

Meeting:	NHS Grampian Board
Meeting date:	8 October 2026
Item Number:	9.10
Title:	Medical Agency Locum Spend
Responsible Executive:	Dr Hugh S Farrow Bishop, Executive Medical Director
Report Author:	Mr Paul Bachoo, Acute Sector Medical Director Dr Alastair Palin, Medical Director MHLD Mrs Cathy Young, Head of Transformation Mr Grant Burt, Senior Finance Manager

1 Purpose and recommendations

This is presented to the Board for:

- Assurance

Recommendation(s)

The Board is asked to:

- Review and scrutinise the information provided in this paper and confirm that it provides assurance that improvements to policies and processes are being made and appropriate evidence of these has been provided to the Board's satisfaction
- Endorse the proposals contained in this paper
- Request that another report on this subject be brought back to the Board at a future date.

- **This report relates to:**

- Local policy
- NHS Board/Integration Joint Board Direction

This aligns to the following NHS Scotland quality ambition(s):

- Safe
- Effective

This subject matter of this report is relevant to the mitigation of the following strategic risks (further information provided in the Risk section below) [delete all that are not relevant to this report]:

- ☐ Inability to meet population demand for Planned Care
- ☐ Significant delays in the delivery of Unscheduled Care

- Inability to achieve the aspirations set out in Plan for the Future due to financial resource constraints and inefficiencies

2 Report summary

2.1 Situation

Total medical agency expenditure in NHS Grampian core services for 2026/27 is currently £3.50 million, compared with £3.48 million for the equivalent period in 2025/26. This represents a deterioration of £0.02 million overall, there has been neither a material reduction nor increase in medical agency expenditure compared with the prior year.

2.2 Background

The position is summarised in the table below by division.

Table 1: Movement in position year on year for Medical Agency Locum Spend

Medical Agency	26/27	25/26	Movement
	£m	£m	£m
Clinical Support Service	0.07	–	0.07
Surgery	0.37	0.69	(0.32)
Dr Gray's	1.88	1.77	0.11
Woman and Children's	0.20	0.09	0.11
Medicine and Unscheduled Care	0.85	0.93	(0.08)
Mental Health & Learning Disabilities	0.13	–	0.13
Total	3.50	3.48	0.02

Expenditure remains concentrated across a small number of divisions, with Dr Gray's continuing to account for the largest element of spend at £1.88 million. Medicine and Unscheduled Care also remains a significant area of agency expenditure at £0.85 million, although this reflects an improvement of £0.08 million compared to 2025/26.

An improvement has been noted within Surgery, where expenditure has reduced by £0.32 million compared with 2025/26. These reductions are offset by deteriorations across Dr Gray's, Woman and Children's, Mental Health and Learning Disabilities, and Clinical Support Services, resulting in a small net deterioration overall.

2.3 Assessment

Onboarding processes have good grip and control with established processes through the Locum Desk.

Hourly rates are reduced to 50% between the hours of 2200 and 0800 for undisturbed periods of on call activity.

Further work is required to tighten grip on extension processes. Areas identified for improvement include ensuring extensions are approved at appropriate seniority, applying greater scrutiny where rates exceed framework levels, strengthening control of approved hours and reducing retrospective changes which can result in expenditure being incurred outside approved arrangements. These proposals require further development and implementation.

The current level of medical agency expenditure continues to present a financial risk. Delivery of associated savings within the value and sustainability program remains dependent on sustained reductions in agency usage, supported by effective recruitment, vacancy management and alternative workforce solutions. Without further reduction in agency reliance, there is a risk that the expected benefits of the Value and Sustainability Programme will not be realised during 2026/27.

The remaining expenditure is not driven by a single factor. It reflects a combination of national workforce supply constraints, persistent hard-to-recruit services and locations, reliance on a small number of high-cost but highly productive locum arrangements, and areas where further analysis is required to understand underlying workforce drivers. As a result, not all expenditure is equally avoidable and different interventions will be required in different parts of the system. The resident doctor element may present one of the more significant opportunities for future reduction through alternative workforce approaches, including exploration of a medical bank model. The East of Scotland sub-national arrangements may provide opportunities to support this work, although further development and agreement would be required.

The Executive Team and Board have approved 8 whole time equivalent additional consultant posts in Emergency Medicine, with a recruitment plan projected to deliver substantive recruitment by August of 2027 with a high level of confidence.

Medical Agency Locum spend is monitored through the monthly Medical Pay Board, and reports to the Value & Sustainability program Board and Financial Recovery Board.

Further analysis of Medical Agency Locum spend in non-core services including Community Mental Health and Learning Disabilities and the Boarder Management Team is required to identify any further opportunities.

2.3.1 Quality / Patient Care

The care provided by agency locums is subject to standard clinical governance processes and each locum is expected to have an identified mentor. Whilst this provides an important governance framework, further assurance is required regarding the consistency of implementation, effectiveness of mentoring arrangements and opportunities to strengthen support for long-term locums and fixed-term medical staff.

Opportunities may also exist to strengthen support for experienced overseas doctors through structured portfolio development, supervision and progression routes, helping create more sustainable workforce solutions over time.

Agency locum colleagues contribute to the delivery of unscheduled and planned care trajectories.

2.3.2 Workforce

The use of agency locums to sustain the delivery of clinical services, including in the out of hours on call period, is critical to maintaining the health and resilience of substantive colleagues.

2.3.3 Financial

While the use of medical agency locums remains a source of financial pressure for the Board, their deployment is restricted to circumstances where this is necessary to maintain safe and effective clinical services. Established controls require approval of agency usage and seek to ensure that locums are engaged at the lowest cost consistent with service requirements and patient safety.

2.3.4 Risk Assessment / Management

- **3065 - Inability to meet population demand for Planned Care**
 - The controlled and judicious use of agency locums allows for the maintenance of performance against planned care trajectories at a level that otherwise would not be possible
- **3639 - Significant delays in the delivery of Unscheduled Care**
 - The controlled and judicious use of agency locums allows for the maintenance of unscheduled care performance at a level that otherwise would not be possible
- **3130 - Inability to achieve the aspirations set out in Plan for the Future due to financial resource constraints and inefficiencies**
 - Current controls reduce financial exposure but are not yet fully optimised

2.3.5 Equality and Diversity, including health inequalities

An impact assessment has not been completed because there is no known differential impact based on protected characteristics nor health inequalities.

2.3.6 Other impacts

2.3.7 Communication, involvement, engagement and consultation

2.3.8 Route to the Meeting

- Medical Pay Board, 3 September 2026

2.4 Recommendation(s)

The Board is asked to:

- Review and scrutinise the information provided in this paper and confirm that it provides assurance that improvements to policies and processes are being made and appropriate evidence of these has been provided to the Board's satisfaction
- Endorse the proposals contained in this paper
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