

**Public Accounts Committee
Revisiting NHS Finances
Welsh Government Scrutiny Session - 15th July 2019**

Evidence paper from the Director General, Health and Social Services

INTRODUCTION

The NHS Finance (Wales) Act has now been in place for five financial years, and 2018-19 is the third year that NHS organisations have reported against the three year duty. Whilst there remain significant financial challenges in a small number of health boards, the 2018-19 NHS outturn provides evidence of increasing financial stability for NHS Wales, which is also reflected in the increased number of approved Integrated Medium Term Plans for 2019-20 to 2021-22. This demonstrates that the integrated planning approach we have adopted for NHS Wales is now delivering benefits that were not achieved from the previous competitive internal market bureaucracy.

We are now a year in to progressing our long term plan for health and social care, *A Healthier Wales*. With an increased focus on providing healthcare closer to home, and keeping people as well and independent for as long as possible, we are working to improve our understanding of resource allocation and utilisation at health board and lower levels, and the healthcare outcomes that these resources are delivering. This aligns the work on the NHS Resource Allocation Review, alongside the work we are now leading on value-based healthcare.

This paper provides Committee Members with an update on the development of Integrated Medium Term Plans since the last review in July 2018, as well as a review of the financial positions, an update on efficiency and value and the NHS Resource Allocation Review, and further evidence on expenditure on agency staff.

INTEGRATED MEDIUM TERM PLANS

Changes to Integrated Medium Term Planning Process

The Welsh Government issued the NHS Wales Planning Framework 2019-22 in October 2018 together with changes to the Integrated Medium Term Plan (IMTP) submission process, reflecting the approach set out within *A Healthier Wales* to streamline and align health and care planning processes. NHS organisations were required to plan to deliver against the key Welsh Government priorities, such as Prevention, Reducing Health Inequalities, the Primary Care Model for Wales, Timely Access to Care and Mental Health.

The 2019-22 IMTP process was the first to operate the new approach to plan development. Rather than retrospectively reviewing and providing feedback on plans, Welsh Government officials met organisations regularly prior to submission in order to understand their key issues/ risks and where necessary, provide support and guidance.

A significant part of this change in approach involved the requirement for organisations to submit fully completed and balanced Board/Joint Committee approved final plans by no later than the 31st January 2019. Whilst not statutory, NHS support organisations were also required to submit complete, balanced three-year IMTPs in January.

Early Engagement Rationale

To support organisations throughout the planning process Welsh Government commenced a series of engagement meetings in October 2018, meeting health boards, trusts and NHS support organisations monthly (over 60 meetings were held). This included early advice and feedback from policy experts to agree national and local priorities, and identify and understand key risks and mitigating actions. This approach has been positively welcomed by NHS partners.

A review of the planning process following has commenced but early observations have identified some areas for further strengthening:

- Need to secure greater maturity in the commissioning arrangements to improve the timeliness of collaborative decision making; and
- Whilst good progress has been made in moving away from using IMTPs as negotiating documents, there has been a variation in behaviours in this approach and further work is required.

Programme for Learning

Cardiff Business School are running one of the main pillars of the Programme and the Postgraduate Diploma in Healthcare Planning and a Recruitment Pack was launched in early June. The recruitment exercise will be run by Directors of Planning in their individual organisations, with the expectation that 25 students will be selected and sponsored to participate in the first cohort.

The course will begin with an induction session in October 2019, and each Diploma will last 18 months. Courses will overlap and the second Diploma will start in autumn 2020.

Other pillars of the Planning Programme for Learning include:

- two bi-annual learning events. Summer 2019 Learning Event was held on 6th June. This was managed by Aneurin Bevan University Health Board with the topic of Transformation, which drew on the expertise of colleagues from Canterbury, New Zealand on how they developed an integrated health and social care system.
- Demand and capacity workshops are being planned for autumn 2019. NHS Delivery Unit are working with colleagues across Regional Partnership Boards to create a series of opportunities to build demand and capacity capabilities across a health and social care environment
- two bi-annual master classes – these are being planned for Autumn 2019 and Spring 2020 with the aim of supporting an integrated planning community

A Steering Group has been established and has an advisory role and reports through the Programme Planning Director, to the SRO Deputy Chief Executive for NHS Wales via the Planning Board in Welsh Government.

