost Trusts many millions of pounds a year.

- Alternatives to price caps will be more effective in reducing expenditure on agency staff, without risking patient care resulting from staff shortages and quality. ICS has a number of partnerships with NHS Trusts that have delivered improved management of temporary staffing and major cost savings.

A realistic assessment of the likely effect of the proposed caps is provided by an independent survey conducted by ZPB Associates of around 3,600 clinicians registered with ICS agencies, including 1,960 nurses, 978 allied health professionals (AHPs) and 675 doctors. Key points are:

- The Government should not expect planned price caps to cause agency staff to return to NHS employment. One reason is that nearly half of agency nurses and locum doctors (45% and 39% respectively) are already NHS employees. Agency work is being used by NHS employees to top up income.

- For those not already working in the NHS (63% of nurses, 65% of doctors, 55% of AHPs), flexibility is a critical factor. Cutting pay will not encourage their return to the NHS; they will still need flexible working arrangements that NHS permanent positions have not been able to provide to look after children, care for relatives or pursue other interests.

- Far from driving staff back to the NHS (where most already work), these changes may drive staff away from the health profession. More than half of agency nurses (54%) and AHPs (53%), and around three quarters of locum doctors (74%), will work fewer shifts, pursue work outside England, or change career. If the proposed caps are implemented, very few agency staff (13% of nurses and 2% of doctors) anticipate working more shifts.

- Agency staff will work fewer shifts. The survey showed that the number of shifts that agency staff will work will decline by half to three quarters if agency staff are paid lower capped rates. Further, the NHS will also lose the contribution of permanent staff working additional shifts through agencies who, as a result of the caps, choose to pursue careers outside the NHS.
in England. This could increase the total number of shifts lost to the NHS as a result of these proposals by 40% for nurses and 80% for doctors.

- Trusts in remote locations will be the hardest hit as staff fulfil fewer shifts. Around 28% of AHPs, and 41% of those locum doctors that primarily work through placements, lived away from home for their most recent placement. However, only half this amount (13% of AHPs and 20% of doctors) would be willing to take a placement that involved living away from home under the proposed price caps, given that travel and accommodation costs would no longer be covered.¹

Staffing agencies play a vital role in matching clinical staff with temporary vacancies, and providing a flexible workforce that NHS trusts can switch on and off as demand fluctuates. Further, the quality standards that ICS, and other agencies, adhere to mean that trusts can rely on agencies to provide the high quality temporary clinical staff necessary to deliver a high standard of patient care.

- The Government has chosen not to recognise this and characterised the industry as ‘ripping off’ the NHS. Monitor’s impact assessment provides no supporting evidence; on the contrary, the large number of agencies serving the NHS, and small market shares, evidence a highly competitive market.

- Proposed price caps are not sufficient for ICS and other agencies to cover the costs necessary to deliver high quality services. For example, in line with framework contracts, agencies currently carry out more than 20 separate checks before a nurse is available for temporary work in the NHS. This quality assurance will simply be unaffordable and trusts will be left in a position where agency staff cannot be assured to the existing high standard resulting in increased risks for patients.

- The Department of Health owns a staffing company, ‘NHS Professionals’, which provides a bank staff service but is perfectly capable of providing other agency staff and therefore conveniently not subject to the caps. The DH should be looking to develop NHS Professionals to compete effectively with the private sector and let market forces drive down agency rates.

In summary, if the proposed price caps are implemented, many clinicians will no longer be willing to work on a temporary basis, and agencies will no longer be able to serve the NHS with the same level of quality assurance. The result would be significant staff shortages, much less efficient matching of temporary staff with vacancies (exacerbating the effect of these shortages), no actual saving to NHS budget and a much reduced degree of quality assurance in relation to those temporary staff supplied.

ICS’s views on the likely implementation path for the proposed agency price caps are informed by its knowledge and experience of the last time, in 2006, that the Government sought to reduce agency spending. While the NHS was able to reduce spending on agency nurses, the subsequent increase in waiting lists for elective surgery resulted in various waiting list ‘initiatives’, which increased demand for agency nurses once more, and overall spending and pay rates returned to previous levels.

**Recommended alternatives**

Despite serious concerns in relation to the proposed agency price caps, ICS agrees that action should be taken to address existing levels of expenditure on agency staffing. ICS believes that agency costs could be reduced through a number of other measures, including:

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¹ This can be expected to increase inequalities in access for the populations living in these areas, which should be taken into account in Monitor’s equalities impact assessment.
• channelling demand for temporary staff in the NHS through the existing framework contracts, where staff rates and agency fees have been set through transparent market processes, often involving bids from more than 100 suppliers, and where clinical quality safeguards have been agreed;
• structured partnerships with NHS Trusts, which can deliver improved management of staff banks, recruitment processes, workforce planning and internal controls as well as realise significant cost savings. (These partnerships can take the form of outsourced management of NHS trust staff banks, or master vendor arrangements with ICS as a lead agency delivering supply chain management);
• streamlining framework purchasing arrangements such that administrative costs for NHS trusts and agencies are minimised;
• making it easier for overseas nurses to practice in the UK by reviewing regulatory barriers;
• increasing the flexibility of working arrangements offered by NHS trusts so that nurses and other clinicians are not forced to leave permanent NHS employment to achieve the working arrangements that allow them to look after their children or other family members;
• better management of NHS Trust staff banks; and
• managed service agency solutions.

ICS has found, through its Bank Partners business, that better management of NHS staff banks can deliver substantial savings to NHS trusts through understanding demand patterns, deploying technology, increasing bank fill rates and improving and controlling agency supply. There are five key areas where action can minimise agency spend:

• Workforce vacancies: Bank Partners’ experience is that over half of temporary staff requests cover vacancies. For each client Bank Partners invests in recruiters, reducing the time to hire of qualified workers to around 28 days.

• Investment in an effective staff bank: Banks Partners provides a high touch service that operates 24/7 with on-site bank teams working closely at ward level, assisted by data from systems and management information to deliver the right flexible staffing strategies.
• Optimising systems and processes: Bank Partners integrates e-rostering systems with existing bank management software allowing end to end visibility of both the request and fulfilment and ensures each worker has remote access to view and book shifts which is both easier and more efficient.
• Improving agency management: Bank Partners generates cost efficiencies and improvements for NHS trusts through agency reduction and improved bank fill rates. By planning ahead, Bank Partners maximises fill rates and reduces the number of shifts issued to agencies, reducing spend.
• Strategic use of flexible staff: Bank Partners work at ward, department and directorate level to identify vacancy requirements in advance and agree the most cost effective solution to fill them. Flexible staffing can be more strategically planned when a trust assigns a Head of Temporary Staffing to interface with the bank.

At NHS Trusts that ICS has worked with, through Bank Partners, bank fill rates have grown by around 80%, and this has translated into cost avoidance of more than £1 million per month across the seven clients that ICS works with.

25 January 2016