

Dear Colleague

USE OF TEMPORARY MEDICAL STAFF

Purpose

1. This letter is to remind NHS Boards of the recommendations from the "Doing the Rounds" Accounts Commission Report and the importance of using the Code of Practice on the employment of temporary medical staff in order to ensure patient safety and best value for money. The letter also updates Boards on current workstreams being led centrally in respect of temporary medical staff.

Background

2. In light of the benefits from the creation of Nurse Banks, Health Management Board, with the agreement of NHSS Board Chief Executives has asked for further work to be done in respect of temporary medical staff. NHSScotland spend on medical locums in 2008/09 was £29m. This is expected to rise to around £38m in 2009/10.

3. In parallel, Audit Scotland are undertaking a study of medical locums with the overall aim to assess the extent to which the NHSS is using medical locums efficiently and safely. An extract of the Audit Scotland Project Brief is provided in Annex A.

Summary

4. The attached paper provides an update on developments in NHSScotland in relation to staff banks and the employment of temporary medical staff. The key highlights are:

- A Short Life Working Group has been established to take forward work on temporary medical staffing.
- Audit Scotland are publishing a study into medical locums in June 2010.

5. For your ease of reference a summary of the 1998 "Doing the Rounds" Accounts Commission report is provided at Annex B. The Code of Practice on the employment of temporary medical staff is provided in Annex C.

CEL (2010) 08

01 March 2010

Addresses

For action

Chief Executives, NHS Boards and Special Health Boards

Directors of Human Resources, NHS Boards and Special Health Boards

Medical Directors, NHS Boards and Special Health Boards

For information

Nurse and AHP Directors, NHS Boards and Special Health Boards Members, Scottish Partnership Forum

Members, Scottish Terms and Conditions Committee Members, Scottish Workforce and Governance Group

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Action

6. NHSS Board Chief Executives and Human Resource Directors are asked to share this letter with all staff involved in the employment of temporary medical staff.

Yours sincerely

A handwritten signature in blue ink, appearing to read "John Nicholls", is positioned to the left of a vertical line.

John Nicholls
Deputy Director, Health Workforce

UPDATE ON NHS STAFF BANKS

Purpose

1. This paper provides an update on developments in relation to NHS Staff Banks.

Background

2. In August 2009, Health Management Board was presented with an update on the progress being made with reducing nurse agency spend and use in NHSS. An SG-mandated restriction on the use of nurse agency, and the creation of nurse banks resulted in agency spend reducing from £30m in 2003/04 to £10.39m in 2008/09. Health Management Board decided that further consideration should be given to looking at the creation of banks for other staff groups in NHSS, and potentially more widely across the public sector. This approach was also agreed with NHSS Board Chief Executives.

3. In parallel, Audit Scotland are undertaking a study of medical locums with the overall aim to assess the extent to which the NHSS is using medical locums efficiently and safely. A summary of the aims of the Audit Scotland Project Brief is provided in Annex A. Health Workforce Directorate is liaising closely with Audit Scotland on this.

Doing the Rounds – 1998 Accounts Commission Report

4. The current Audit Scotland study is the first major examination of locum use since the 1998 Accounts Commission report “Doing the Rounds: The use of medical locums in Scotland’s hospitals”. That study found that using an agency medical locum was the most expensive option for filling a gap and that internal cover was the least expensive option. It also found that the most basic way to reduce costs was to formally tender for agency services. National contracts are available for all agency recruitment services and [HDL 2006\(39\)](#) was issued to mandate the use of National contracts for the purchase of agency labour, including agency locum doctors. Details of current contract arrangements and supplier information can be obtained from National Procurement, National Services Scotland. A copy of [HDL 2006\(39\)](#) can be found in Annex C.

5. The Doing the Rounds report highlighted a number of findings including a lack of sufficient data at Board level, insufficient vetting and induction and inadequate monitoring and control. A summary of the 1998 report is provided in Annex B. It should be noted that this report was written before the current New Deal Pay arrangements were negotiated, and Working Time Regulations were fully implemented for Doctors in Training. It takes no account of the complexities around these two areas.

6. Whilst there have been marked improvements in the collection of data, and the adoption of a Code of Practice ([PCS \(DD\) 1998/1](#), attached at Annex D) relating to locum use, there remain areas of concern around performance management and costs. It is expected that the Audit Scotland study will address these issues.

