

Agency, bank and overtime spending in maternity units in England - 2015

October 2016



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Executive Summary

In January 2016 the Royal College of Midwives (RCM) sent a freedom of information request (FOI) to all the NHS trusts in England that have maternity units to ask them how much they have spent on agency and bank staff and overtime for every month in 2015. The FOI also asked about the numbers of hours of staff time this equated to. This report follows on from the RCM's report on agency spending in maternity units between 2012-2014 which was published in February 2015. 123 trusts responded to the FOI giving a response rate of 91.1%

THE KEY FINDINGS OF THIS REPORT ARE:



AGENCY SPENDING ON MATERNITY STAFF IN THE NHS IN 2015 WAS **£24,950,157**.

OUR PREVIOUS REPORT SHOWED THAT AGENCY SPENDING IN ENGLAND WAS **£10,159,099** IN 2012; **£11,753,497** IN 2013; AND **£17,849,767** IN 2014. THIS IS AN INCREASE OF **39.8%** ON AGENCY SPENDING IN THE LAST YEAR AND AN INCREASE OF **145.6%** OVER THE LAST FOUR YEARS.

THE AVERAGE SPEND PER HOUR ON AGENCY STAFF WAS **£41.25**. THE HIGHEST AVERAGE MONTHLY SPEND WAS IN DECEMBER 2015 WHEN SPENDING PEAKED AT **£50.58** PER HOUR. THIS WAS AFTER THE GOVERNMENT INTRODUCED A PAY CAP FOR AGENCY STAFF IN THE NHS.

OVERTIME SPENDING WAS **£4,522,440** FOR MIDWIVES IN NHS ORGANISATIONS IN ENGLAND IN 2015. OVERTIME SPENDING RESULTED IN THE LOWEST COST PER HOUR AT AN AVERAGE OF **£23.06** PER HOUR.

BANK SPENDING WAS **£43,225,603** FOR MIDWIVES IN NHS ORGANISATIONS IN ENGLAND IN 2015. THE AVERAGE SPEND PER HOUR FOR BANK MIDWIVES WAS **£25.63** PER HOUR.

IN TOTAL, NHS ORGANISATIONS SPENT **£72,698,200** ON AGENCY, OVERTIME AND BANK MIDWIVES.

£72,698,200 IS ENOUGH MONEY TO PAY FOR **2,063** FULL TIME, EXPERIENCED MIDWIVES (PAID AT THE TOP OF BAND 6 AT **£35,255** A YEAR) OR **3,318** FULL TIME, NEWLY QUALIFIED MIDWIVES (STARTING SALARY IS **£21,909** PER YEAR).

THERE WERE 23 ORGANISATIONS IN TOTAL THAT SPENT MORE THAN **£1 MILLION** ON AGENCY, BANK AND OVERTIME.

TWELVE OF THE TWENTY HIGHEST SPENDERS ON BANK, AGENCY AND OVERTIME WERE IN LONDON.



Recommendations

While bank and overtime spending are much better value for money than agency spending it is clear that organisations are far too reliant on temporary staffing. NHS organisations need to develop a total workforce strategy to ensure that they have the appropriate numbers of staff; to ensure that they are retaining their existing staff and to ensure they are recruiting enough staff to deal with the increased demand on the service and replace staff who leave.

The RCM makes the following recommendations:

- NHS organisations should review their maternity staffing levels using a recognised workforce planning tool, such as Birthrate Plus, to ensure they have the appropriate midwifery establishment for their workload. Any resulting vacancies should be recruited to as a matter of urgency.
- NHS organisations should review their midwifery turnover rates and vacancy data to identify posts that have recruitment and retention issues. NHS organisations should then make use of recruitment and retention premia (RRP) in Agenda for Change for midwives to counter existing shortages.
- The Government should end their policy of public sector pay restraint and allow the NHS Pay Review Body to make unfettered recommendations for NHS staff, including midwives, and break the 1% pay cap to ensure that midwives are fairly rewarded for the job they do.
- NHS organisations should sign up to the RCM's Caring for You Charter to improve midwives', student midwives' and maternity support workers' health, safety and wellbeing at work. The Caring for You Charter includes a commitment on undermining behaviours and bullying and a commitment on flexible working and breaks.
- The Government should re-think its plans to abolish the bursary for midwifery students and not introduce tuition fees as both of these actions will have consequences for the numbers of new students training to be midwives.

In the meantime, NHS organisations should empower their managers to authorise the use of overtime payments as an alternative to using far more expensive agency staff.

If you have any questions about this report please contact Amy Leversidge, Employment Relations Advisor at the RCM on amy.leversidge@rcm.org.uk

Findings of the Freedom of Information Request

In January 2016 the RCM sent a FOI to all the NHS trusts in England that have maternity units to ask them how much they have spent on agency and bank staff and overtime for every month in 2015. The FOI also asked about the numbers of hours of staff time this equated to. This report follows on from the RCM's report on agency spending in maternity units between 2012-2014 that was published in February 2015. 123 trusts responded to the FOI giving a response rate of 91.1%.

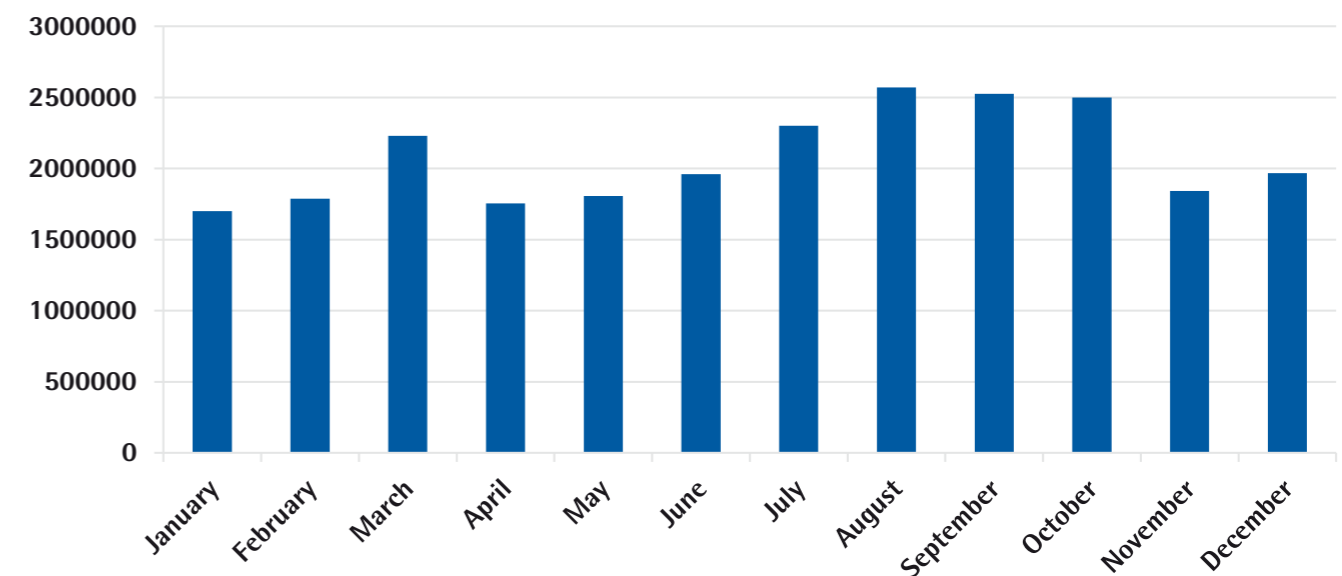
This section gives the findings for:

- Agency spending
- Overtime spending
- Bank spending
- Agency, overtime and bank spending combined

Agency Spending

The FOI found agency spending on maternity staff in the NHS in 2015 was £24,950,157. The table below shows the total spending on agency staff in England by month.

