

## How can the NHS reduce its £300,000,000 temporary staffing spend?



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While the staffing crisis facing the NHS has been [well-documented](#), the mechanics behind how Trusts secure skills, and how this contributes to the problem is rarely discussed. The fact is that NHS Trusts are frittering away millions of pounds each year through inefficient, disjointed staffing strategies, and small tweaks in terms of organisational structure could have a significant influence on the way that workforces are recruited and managed. This would have a huge impact on not only staffing spend, but also employee engagement, continuity of care and patient outcomes.

### Disjointed strategies

Unfortunately, most trusts are set up in a way which facilitates this wasteful approach. Trusts are typically structured so that permanent recruitment managers sit separately from temporary staffing teams. While the latter has full autonomy to utilise agencies to plug gaps, the former often has no authority or budget to work with external recruitment partners – meaning vacancies are regularly left unfilled – and have to be covered by temps. This leads to huge amounts of spending on temporary agency fees. Recently, I met with a large Trust in the East of England which had six permanent Community nursing vacancies open in one particular service – we had the people to fill them, but the hiring manager didn't have the capability to work with us. This led to the vacancies being plugged by long term agency workers which were managed by a different department, at a cost increase to the trust compared to hiring the staff permanently through an agency. The nonsensical approach of separating the two departments and preventing them from sharing resources was the key factor preventing the vacancies from being filled.

### £300,000,000?

The true extent of this wastefulness cannot be underestimated. To get a rough picture of just how much the NHS are spending on temporary staff, we can do the following analysis. By taking the agency fees incurred when bringing on board a single Band 5 agency nurse, which typically sit at around £152 a week, and calculating this over 12 months, we reach costs of almost £8000: enough to pay a permanent introduction fee four times over. If you extrapolate this figure to take into account the 37,917 advertised full-time equivalent nursing and midwife posts which were open at NHS Digital's [last count](#), the health service would be splurging in excess of £300,000,000 on agency fees when there is permanent talent available to fill the vacancies.

### Solutions?

Luckily, there are straightforward methods which the NHS can implement to bring spending down. Firstly, it's crucial that permanent recruitment and temporary staffing teams become fully integrated, working to the same budget and strategic objectives. Reducing the amount of temporary staff on their books should be of paramount importance for both. For those who bring up the objection that hiring permanent staff would see increases to their payroll, along with pension costs and other employee benefits, these still pale in comparison to the cost of employing agency staff year-round. For instance, hiring a permanent Band 5 nurse with pension costs included still comes to £16,488 less than what an agency worker would cost. This ties into a wider need for more strategic workforce planning. Advanced workforce management, utilised in many private industries, will help the NHS deploy workforces more effectively in the short term, and also pipeline talent for the future. By allowing strategists in on daily operations, areas which need immediate attention can be examined and taken care of. Other approaches, such as strengthening employee brand will also improve retention. With [research](#) showing that 63% of employees admit a trusted employer increases job satisfaction, this is something that shouldn't be ignored.

### Change is possible

Ultimately, with concerted effort across the board, small adjustments could make a huge amount of difference in reducing levels of agency spend, improving care, and saving lives. Through relatively simple methods, decision makers can ensure long-lasting impact.

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