NHS FINANCIAL POSITIONS

Review of 2018-19 Financial Outturn

The Minister for Health and Social Services issued a written statement to members on 12 June detailing the financial outturn for NHS Wales organisations in 2018-19. Six out of ten organisations covered by the NHS Finance (Wales) Act 2014 complied with the statutory break even duty by operating within their budgets over the three-year period of assessment from April 2016 to March 2019. In addition, Health Education and Improvement Wales (HEIW), which as a Special Health Authority is not covered by the 2014 Act, broke even in its first year of operation.

Four of the ten organisations did not achieve their financial duty to break even over three years. Consequently these four organisations have failed to meet their statutory financial break-even duty for the three-year period of assessment, and as a result have received qualified regularity opinions from the Auditor General for Wales on their 2018-19 accounts.

To maintain financial discipline, and to ensure that deficits could be managed within the overall health budget, Welsh Government set maximum deficit financial control totals in 2018-19. The control totals and final outturn are detailed in the table below.

Health Board	Maximum Deficit Control total	Final outturn deficit	Variance to control total - Improved / (worsened)
	£m	£m	£m
Abertawe Bro Morgannwg	10.0	9.9	0.1
Betsi Cadwaladr	35.0	41.3	(6.3)
Cardiff and Vale	9.9	9.9	0.0
Hywel Dda	35.6	35.4	0.2

Overall, the 2018-19 outturn represents a £71 million improvement in the net financial position of NHS Wales compared to 2017-18, with three out of the four organisations still in deficit achieving improved outturns and meeting their control totals.

The NHS net deficit in 2018-19 has been managed within the overall health and social services budget. Subject to audit, the Welsh Government's resource accounts for 2018-19 are expected to show a modest surplus on health and social services revenue budgets. This means that the overall budget has been met whilst maintaining a focus on individual organisations where we wish to see their financial discipline continue to improve.

2019-20 Financial Outlook

We are investing over £500 million additional funding in health and social services in 2019-20, supporting transformation of health and social care in line with the vision set out in our long term plan, *A Healthier Wales*, as well as continuing to invest in the sustainability of core NHS services. The *A Healthier Wales* funding is supporting a range of programmes, including increasing the Integrated Care Fund managed through Regional Partnership Boards, investing directly in sustainable social services, funding community based prevention and early intervention, and investing in digital technology. The core NHS funding is supporting increased pay awards for highly valued staff, and ensuring that NHS cost and demand growth, as identified by the Nuffield Trust, is appropriately funded.

In addition, a further £50 million is being allocated this year in the Transformation Fund, investing in innovative new models of care which have the potential to scale up to become universally adopted across the Welsh health and social services sector.

The benefit of this additional investment is evident in the progress being made in the maturity of NHS plans. On 27 March, the Minister for Health and Social Services confirmed the approval of seven IMTPs, covering the period 2019 to 2022. As well as the six organisations with plans that were approved in 2018-19, this now also

includes Cardiff and Vale UHB, that is now planning to balance over this three-year period.

Our ambition for 2019-20 is that only two NHS organisations – Betsi Cadwaladr and Hywel Dda University Health Boards - will end the year in deficit. Welsh Government has set both organisations maximum deficit control totals to require improvement against their 2018-19 outturns and increased financial stability, and is providing challenge and support, through the Finance Delivery Unit to deliver improvements in their financial planning and delivery frameworks. Swansea Bay University Health Board remains a risk, and they will be working to deliver a balanced outturn through an annual operating plan for 2019-20. The residual NHS deficit in 2019-20 will be managed within the Health and Social Services MEG, and our expectation is for all deficits to be eradicated by 2020-21.

Efficiency and Value

NHS Wales organisations delivered £158 million savings in 2018-19, as detailed in the table below. The proportion of recurrent savings has increased from 71% in 2017-18 to 79% in 2018-19.

	2018-19 Savings £000s		Recurring £000s	Non Recurring £000s
Abertawe Bro Morgannwg	12,624		9,550	3,075
Aneurin Bevan	28,090		17,802	10,288
Betsi Cadwaladr	37,305		34,891	2,414
Cardiff & Vale	25,636		17,377	8,259
Cwm Taf	12,876		12,876	0
Hywel Dda	26,568		21,642	4,926
Powys	3,011		2,681	330
Public Health Wales	2,198		2,009	189
Velindre	5,711		2,110	3,601
Welsh Ambulance	4,331		4,331	0
NHS Wales	158,351		125,269	33,082

The development of the Finance Delivery Unit has enabled a greater emphasis on the Efficiency & Value agenda and focus of the National Efficiency Healthcare Value & Improvement Group through the use of the National Efficiency Framework. The Framework focuses on identifying variation and opportunities for improvement across four key domains:

- On a population health basis to inform allocative efficiency opportunities.
- On a technical efficiency & productivity basis to outline opportunities for improvement against peers

- On a whole system basis considering alignment of cost and outcome from a Value Based Healthcare perspective
- Comparing savings plans and other bespoke benchmarks across organisations to identify opportunities for further improvement and implementing best practice across the system.