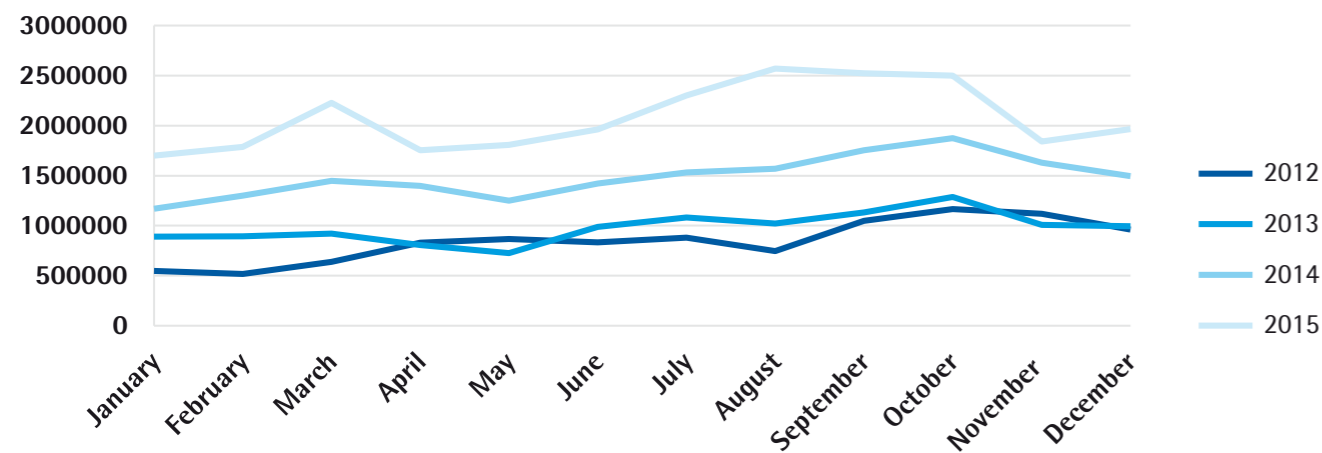
Total Agency Spending in England NHS January - December 2015



Our previous report showed that agency spending in England was £10,159,099 in 2012; 2013 was £11,753,497 in 2013; and £17,849,767 in 2014. This means that there was an increase of 39.8% in agency spending in the last year and an increase of 145.6% over the last four years.

The graph below shows the spending on agency staff for all four years.

Total Spending on Midwives Supplied by an Agency January 2012 - December 2015



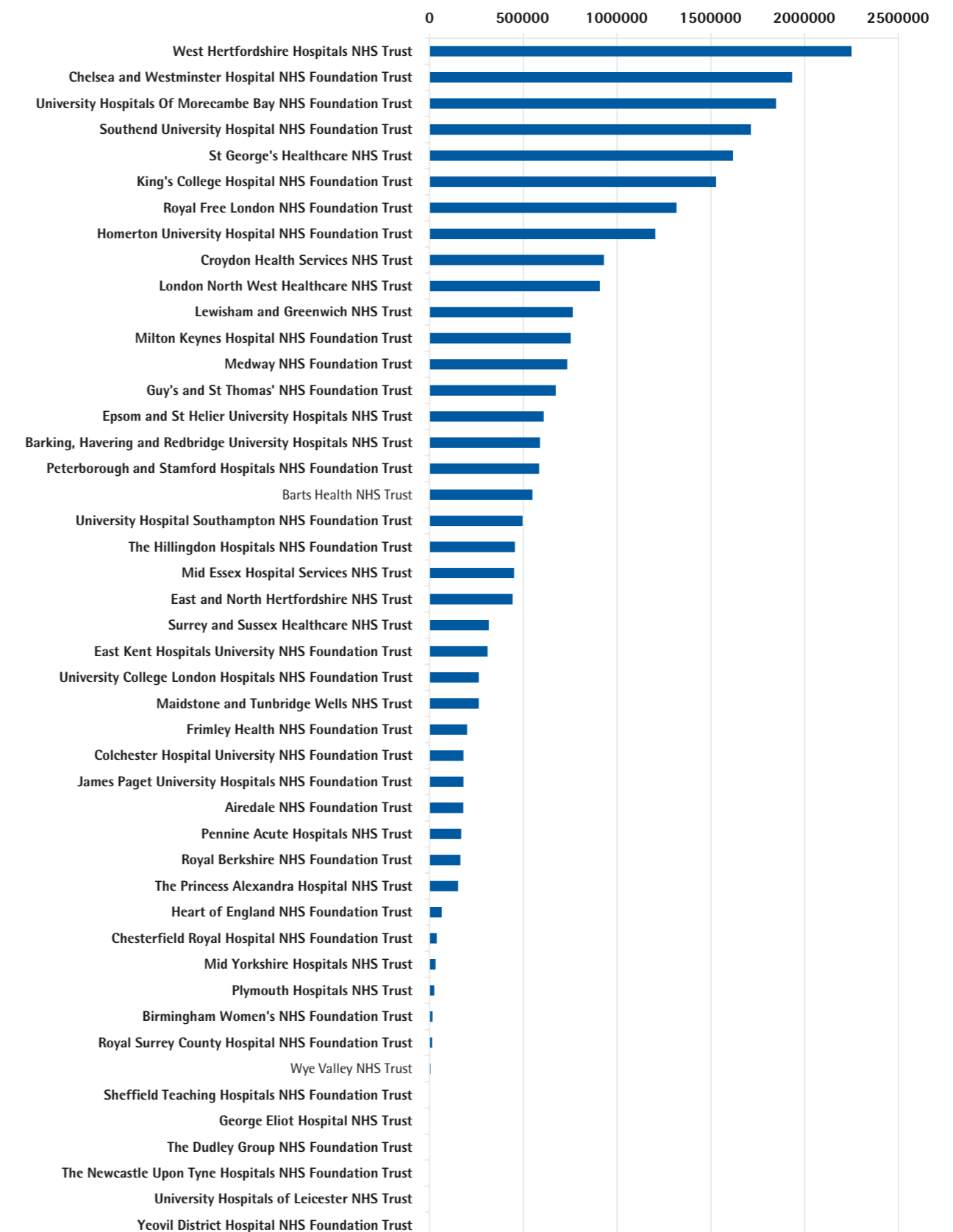
The graph above shows that every month in 2015 had a higher spend on agency staffing than the corresponding month in 2014, 2013 and 2012.