Focus on temporary medical staff

7. The experience with nurse agency suggests that there are potentially significant benefits to be obtained from taking a similar approach with other staff groups within the NHS, and more widely across the public sector. There is already some work being led by the Chief Nursing Officer Directorate to establish a national AHP bank. That work will continue, but there are good reasons to place particular emphasis now on temporary medical staff, rather than attempting to cover all staff groups at once, namely: the potential benefits in terms of quality (patient safety) and value for money; a broad consensus across stakeholders that action here is desirable and achievable; and the reputational issues likely to be raised by the Audit Scotland report. In addition, the national efficiency and productivity framework programme published in July 2009 identified temporary medical staff as an issue to be addressed.

Discussion with key stakeholders and next steps

8. As a first step, Health Workforce Directorate convened a scoping workshop with key service stakeholders including medical staffing managers, HR, National Procurement and SAMD in January 2010. The outcome of that discussion was agreement that the overall objective should be to ensure an affordable, high quality supply of temporary medical staff. A number of key issues were identified, including the need to reduce demand for temporary staff where possible, HR and performance management issues raised by cross-Board working, the need for Boards to act in concert when dealing with agencies, and the importance of national leadership by SGHD.

9. It was agreed with stakeholders that a national co-ordinated approach is needed to take forward this work and a small Short Life Working Group, chaired by SGHD, has been established to do that. The aim will be to make meaningful progress to the same timescale as the Audit Scotland publication in June 2010. The first meeting of the group was held on 18 February. At that meeting, it was agreed that the group should produce guidance setting out the key issues and solutions, and that it should then be for Boards to implement them.

10. In the meantime and while work progresses with the Short Life Working Group, SGHD is reminding Boards of the recommendations from the "Doing the Rounds" Accounts Commission Report and the importance of using the Code of Practice on the employment of temporary medical staff in order to ensure patient safety and best value for money.

11. NHSS colleagues are invited to note developments.

Health Workforce Directorate
01 March 2010

Audit Scotland – Using Medical Locums - Extract from Project Brief

Aims and objectives

The overall aim of the study is to assess the extent to which the NHS in Scotland is using medical locums efficiently and safely.

The study has two key objectives. We will:

- evaluate whether NHS boards are using medical locums in the most economic, efficient and effective way
- examine whether NHS boards have sound arrangements for ensuring patient safety when using medical locums.

Project scope and methodology

Project scope

The study will examine NHS boards' use of medical locums in acute and community hospitals. The study will include the 14 territorial NHS boards along with the Golden Jubilee National Hospital and the State Hospital. Also included are relevant national organisations such as the SGHD and National Procurement Division of National Services Scotland. The study will not examine the primary care sector as GPs are independent contractors employed directly by GP practices.

The study will:

- examine the reasons behind any changes in levels of use and expenditure on agency medical locums
- try to obtain data to provide an estimate of the costs of providing internal cover for the NHS
- review the way in which medical locums are vetted, inducted and supervised, and given feedback on their performance.

We will not look in detail at medical workforce planning nor will we assess whether the rotas developed by hospitals are adequate to provide the services required.

Methodology

We will use a range of methods to obtain evidence about medical locums in the NHS. We will gather evidence by:

- analysing existing national data on agency medical locums
- analysing quantitative and qualitative data collected from NHS boards, the Golden Jubilee National Hospital and the State Hospital. This will include:
 - corporate policies and procedures relating to medical locums
 - expenditure on medical locums, including expenditure on internal cover where available
 - levels of demand for, and use of, agency medical locums.

- conducting interviews with relevant departments in the Scottish Government, NHS bodies and other organisations
- undertaking a survey among a sample of service managers to examine topics such as:
 - reasons for using medical locums
 - induction and supervision arrangements
 - the use of senior grades to provide cover for lower grades
- conducting focus groups with junior doctors who have worked as medical locums (either providing internal cover or working for an agency) to examine their experiences of induction, supervision and performance management.
- undertaking fieldwork visits to interview staff in a sample of four NHS boards to identify good practice and to explore issues in depth such as:
 - how NHS boards minimise their demand for and expenditure on medical locums
 - the vetting and appointment of medical locums
 - the induction and supervision of medical locums
 - the delivery of feedback on the performance of medical locums.