Increasingly, the framework is used to both support organisations in the development of local plans and also to allow a national focus on key areas of potential improvement to enable a system approach and expectation around those areas. There is a comprehensive suite of data now available with an ongoing programme of refresh and development based on the needs of the system. Examples of key products developed in 2018-19 include:

- Finalising an Atlas for Variation of Cardiovascular Services
- Working with Nurse Directors on Ward Based Nursing variation
- Developing a clear view of productivity and efficiency on key productivity measures against peer performance within Wales and comparable benchmarks in England
- Developing with the Chief Pharmaceutical Officer and Chief Pharmacists a suite of medicines related opportunities for improvement
- Continued development of opportunities in relation to Procurement
- Bespoke service based benchmarking such as Mental Health, and Estates & Facilities services across NHS Wales.
- Development of bespoke reports by organisation from key intelligence sources such as the NHS Benchmarking Network, a UK wide network in which NHS Wales organisations are active participants.

The National Efficiency Healthcare Value & Improvement Group has also received the output of the Lung Cancer Outcome Dashboard, developed by NWIS under the guidance and leadership of the National Clinical Lead for Value Based Healthcare. This and other dashboards will be developed through the support of the National Value Based Healthcare Plan as part of plans to implement at scale and pace a national approach and perspective on outcomes.

The above describes the system and peer group contribution to developing a co-ordinated assessment of variation and opportunities to deliver improvement to support addressing both emerging challenges and delivering financial and service improvement, some of the impact of which includes:

- Organisational specific development of local plans which respond to areas of variation as outlined above and feature in 2019/20 financial plans;

- Continuing to maximise the opportunity around Biosimilar medicines through an approach endorsed by the National Efficiency Healthcare Value & Improvement Group and led by the NHS chief pharmacists peer group. This approach has developed two financial opportunities through moving away from the originator to a biosimilar product, and negotiating a discounted price with the originator provider. These interventions have generated a £6.538 million recurrent reduction in expenditure in 2018-19, opportunity in excess of £5 million being anticipated for 2019/20.

Finance Delivery Unit

The Finance Delivery Unit was established in January 2018 with the appointment of the Director of the Unit, and during 2018-19 the Unit has completed its recruitment and establishment. The Unit is now firmly established as a function within NHS Wales and has delivered a positive contribution to the system's improvement in financial performance in 2018-19.

The Units purpose is to enhance capacity and capability within the system to:

- Support and challenge organisational financial performance for all organisations in NHS Wales, which includes monitoring and managing financial risk, and supporting organisations with an enhanced level of escalation under the Welsh Government's escalation framework
- Driving standards for improvement in financial management in NHS Wales through use of best practice and evidence
- Support the development of Value Based Health Care working with NHS Wales organisations and National Clinical Leads
- Develop financial intelligence and insight across the system in NHS Wales, maximising the use of benchmarking and highlighting opportunities for improvement. This includes fully developing and embedding a National Efficiency Framework for NHS Wales and in support of the National Efficiency Healthcare Value & Improvement Group chaired by Dr Andrew Goodall

In developing and delivering against these objectives in 2018/19 the Unit has delivered a number of outputs to support improvement within this context. Some examples include:

- A review of best practice approaches to the risk assessment and delivery of financial savings, which has resulted in the development of a standardised approach for NHS Wales, which has been incorporated into monthly monitoring returns for all organisations from 1st April 2019.