The findings also reveal that there is a peak in agency spending every year between August and October. This is traditionally when the shortage of midwives is at a peak each year while new students are awaiting their registration to be confirmed with the Nursing and Midwifery Council (NMC).

In total, 46 NHS organisations in England used agency staff at some point during 2015; which is 37.4% of the NHS organisations in England that responded to the FOI. 28 of the 46 organisations used agency staff every month. 8 NHS organisations spent more than £1 million on agency staff in 2015. The highest spending trust spent £2,249,797 on agency staff in 2015 and the average spend per trust was £542,394. Eight of the twenty highest spending organisations were based in London.

The graph below shows agency spending by trust.

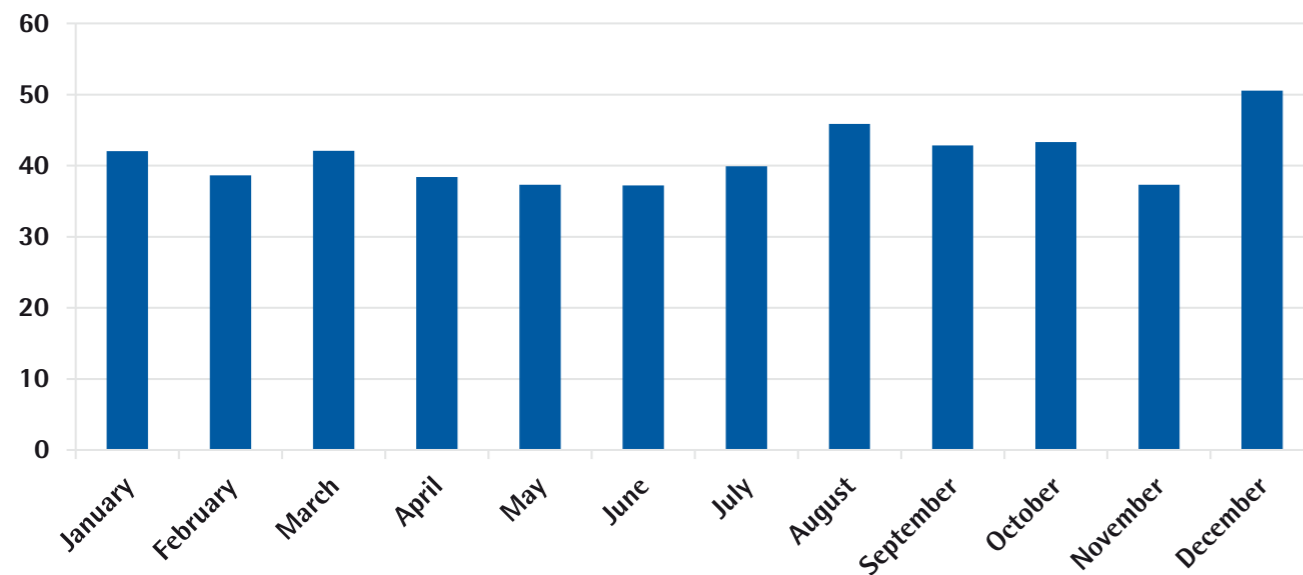
Total Agency Spending by NHS Organisation January - December 2015



The FOI also asked organisations to give the data on the number of hours the agency midwives were employed for. The average spend on agency midwives worked out to be £41.25 per hour on average. In November 2015, following instructions from the Department of Health, NHS Improvement introduced a mandatory cap on the hourly rates paid for agency staff and an annual ceiling for agency spending for each trust. The cap had a staggered introduction, with nursing and midwifery staff affected first and other professions added later and the rate of the hourly cap was reduced over time. Significantly, NHS Improvement allows organisations to break the cap on 'exceptional safety grounds'. As we can see from the graph below, the highest average monthly spend was in December 2015 when spending peaked at £50.58 per hour. This was after the government introduced a pay cap for agency staff in the NHS.

This is compared to a qualified midwife, with ten years' experience; working full time in the NHS in England who is paid a yearly salary of £35,225, an hourly rate of £18.02 per hour. A newly qualified midwife working full time is paid a yearly salary of £21,909, an hourly rate of £11.21. The average hourly agency spend of £41.25 per hour is 128.9% higher than the hourly rate of pay for a qualified midwife. Our last report into agency spending revealed that midwives report getting paid on average £22.84 per hour for an agency shift. This indicates that the agency are earning nearly half the hourly cost in fees.

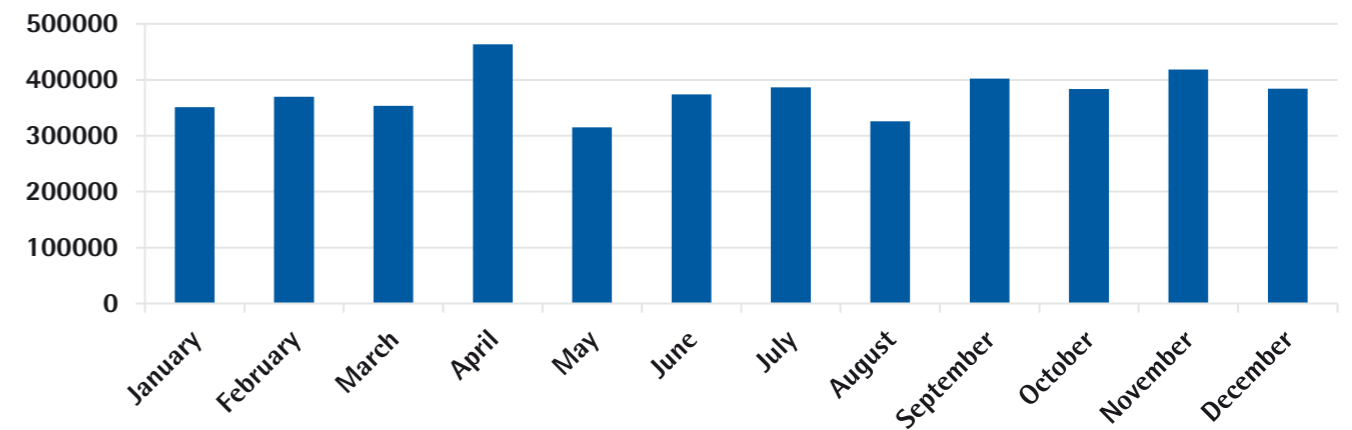
Hourly Rate for Agency Midwives January to December 2015



Overtime Spending

The FOI found overtime spending on maternity staff in the NHS in 2015 was £4,522,440. The table below shows the total spending on overtime in England by month.

