

CASE STUDY

Workforce Efficiency Transformation

Strategic Temporary Workforce Management Service covering Staff Bank, Agency and Direct Engagement

Results achieved in year 1:

- £10 million in net savings (vs forecast of £7.5m)
- 48% reduction in agency spend (to <1% of pay bill)
- 100% of new bookings DE-compliant
- 100% adherence to new bank rate cards
- 100% compliance with new rate & booking policies



"Litmus has provided invaluable support and strategic guidance during a challenging period for our Trust, helping us to implement necessary changes without compromising workforce stability.

The results they have achieved in just six months are exceptional and demonstrate their ability to drive impactful operational change with care and realise significant cost savings."

Dawn Scrafield, Chief Finance Officer



Background

Mid and South Essex NHS Foundation Trust (MSEFT) is one of the largest in the country, with a workforce of around 15,000 who serve a population of over 1.2 million people.

In 2024, with a significant financial deficit, MSEFT was placed into NHS England's Recovery Support Programme and challenging goals mandated to reduce overspending.

Litmus was appointed in December 2024 to support the Trust to reduce temporary staffing expenditure and deliver sustainable, risk-managed workforce savings and operational efficiencies.

Objectives

Litmus committed to support the Trust to reduce temporary staffing costs by over £7.5m within a year. Specific goals included:

- A 50% reduction in temporary staffing use, achieved by improving rota management, resource utilisation and by recruiting new permanent staff into hard-to-fill vacancies, currently covered by agency.
- To generate substantial rate savings with a structured plan to reduce and standardise bank and agency pay rates across the region, and drive increased rate card adherence, Direct Engagement and IR35 compliance.

Strategic Workforce Planning Support

Implementation began with a highly forensic and detailed data analysis across both temporary and permanent staffing operations, and the compilation of a comprehensive pay rate benchmarking dataset, detailing the average bank and agency rates paid by all neighbouring trusts in the region.

With accurate data insights clearly evidencing the case for change, Litmus worked in close collaboration with the Trust's executive team to precisely plan how pay rate adjustments could be implemented, modelling different scenarios, with detailed risk assessment and mitigation strategies for each. The sensitive process of communicating the proposed changes to managers and workers was then carefully planned to ensure their understanding and acceptance.

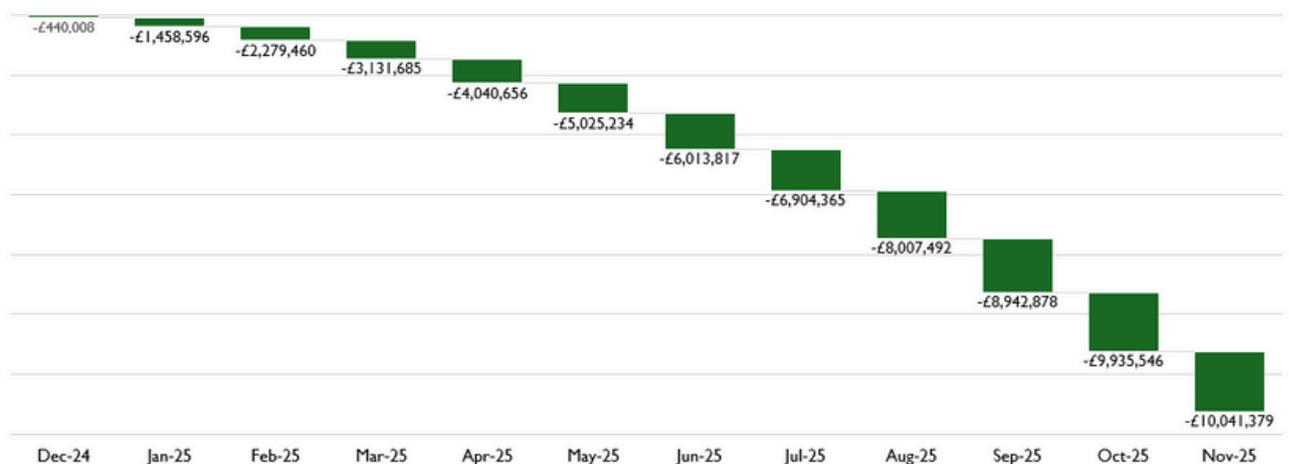
The Trust's temporary staffing team was also strengthened with additional resources and training to ensure new processes could be effectively adopted, while maintaining a responsive service.

Results

Litmus has expertly managed a broad program of operational change, effectively mitigating the risks associated with implementing new processes, policies and rate cards during the winter season.

A structured program of rate and demand reduction delivered immediate savings with no perceived impact on fill rates or service levels. To date, cost reduction has surpassed £10 million, compared to the forecasted amount of £7.5 million, with monthly targets consistently outperformed.

Cumulative Cost Savings



These savings are largely due to the successful transformation of rate control throughout the Trust, with 100% adherence to bank rate cards, 100% adherence to the NHS England nursing agency rate card, and 100% adherence to new pay rate, break and supplier commission policies.

Uplifting Direct Engagement (DE) throughput by 30% has resulted in DE savings of over £900,000, with all new bookings now DE-compliant. Litmus has also maximised in-year savings by extending the Trust's DE employment model to cover other, less commonly included non-medical staffing groups.

In total, agency spending has been reduced by 48% to date, and 93% of temporary staffing use is now fulfilled via the Trust's own staff banks, with all rates paid in line with agreed rate cards.

Naturally the Trust's executive team is highly appreciative of the outstanding improvements and results achieved thus far, and looking forward to reaping the benefits of ongoing work to recruit more permanent staff into hard-to-fill gaps and accelerate onboarding times.