Comparative data are available from NHS Employers in England and Wales on expenditure on agency medical locums and levels of use of agency medical locums. We will make comparisons where relevant with Scotland.

The full project brief is available at http://www.audit-scotland.gov.uk/docs/fwd/pb_medical_locums.pdf

“DOING THE ROUNDS – The Use of Locum Doctors in Scotland’s Hospitals”

MAIN FINDINGS AND RECOMMENDATIONS

Background

Study was carried out by the Commission’s auditors during 1997, focused on the controls over hospital locums. The report found that there are two distinct categories of locum use:

- Cover for serving staff
- Cover for vacancies

Overall, the studies found :

- Annual expenditure on locums at acute trusts averaged just under £0.5m.
- Two thirds of locum costs were due to vacancies
- Six specialties were responsible for 62% of locum use (Psychiatry, Anaesthetics, A and E, Obstetrics and Gynaecology, Geriatrics and Orthopaedics).
- Agencies’ share of trust expenditure fell to 50% in 1996/97 from 56% the year before
- 60% of agency locum assignments were for less than a week.

Findings of Report

Lack of sufficient data at Board level – The quality of information on staff workload and locum use varies considerably between trusts. The lack of data means that some trusts were slow to detect sharp increases in costs. Feedback from local audits confirms that improved monitoring is one of the main factors behind a decrease in costs. Data needs to be collected on locum costs in different specialties, reasons for appointment and identifying the potential for avoiding locum use altogether.

Medical Workforce Planning – Planning should help to ensure that locum appointments are made only when they are needed to make a positive and cost-effective contribution to the provision of hospital services.

Insufficient vetting and Induction – Concerns at some trusts about the practical difficulties in undertaking comprehensive vetting and induction where locums were appointed at short notice, particularly when required to provide on-call cover overnight or at weekends with minimal supervision.

Aspects of the Screening Process – In certain aspects of the screening process, some trusts were relying on checks being carried out by locum agencies, although the basis for delegating responsibility had not been agreed or formalised.

Lack of formal policies or protocols for the appointment and management of locums – Few trusts had in place formal policies or protocols for the appointment and management of locums.

Inadequate monitoring and control over locum use – The lack of formal policies and protocols were exacerbated in some cases by inadequate monitoring and control over locum use.

Checks on Hours worked – A common issue as agencies have no independent means of checking hours worked. Serious risk that doctors will be too tired to exercise their duties properly or safely.

Countering risk – one of the most effective ways of countering risk is for trusts to appoint locum doctors for whom they can vouch directly, such as their own staff or former employees.

Code of Practice

The Code of Practice (issued by SG in 1998) contains guidelines on the appointment of locums. The Code covers 4 key areas:

Vetting – The Code requires that all locums are vetted and specific checks are undertaken before they take up appointment including: confirming identity, checking their professional registration, qualifications and experience etc.

Induction – As a minimum, locums should be given written information about practices in the hospital and specialty they work in. This should include details about the tasks they may and may not carry out on their own initiative, and how to get advice and assistance when needed.

Performance Appraisal – At the time of the study there were no guidelines in place for the supervision and appraisal of locums. The Code requires Boards to undertake a structured assessment.

Locum Agencies – The Code requires locum agencies to ensure they comply with the Code of Practice.

Recommendations

- **Locum policy should be reviewed in the interests of allowing directly-managed locum banks to compete fairly with agencies.**

To improve controls:

- **A National initiative should be considered introducing, on a pilot basis, of a national alert system for sharing intelligence about unsatisfactory locums.**
- **A National initiative should be considered for national contracts for agency services, in line with those which have been negotiated in England and Wales.**

The full report “**DOING THE ROUNDS – The Use of Locum Doctors in Scotland’s Hospitals**”

can be found at http://www.audit-scotland.gov.uk/docs/health/pre1999/nr_9807_locums_hospitals.pdf

December 2009

Copy of HDL 2006(39) – National Procurement: Use of National Contracts for Agency Labour Purchase; and Review of Public Procurement in Scotland



HDL2006_39.pdf
(90 KB)

**Copy of PCS (DD) 1998/1 - Code of Practice in the Appointment and
Employment of Locum Doctors**



PCS(DD)1998-1 -
Code of Practi...