Total Overtime Spending in England January - December 2015

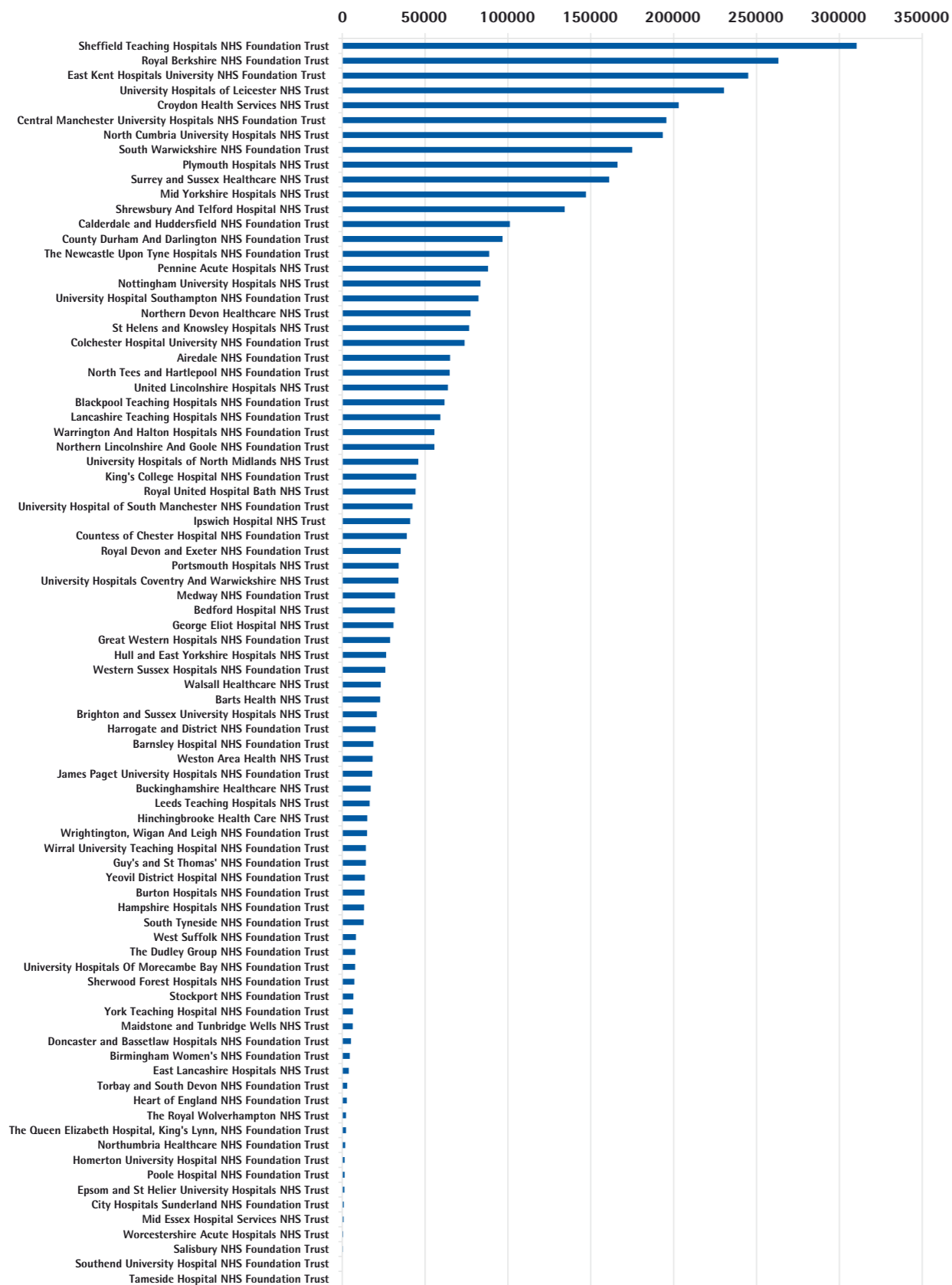


In total, 84 NHS organisations in England paid staff overtime at some point during 2015; which is 68.3% of the NHS organisations in England that responded to the FOI. 53 of the 84 organisations used overtime every month.

The spending per trust tended to be much lower than agency, with the highest spending trust spending £310,496. The average spend per trust was £53,906. Organisations in the North of England were far more likely to authorise the use of overtime spending with nine of the twenty highest spending organisations based in the North.

The graph below shows the overtime spending by trust.

Total Overtime Spending by NHS Organisation January - December 2015

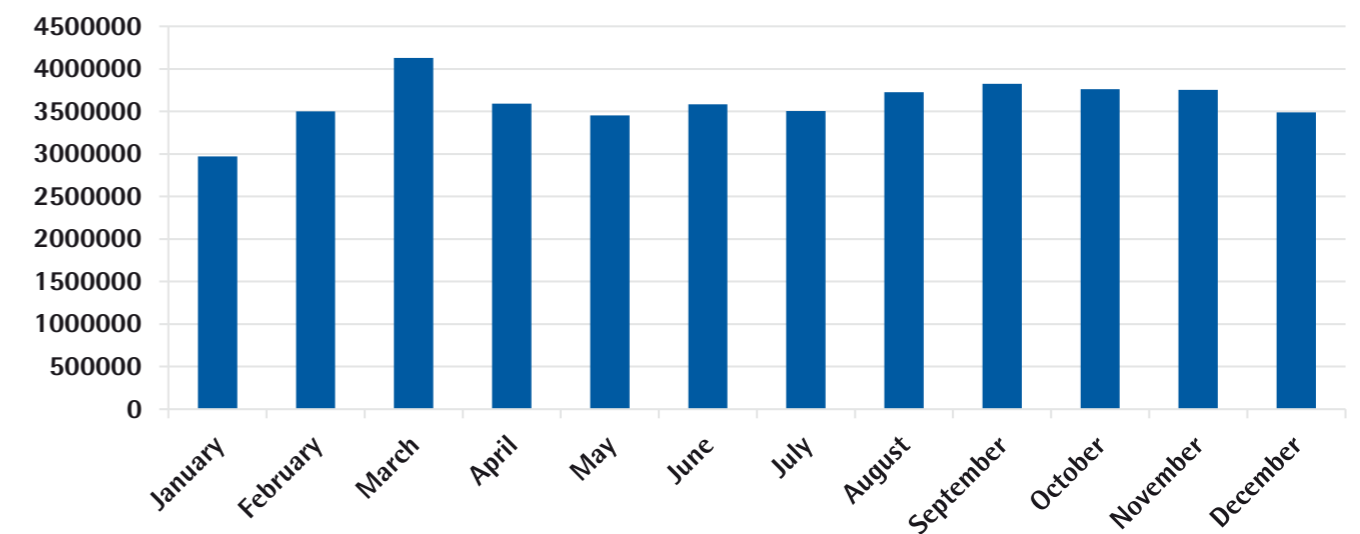


We understand that it is sometimes difficult for managers in NHS organisations to pay overtime rates. There is a single harmonised rate of overtime set out in Agenda for Change (time and a half for all overtime apart from public holidays which is double time). However the FOI reveals that spending on overtime is the best value cost per hour with an average cost of £23.06 per hour.

Bank Spending

The FOI found bank spending on maternity staff in the NHS in 2015 was £43,225,603.02. The table below shows the total bank spending in England, by month.