- Developed an outline of future financial improvement projects to increase standards in financial management with a focus on continuous improvement. The immediate areas of priority is working with the Finance Academy on a best practice guide to Financial Forecasting for NHS Wales.
- Supporting National Clinical Leads in the development and analysis of unwarranted variation data, including cost variation, and supporting solutions for improvement including within Respiratory Disease and Lymphedema services.
- Supporting the National Clinical Lead for Value Based Health Care to develop the National Plan for delivery of system improvement through a Value Based approach. This includes providing a specific focus on developing enhanced integrated cost and outcome data, and developing capacity and capability within the team to support Health Boards with the development of local plans. This also includes supporting the development of Time Driven Activity Based Costing (TDABC) within NHS Wales in specific areas such as the Knee Pathway.
- Developing costing and benchmarking information across NHS Wales and outlined plans for future development including maximising the use of All Wales Patient Level Costing information as part of the National Data Resource programme.
- Providing a direct support and challenge role to individual organisations with an enhanced level of escalation under the Welsh Government's escalation framework. This includes directly supporting and challenging the financial improvement of Cardiff & Vale, Abertawe Bro Morgannwg, and Hywel Dda University Health Boards.
- In recent months, supported Betsi Cadwaladr University Health Board in the commissioning, oversight, and delivery of independent financial support in developing the Health Board's 2019-20 financial plan. This includes support and challenge to that process to ensure the financial plan is robust.
- Developed an enhanced level of assessment, review, scrutiny, and assurance of 2019-20 financial plans for all organisations as part of the Integrated Medium Term Plans approval process.

NHS Resource Allocation

The Committee recommended that Welsh Government completes its review of the funding formula for health boards to ensure that variations in funding levels properly reflect differences in population health needs and other determinants of healthcare costs. An update on this process was provided in 2018, confirming that proposals were being developed for Phase 2 of the Review, building on the expertise and lessons from Phase 1. This included establishing a Technical Advisory Group, to consider the findings from the zero based review in Hywel Dda Local Health Board, funding formula approaches in comparative countries, such as New Zealand, Scotland and England, and also Welsh Government policy priorities.

During 2019, the Technical Advisory Group, jointly chaired by the Chief Medical Officer and Health and Social Services Group Director of Finance, has made significant progress in developing a population needs based formula to support the equitable distribution of additional Discretionary Hospital, Community and Health Services and Prescribing (HCHS&P) allocation in 2020-21.

Following a successful high level testing of the Scottish Resource Allocation formula the Group have been developing and testing the formula, and component elements of the formula, in detail. The formula being developed is an evidenced based, transparent and modular formula, based on available, accurate and consistent population, needs and financial information. The weighted formula, to apply to Discretionary Hospital, Community and Health Services and Prescribing (HCHS&P) growth allocation, is based on care programmes components:

- Acute Healthcare Services (72.0%)
- Community Healthcare Services (13.5%)
- Maternity Services (3.3%)
- GP Prescribing (11.1%)

Each component is then made up of:

- Population – the primary component of the formula
- Demographic weighting – age/sex weighting reflecting the differing cost by age and sex
- Additional Needs - the factors that predict the need for healthcare over and above age and sex (eg higher morbidity)
- Unavoidable excess costs – for example the costs of supplying healthcare in remote and rural areas

Significant progress has been made with the Acute, Maternity and GP Prescribing components and further work is in place to complete the work on the Community Healthcare Services. The outstanding work relates to the additional needs and unavoidable excess costs factors. The earlier Nuffield Trust report on “Impact of Rurality on the Costs of Delivering Health Care” highlighted that quantifying the

excess costs was problematic and that the research evidence on this was mixed. This community element of the work will be completed within the next two months.

By the summer 2019 the Group will have developed, tested and engaged on a new population needs based weighted formula to distribute Discretionary Hospital, Community and Health Services and Prescribing (HCHS&P) growth allocation in 2020-21. This will be detailed in the published 2020-21 HSS MEG spending plans produced as part of the Welsh Government Budget 2020-21.

Following completion of the immediate priority for a formula to distribute growth allocation in 2020-21 the Group will continue with the Resource Allocation Review programme, to include distance from target assessment, evaluating potential application on other allocations, for example primary care allocations and ring fenced allocations, as well as use of formula to support key strategic objective to shift resources in line with the value-based healthcare agenda and towards earlier prevention and treatment.

AGENCY STAFFING

Introduction

Deployment of some temporary staffing capacity within the NHS is essential to manage the safe and effective delivery of services and may, for example, be needed to provide cover during absence due to sickness, temporary cover during times of staff turnover, or to provide additional capacity during times of peak demand. However, it is important their use is only on a short-term basis and we continue to help support the NHS to secure long-term solutions to workforce gaps to ensure continuity and quality of healthcare provision.

The deployment of temporary staffing began to increase rapidly after 2013 across the whole of the UK in response to increasing demand for services, competition for limited numbers of healthcare staff across the UK and increased mobility of the workforce internationally. This trend resulted in marked increases in expenditure on temporary staff in Wales between 2012-13 and 2016-17. In response to this trend, Welsh Government, in collaboration with NHS Wales organisations, introduced a new national control framework designed to halt the rapid rise in expenditure.