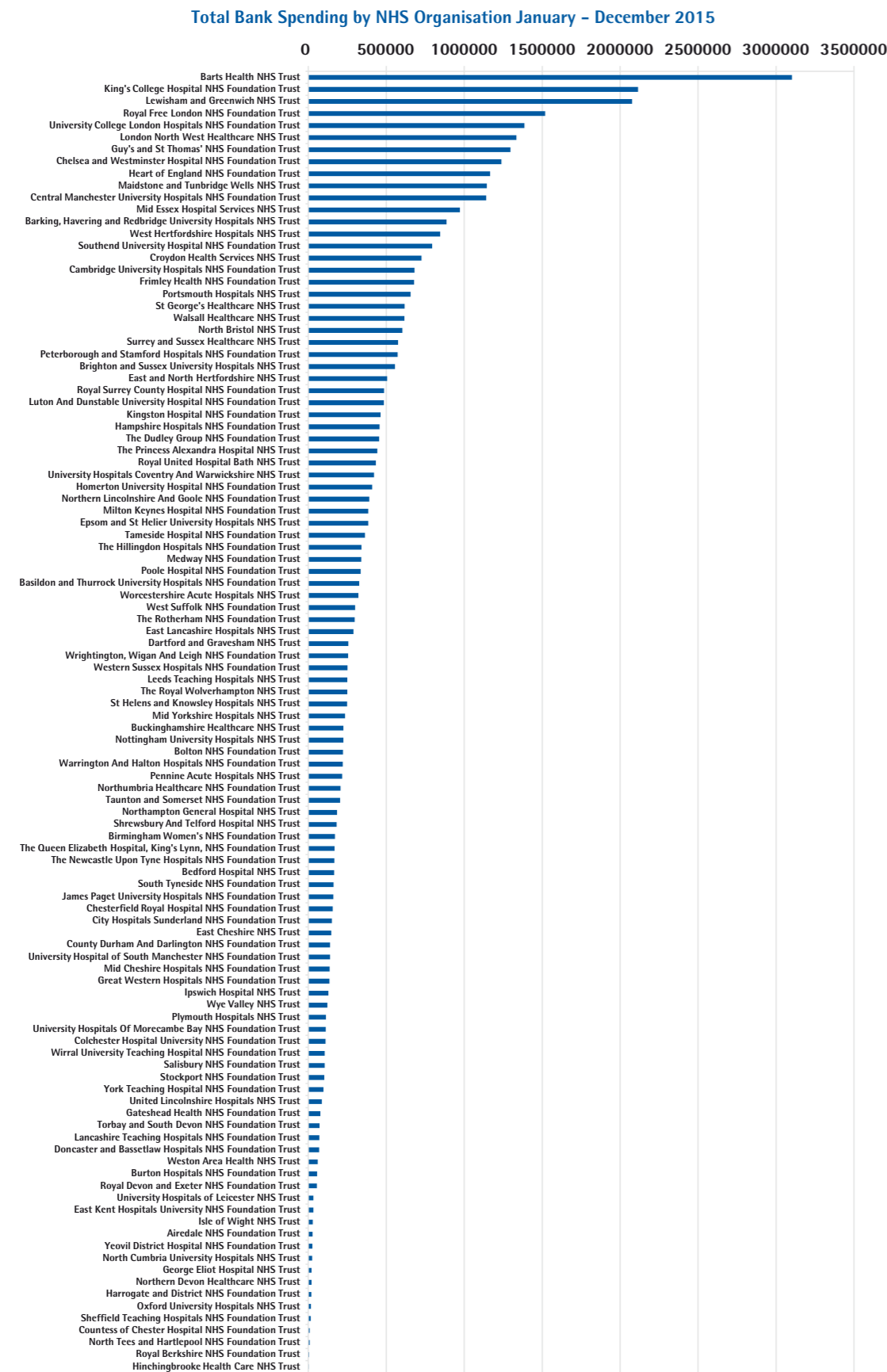
Total Bank Spending in England January - December 2015



In total, 107 NHS organisations in England used bank staff at some point during 2015; which is 87.0% of the NHS organisations in England that responded to the FOI. 97 of the 107 organisations used bank staff every month. The highest spending trust was much higher than agency spending, however the average spend was lower than agency spend.

The highest spending trust spent £3,102,222 and the average spend per trust was £401,857. Organisations in London were most likely to use bank staff with eleven of the twenty highest spending organisations based in London.

The graph below shows the overtime spending by trust.

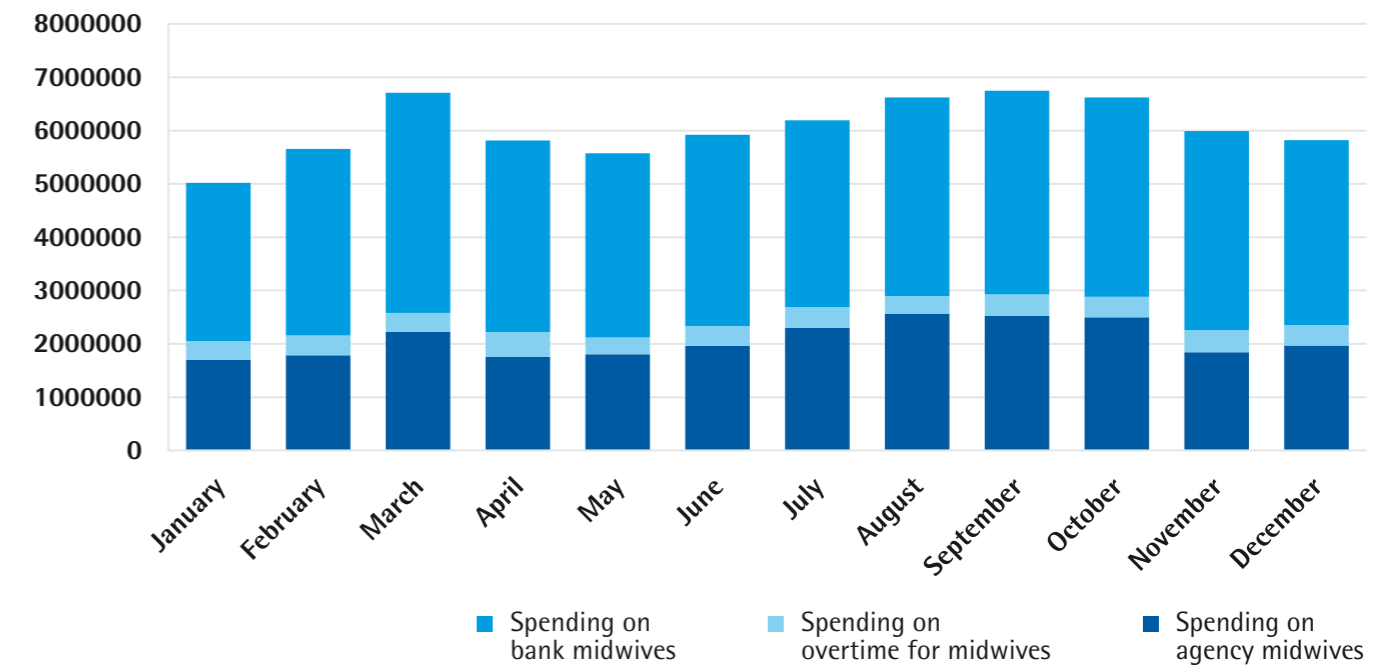


The average spend per hour for bank midwives was £25.63 per hour. This is much better value than the agency cost per hour at £41.25 an hour but slightly higher than the average overtime rate of £23.06 per hour.