In tandem we are also implementing a coherent programme of strategic action to address the underpinning causes of temporary staff deployment in the medium term. These will need to be addressed if we are to deliver sustainable reduction in deployment and expenditure. Delivery will require a more multifaceted approach so it is likely that the impact of this work will take longer to show in the financial profiles.

Background

The pattern of spending in Wales since 2014-15 for the main staffing groups is illustrated in table below.

	Agency/Locum (premium) Expenditure				As a % of Total Pay %
	Medical & Dental £000's	Nursing & Midwifery £000's	Other Temp Staffing £000's	Total £000's	
2014-15 Annual Expenditure	40,956	28,720	18,110	87,787	
2015-16 Annual Expenditure	62,057	45,903	27,257	135,218	
2016-17 Annual Expenditure	77,348	53,846	33,163	164,358	4.7%
2017-18 Annual Expenditure	60,033	51,431	24,259	135,724	3.7%
2018-19 Annual Expenditure	54,622	65,440	23,577	143,640	3.8%

Whilst there has been an ongoing reduction in spend on Medical Locums following introduction of the control framework, there has been increased expenditure on agency nursing despite a 96% compliance with deployment through the All Wales Framework Contract which offers improved value for money than 'off contract' deployment. The reasons for the increase in nursing staff being deployed are multifactorial but can be attributed to the significant increase in demand on NHS Wales services (following record levels of activity in Emergency Departments during the Winter months compared to the previous year) and introduction of the first full year of the requirements of the Nurse Staffing Levels (Wales) Act, which in addition to placing specific requirements on nurse staffing in medical and surgical wards, has also heightened awareness for the need of appropriate staffing levels across all services.

Over the last 3 years, the Welsh Government has been working collaboratively with NHS Health Boards and Trusts to design of a control framework for expenditure on agency and locum staff including increasing Board level scrutiny, minimising their deployment and improving value for money through capping rates and more effective procurement. The new control framework for medical staff was issued in Health Circular WHC/2017/042 Addressing the impact of NHS Wales Medical Agency and Locum deployment in Wales which came into effect in November 2017. An All Wales Framework Contract for Agency Nurses was introduced in April 2017 and designed to deliver better value for money through economies of scale.

Alongside the implementation of the new Control Framework, the WAO conducted a study on the expenditure on Medical Agency staff by NHS Wales. This led to the WAO Report on Expenditure on Medical Agency Staff by NHS Wales, published in January 2019, where they made two main observations underpinning the management of agency expenditure:

- To gain a deeper understanding of the root causes of agency spend there is a need for consistent and comparable data at an all Wales level including:
 - the ability to access and share consistent and comparable data held by individual NHS organisations at an all-Wales level; and
 - the ability to assess agency spend and usage data in the context of other temporary staffing costs.
- To ensure future projects to manage agency and other temporary staffing expenditure are given strong leadership and the capacity to drive change in a timely fashion.

Current and Future Action to control deployment and expenditure

In response to continued high rates of expenditure, and taking account of the WAO findings, Welsh Government is taking action through the following strands to maintain and enhance control and reduce expenditure:

- Enhancing National Leadership and Data Collection;
- Increasing efficient deployment of the workforce; and
- Improving workforce planning to support the strategic direction set out in *A Healthier Wales*

Enhanced National Leadership and Improved data collection and analysis

In response to the WAO findings a NHS Wales Strategic Workforce Deployment Steering Group has been established to support the development and delivery of a work programme aimed at the most effective deployment of the workforce, through finding more effective ways of delivering priorities, building capacity, sharing best practice and developing 'Once for Wales' solutions as appropriate. This will also provide the enhanced national leadership recommended by WAO.

Historically the data collected on agency and locums was based on financial expenditure. Whilst this demonstrated the increasing spend it did not enable us to understand the workforce deployment which lay behind it. Introducing the new control framework has shown, however, that information about this expenditure is limited and is not collected in a consistent way across Wales, meaning that detailed national benchmarking or analysis would not be robust. As a result, we have now introduced a revised data collection protocol through Medical Workforce Efficiency Group to establish a consistent data set across Wales for temporary medical staff. These changes were introduced at the end of June 2019 and were built on the data collection requirements introduced as a result of WHC/2017/042 and WAO observations.

Efficient deployment of the workforce

A number of workstreams have been developed to improve the effective deployment of the workforce which would address the underpinning causes leading to increased use of agency staff.