Agency, Overtime and Bank Spending Combined

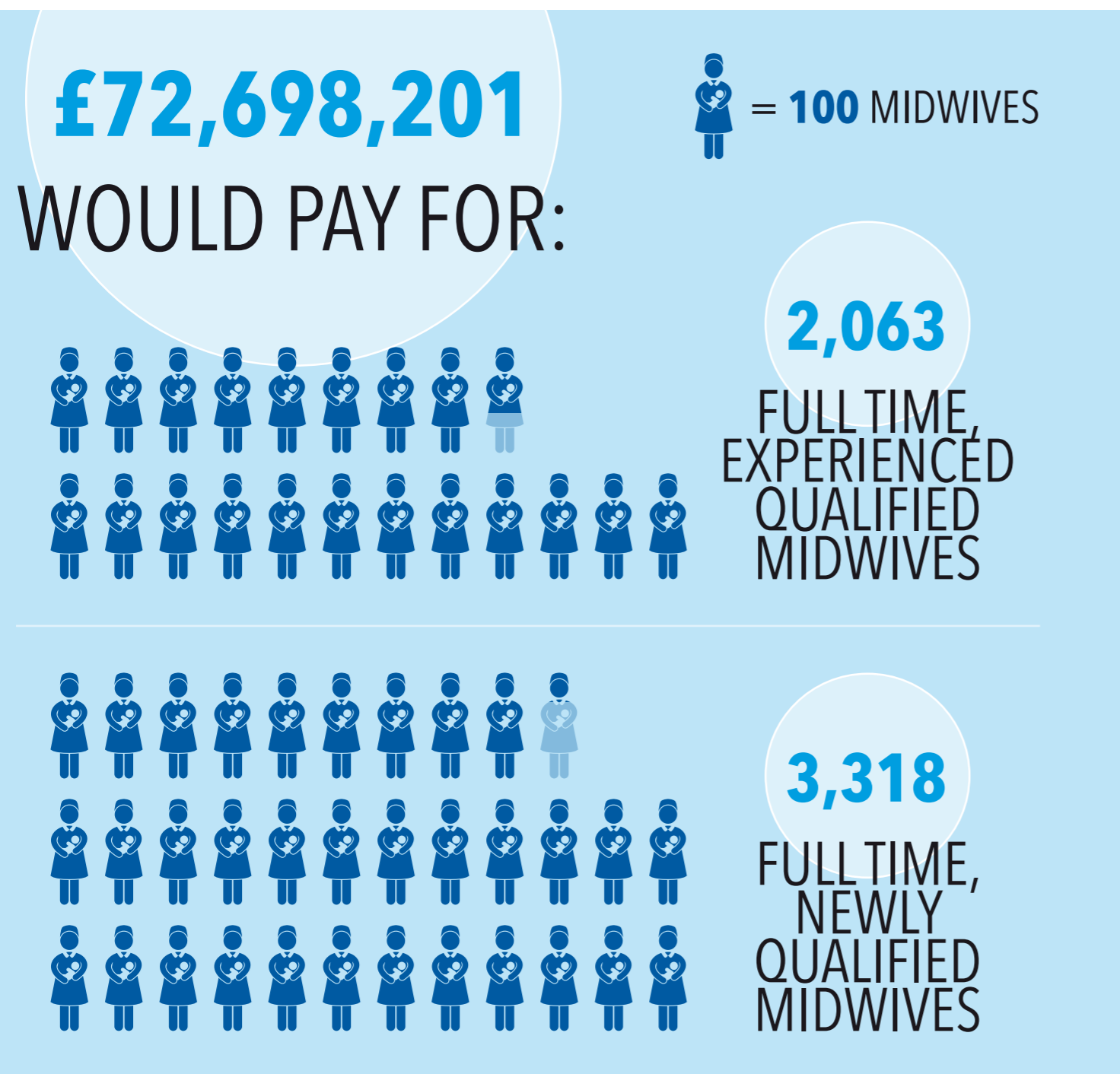
In total, NHS organisations spent £72,698,201 on agency and bank staff and overtime for midwives. The breakdown of spending was £24,950,157 on agency midwives; £4,522,440 on overtime for midwives; and £43,225,603 on bank midwives.

Agency, Overtime and Bank Spending Combined January - December 2015

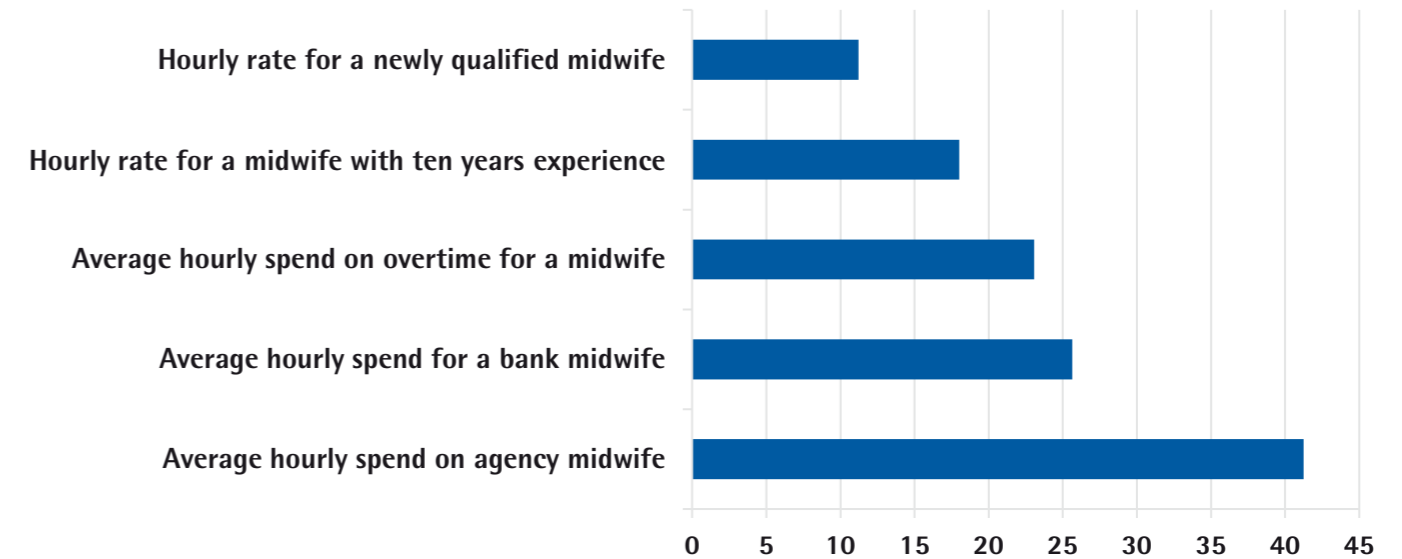


The month with the highest overall spend was September 2015 when NHS organisations in England spent £6,748,483 on agency midwives, bank midwives and overtime for midwives.

The total spend of £72,698,201 is enough money to pay for 2,063 full time, very experienced midwives (paid at the top of band 6 at £35,255 a year) or 3,318 full time, newly qualified midwives (starting salary is £21,909 per year). There is currently a shortage of around 3,500 midwives in England so this would be enough to almost clear the shortage of midwives.



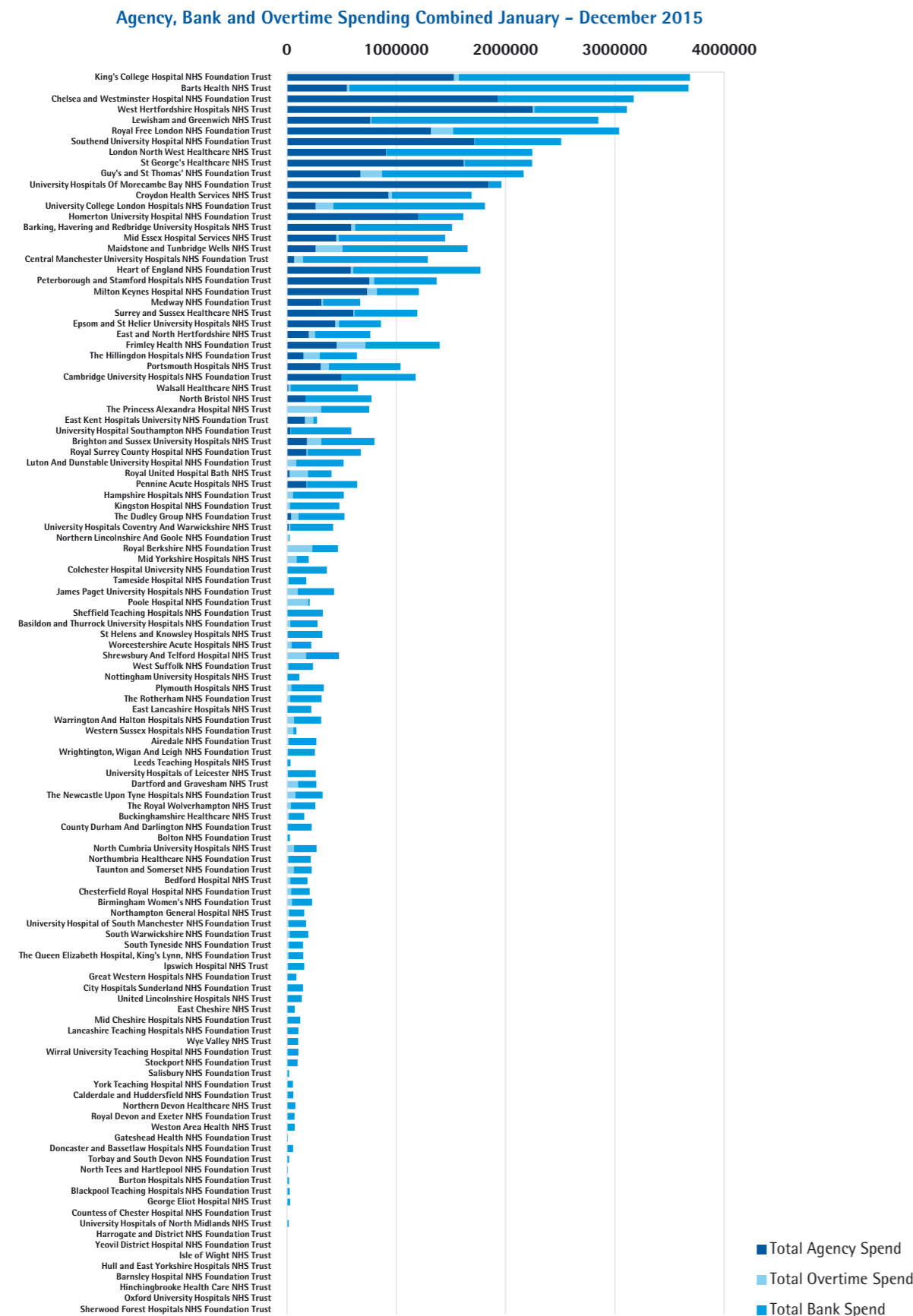
Comparison of Average Hourly Rates of Pay for Agency, Bank, Overtime and Permanent Staff



In total 116 organisations used agency, bank and/or overtime for midwives. This is 94.3% of the total number of organisations that responded to the FOI. 28 organisations (22.8%) used agency, bank and overtime; 48 organisations (39.0%) used bank and overtime; 17 organisations (13.8%) used agency and bank; 1 organisation (0.8%) used agency and overtime; 15 organisations (12.2%) used bank only; 7 organisations (5.7%) used overtime only; no organisations only used agency; and 7 organisations (5.7%) did not use agency, bank or overtime.

There were 23 organisations in total that spent more than £1 million on agency, bank and overtime. Out of the highest twenty spenders on bank, agency and overtime twelve were London trusts. The highest spending organisation spent £3,687,581 and the average spend was £628,266.

The chart below shows the total spend for each organisation in England.



Appendix One: Total Spending on Agency, Bank and Overtime

January - December 2015

	Total Agency Spend	Total Overtime Spend	Total Bank Spend	Total
King's College Hospital NHS Foundation Trust	1527813	44765	2115003	3687581
Barts Health NHS Trust	549472.03	22875.61	3102223	3674571
Chelsea and Westminster Hospital NHS Foundation Trust	1932850		1238620	3171470
West Hertfordshire Hospitals NHS Trust	2249797		845755	3095552
Lewisham and Greenwich NHS Trust	764316		2076796	2841112
Royal Free London NHS Foundation Trust	1317000		1519000	2836000
Southend University Hospital NHS Foundation Trust	1713705	161	793907	2507773
London North West Healthcare NHS Trust	908367.42		1335124	2243492
St George's Healthcare NHS Trust	1618954.34		617430.6	2236385
Guy's and St Thomas' NHS Foundation Trust	673706	14263	1296029	1983998
University Hospitals Of Morecambe Bay NHS Foundation Trust	1848000	7800	112000	1967800
Croydon Health Services NHS Trust	930586.57	203053.2	726077.6	1859717
University College London Hospitals NHS Foundation Trust	263617.36		1386553	1650171
Homerton University Hospital NHS Foundation Trust	1204039	1498	409102	1614639
Barking, Havering and Redbridge University Hospitals NHS Trust	589370		886128	1475498
Mid Essex Hospital Services NHS Trust	451592.24	858	972775.3	1425226
Maidstone and Tunbridge Wells NHS Trust	262947	6346	1145157	1414450
Central Manchester University Hospitals NHS Foundation Trust		195585	1140775	1336360
Heart of England NHS Foundation Trust	65917	2715	1165245	1233877
Peterborough and Stamford Hospitals NHS Foundation Trust	584700		572900	1157600
Milton Keynes Hospital NHS Foundation Trust	753483		384069	1137552
Medway NHS Foundation Trust	734950	31932	339984	1106866
Surrey and Sussex Healthcare NHS Trust	317615	161111	576037	1054763
Epsom and St Helier University Hospitals NHS Trust	609000	1325	384000	994325
East and North Hertfordshire NHS Trust	443088		506107	949195
Frimley Health NHS Foundation Trust	200979		678485	879464
The Hillingdon Hospitals NHS Foundation Trust	455694		340882	796576
Portsmouth Hospitals NHS Trust		34002	655820	689822
Cambridge University Hospitals NHS Foundation Trust			681362.4	681362.4
Walsall Healthcare NHS Trust		23219	616284	639503
North Bristol NHS Trust			603213	603213
The Princess Alexandra Hospital NHS Trust	152762		442181	594943