- **Attendance management** – An All Wales Managing Attendance at Work Policy has been developed in social partnership between employers and unions in the workplace which focusses more on prevention of the causes of avoidable absence from work and putting in place the support to enable staff to remain in work (or return to work).
- **Rota management** – Discussion with health organisations highlighted a range of areas of work where improved knowledge of effective practice by staff managing agency and locum spend could result in both better value for money and deployment of staff. There is great potential for standardised E-rostering across Wales to maximise increased efficiency and opportunity for more flexible staff deployment both locally and nationally.
- **Collaborative Workforce Bank** – There is potential to reduce the cost of the temporary workforce through the development of an NHS Wales collaborative workforce bank to enable more flexible deployment of staff across Wales. A number of projects are underway that will help to explore the feasibility of this idea and to create the conditions to enable it to happen. These include:
 - *DBS checking* - The NHS Wales Partnership Forum has recently been engaged on options to mandate the use of the DBS Update Service which would result in a meaningful long-term cost saving over a period of time, reduced recruitment times and would underpin the development of All Wales Bank as DBS checks would be transferable across all organisations.
 - *Nurse bank pilot* – There is a pilot project underway to establish a “collaborative bank” model that would allow nurses to access shifts across Health Board boundaries. The pilot is initially limited to Cwm Taf Morgannwg University Health Board and Swansea Bay University Health Board to test the concept and is planned for implementation in Summer 2019.
- **End to end recruitment project** – NHS Wales Shared Services Partnership (NWSSP) has also developed this project to reduce the time taken to complete the recruitment process, for Agenda for Change roles, to improve the experience for applicants wanting to join or move roles within NHS Wales and to minimise the need for temporary staffing during recruitment. In March 2014, the average time to hire was 102 days, following implementation of a range of measures this has succeeded in reducing the time to hire to 67 days (May19).

Improving workforce planning

In line with the aims of *A Healthier Wales* and the development of the workforce strategy by Health Education and Improvement Wales Welsh Government are implementing a number of workstreams to improve the long-term recruitment and retention of the NHS workforce.

- **Investment in Training and Education** – During the last five years Welsh Government has increased the investment in funding to support health professional education and training in Wales with £114m to be invested in 2019-20 (an increase of £7m over 2018-19), a record level of funding which will result in an increased supply of qualified healthcare professional to work in Wales.
- **Bursaries** – Over the past 10 years Welsh Government has also invested in the NHS Wales Bursary scheme which will be available for individuals electing to study an eligible health care related programme in Wales commencing up to the academic year 2020-2021. This commits trainees to work in Wales for up to two years post qualification so ensuring that our investment in training results in an increased workforce supply to fill vacancies in Wales.
- **Nurse Streamlining Project** – NHS Wales Shared Services Partnership (NWSSP) have developed a streamlined service which matches newly qualified nurses from university into suitable vacancies in Wales which avoids nurses having to make multiple job applications and we maximise their appointment into posts in Wales as rapidly as possible.
- **Train:Work:Live** – Since 2016, this programme has aimed to reduce vacancies by promoting NHS Wales careers and highlighting the benefits of training, working and living in Wales. The campaign includes a digital and social media campaign, attendance at high profile profession led exhibitions and conferences and some targeted incentives to attract people into roles which have been hard to fill. These actions have had a positive impact on speciality training fill rates and we will look to build on this success to improve recruitment rates.
- **Specialty and Associate Specialist (SAS)** – Information collected as a result of the new control framework shows that rotas in Wales rely heavily on the deployment of SAS doctors and we are considering ways to improve their terms and conditions as substantive staff to make the Agency and Locum route less attractive.

- **Independent pay review body recommendations** – Welsh Government has continued to invest in the pay and conditions of the workforce to recognise the value and dedication of our NHS staff and to support recruitment and retention. The Doctors and Dentists Review Board (DDRB) pay recommendations were accepted in full from April 2018 in contrast to England, and we have been implementing the Agenda for Change three year pay deal covering the period from April 2018 to March 2020.

Summary

As demand for NHS services continue to grow for the reasons outlined in the 2014 Nuffield Trust and 2016 Health Foundation reports, we will inevitably need to continue to place some reliance on temporary staffing to ensure the delivery of safe and quality services. Welsh Government has taken action to ensure deployment is undertaken in a controlled and cost effective way. The development of the wider workforce strategy in support of *A Healthier Wales* now provides a strategic direction to address the recruitment and retention needs of the NHS going forward, including use of temporary staffing where appropriate.