East Kent Hospitals University NHS Foundation Trust	309593	244949	32223	586765
University Hospital Southampton NHS Foundation Trust	496674.7	82260		578934.7
Brighton and Sussex University Hospitals NHS Trust		20864	555319	576183
Royal Surrey County Hospital NHS Foundation Trust	15216		486010	501226
Luton And Dunstable University Hospital NHS Foundation Trust			485169	485169
Royal United Hospital Bath NHS Trust		44238	433752	477990
Pennine Acute Hospitals NHS Trust	169079.78	87972.26	216869	473921
Hampshire Hospitals NHS Foundation Trust		13185	457562	470747
Kingston Hospital NHS Foundation Trust			464029	464029
The Dudley Group NHS Foundation Trust	902.46	7958	453941	462801.5
University Hospitals Coventry And Warwickshire NHS Trust		33936	421727	455663
Northern Lincolnshire And Goole NHS Foundation Trust		55600	390950	446550
Royal Berkshire NHS Foundation Trust	165547	263264	4959	433770
Mid Yorkshire Hospitals NHS Trust	33579	147065	235148	415792
Colchester Hospital University NHS Foundation Trust	181696	73821	110507	366024
Tameside Hospital NHS Foundation Trust		153	363157	363310
James Paget University Hospitals NHS Foundation Trust	181525.33	18147.23	160062.7	359735.2
Poole Hospital NHS Foundation Trust		1403	335759	337162
Sheffield Teaching Hospitals NHS Foundation Trust	1741.24	310496.88	15880.19	328118.3
Basildon and Thurrock University Hospitals NHS Foundation Trust			325982.1	325982.1
St Helens and Knowsley Hospitals NHS Trust		76625.15	248041	324666.2
Worcestershire Acute Hospitals NHS Trust		563	320524	321087
Shrewsbury And Telford Hospital NHS Trust		134296	181450	315746
West Suffolk NHS Foundation Trust		8340.78	300587.3	308928.1
Nottingham University Hospitals NHS Trust		83489	224701	308190
Plymouth Hospitals NHS Trust	25455	166131	112701	304287
The Rotherham NHS Foundation Trust			296816.2	296816.2
East Lancashire Hospitals NHS Trust		3990.22	289368	293358.3
Warrington And Halton Hospitals NHS Foundation Trust		55660	221373	277033
Western Sussex Hospitals NHS Foundation Trust		26067	250761	276828
Airedale NHS Foundation Trust	180449	65081	27899	273429
Wrightington, Wigan And Leigh NHS Foundation Trust		14970	255818	270788
Leeds Teaching Hospitals NHS Trust		16509	250513	267022
University Hospitals of Leicester NHS Trust	440	230378	32964	263782
Dartford and Gravesham NHS Trust			257000	257000
The Newcastle Upon Tyne Hospitals NHS Foundation Trust	552	88751	167473	256776
The Royal Wolverhampton NHS Trust		2331.34	249448.1	251779.4
Buckinghamshire Healthcare NHS Trust		17127	224969	242096
County Durham And Darlington NHS Foundation Trust		96777.74	139435	236212.7
Bolton NHS Foundation Trust			221804	221804
North Cumbria University Hospitals NHS Trust		193419.4	25022.21	218441.6
Northumbria Healthcare NHS Foundation Trust		1832	206691	208523

Taunton and Somerset NHS Foundation Trust			203939	203939
Bedford Hospital NHS Trust		31791	165604	197395
Chesterfield Royal Hospital NHS Foundation Trust	39659		156511	196170
Birmingham Women's NHS Foundation Trust	17130	4563.83	170412.1	192105.9
Northampton General Hospital NHS Trust			183785	183785
University Hospital of South Manchester NHS Foundation Trust		42488	139275	181763
South Warwickshire NHS Foundation Trust		175000		175000
South Tyneside NHS Foundation Trust		13011.66	161323.8	174335.4
The Queen Elizabeth Hospital, King's Lynn, NHS Foundation Trust		2277.47	168413	170690.5
Ipswich Hospital NHS Trust		40957.73	128439	169396.7
Great Western Hospitals NHS Foundation Trust		28883	134858	163741
City Hospitals Sunderland NHS Foundation Trust		1013	151733.3	152746.3
United Lincolnshire Hospitals NHS Trust		63723.54	86801.79	150525.3
East Cheshire NHS Trust			147532	147532
Mid Cheshire Hospitals NHS Foundation Trust			137000	137000
Lancashire Teaching Hospitals NHS Foundation Trust		59267	71360	130627
Wye Valley NHS Trust	5152.08		121594.4	126746.4
Wirral University Teaching Hospital NHS Foundation Trust		14283	105561	119844
Stockport NHS Foundation Trust		6787	102365	109152
Salisbury NHS Foundation Trust		369	105000	105369
York Teaching Hospital NHS Foundation Trust		6431.28	97177.41	103608.7
Calderdale and Huddersfield NHS Foundation Trust		101234.95		101235
Northern Devon Healthcare NHS Trust		77473	20494.7	97967.7
Royal Devon and Exeter NHS Foundation Trust		35217	55472	90689
Weston Area Health NHS Trust		18318.49	59688.6	78007.09
Gateshead Health NHS Foundation Trust			77046	77046
Doncaster and Bassetlaw Hospitals NHS Foundation Trust		5328.81	70021.29	75350.1
Torbay and South Devon NHS Foundation Trust		2957	71523	74480
North Tees and Hartlepool NHS Foundation Trust		64853	8902	73755
Burton Hospitals NHS Foundation Trust		13431	56184	69615
Blackpool Teaching Hospitals NHS Foundation Trust		61769		61769
George Eliot Hospital NHS Trust	1285	30934	20595	52814
Countess of Chester Hospital NHS Foundation Trust		38913	9175	48088
University Hospitals of North Midlands NHS Trust		45966		45966
Harrogate and District NHS Foundation Trust		20197.49	19976	40173.49
Yeovil District Hospital NHS Foundation Trust	160	13702	25513.62	39375.62
Isle of Wight NHS Trust			28519	28519
Hull and East Yorkshire Hospitals NHS Trust		26543		26543
Barnsley Hospital NHS Foundation Trust		18847.58		18847.58
Hinchingbrooke Health Care NHS Trust		15161.53	2442.23	17603.76
Oxford University Hospitals NHS Trust			16997	16997
Sherwood Forest Hospitals NHS Foundation Trust		7285.2		7285.2



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