

SLOUGH BOROUGH COUNCIL

REPORT TO: Employment & Appeals Committee **DATE:** 23th October 2018

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PART I **FOR INFORMATION**

TEMPORARY AGENCY STAFF PROGRESS ON IMPLEMENTATION AND BASELINE MONITORING

1 Purpose of Report

This report seeks to provide members with an update on the Council's spend on Temporary Agency Staff contracts via Matrix for the first 2 quarters of 2018/2019.

2 Recommendation(s)/Proposed Action

The Committee is requested to resolve:

- (a) That the report be noted.
- (b) Members consider any additional information they would like to see in future reports.

3 Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan

3a. Slough Joint Wellbeing Strategy Priorities

The JSNA priorities of particular relevance are:

- The Managed Service Provider will open opportunities for the local economy and SME organisation to provide temporary agency staff to the Council.
- Working with local Job Centres and other organisation to assist job seekers in finding employment and therefore increase skills and employment opportunities.
- Enables the Council to flexibly manage its workforce and meet the need to deliver front line services to residents, particularly within Health & Wellbeing.
- Delivering cashable and efficiency savings across the Council.

3b. Five Year Plan Outcomes

The proposals within this report meet the Five Year Plan objectives as follows:

1. Improve customer experience by improving service delivery from the provider.
2. Deliver high quality services to meet local needs by ensuring access to a diverse work force through broadening access to higher quality resource (e.g. Occupational Therapists / Physiotherapists / Qualified Social Workers).

3. Develop new ways of working by introducing a new, end to end automated system for the ordering, tracking, monitoring and analysis of temporary agency staff.
4. Deliver local and national change by increasing opportunities for local and SME agencies to work with SBC.
5. Achieve value for money by ensuring significantly improved service delivery and guaranteed cashable savings.

4 **Other Implications**

(a) Financial

The Council's spend on interims between April and June 2018 was **£2,226,732** and between July and September 2018 the cost was **£2,288,984**. The figures quoted here are those from the Matrix spend report.

Spend registered outside of Matrix through the Councils Agresso payments system for the same period totals as follows: April to June **£824,019** and July to September **£940,942**. It should be noted that whilst costs have been allocated to the codes for agency and consultants, services could have used these codes for non-staffing reasons. Further work would need to be done with Finance to ensure that the costs have been allocated correctly.

A breakdown of Matrix spend by Directorate and Agresso spend herein referred to as of contract spend against comparative quarters can be found below in table 1 and 2 respectively.

Directorate	Q1 2017/18	Q1 2018/19
Chief Executive	£118,255	£101,443
Customer And Community Services	£226,390	£275,441
Education And Children's Services	£10,080	£63,905
Regeneration, Housing and Resources	£394,003	£1,041,164
Wellbeing	£526,232	£744,779
Total	£1,274,960	£2,226,732
Total 2018/19 inc. Agresso spend		£3,050,751

Table 1

Directorate	Q2 2017/18	Q2 2018/19
Chief Executive	£88,804	£102,328
Customer And Community Services	£226,834	£382,294
Education And Children's Services	£16,861	£60,558
Regeneration, Housing and Resources	£534,423	£1,058,907
Wellbeing	£495,185	£684,894
Total	£1,362,107	£2,288,981
Total 2018/19 inc. Agresso spend		£3,229,923

Table 2

(b)Risk Management

Risk	Mitigating action	Opportunities
Employment Issues	Service areas unable to source requirements via supply chain on Matrix. Hard to recruit roles identified and processes in place to source these posts. Current market forces in relation to Social Workers are influencing this risk	Review current staff development programmes and look to invest in development of our current workforce to “grow our own talent” for the difficult to source roles.
Employment Issues	Unable to recruit on agreed pay scales in Matrix. Pay scales are aligned to council job levels and Spinal column points. Assistant Director and or HR approval required to alter pay scales	
Financial	Failure to maximise savings by increasing pre-agreed pay scales within Matrix. Assistant Director and or HR approval required to alter pay scales for specialist roles influenced by market forces e.g. social workers	
Human Rights	None	None
Health and Safety	None	
Equalities Issues	Agency Worker Directive ensures pay parity between full time permanent employees and temporary agency staff.	None
Financial	None	<ul style="list-style-type: none"> • Guaranteed minimum savings of 3% on existing spend (with further opportunities to increase this) • Guaranteed maximum pence-per-hour agency fees • Pay parity between full time permanent employees and temporary staff workers in-line with Agency Worker Directive • Potential discount for workers that have been in post for longer periods of time (although the aim is to challenge the need for worker longer term posts and reduce the need) • Gainshare mechanism – whereby savings achieved over and above the guaranteed minimum will be shared between SBC (90%) and the supplier (10%) • Mechanism for supplier to credit SBC for failure to deliver agreed service levels

Other	None	None
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(b) Human Rights Act and Other Legal Implications - There are no Human Rights Act Implications.

(c) Equalities Impact Assessment - An Equalities Impact Assessment has been undertaken and was attached to previous reports.

(d) Workforce - There are no implications for permanent staff.

5 Supporting Information

5.1 The data and charts below relate to the period to end September 2018.

5.2 The number of Matrix placements stands at **293** up **41** on the last report.

5.3 The Matrix hierarchy has not been updated since the change in directorate names, and therefore the financials above are still provided in the old directorates. The data for the remaining report has been transferred to indicate activity in the new directorate structures.

5.4 Matrix continue to adhere to the KPI targets set in the contract. These relate to the fulfilment of general posts, the number of rejected candidates and helpdesk assistance. These rates are monitored through business reviews.

5.5 DSO – It was requested at the last meeting for information relating to the DSO to be separated and visible in the figures. The DSO will be shown as Chief Executive – Environmental in the data tables below. For information, the total spend against the DSO for Q1 2018/19 was **£316,969** and Q2 **£310,460**. At the end of September (Q2) the number of agency staff stands at 88, however it is unlikely all are used every day. 65 staff have recorded hours within the period and there are a number generating no spend. This seems to suggest that ‘block booking’ is in operation and staff are used on an as and when basis.

5.6 Benchmarking information against other similar local authorities for typical agency staff, spend, duration of contract etc. -Members requested benchmarking information for comparison purposes. Other local authorities have similar needs to use agency workers for a range of reasons including:

- agency cover for sickness or holiday or other absence of employees i.e. maternity leave
- provide additional support in the event of peak workloads
- prevent or eliminate excessive backlogs of work
- provide essential skills in hard to recruit roles or to support projects needing specialist skills.

Comparison data is limited through public information. It is also difficult to make direct comparisons with other authorities in relation to agency spend without an in-depth understanding of how their services are delivered i.e. in-house or provided externally. However our research has found the following.

- Wokingham Borough Council - the figures, for the financial year 2017-2018, show that they have allocated £7,811,563.03 for temporary workers,

compared to £4,750,201.35 in the year 2016/17 – an increase of 64%. And a year earlier, 2015/16, they spent £4,017,165.64. We do not know what this spend relates to.

- West Berkshire - In September 2018, it was reported that the Council had spent £9m on temporary staff over the past two years. It shows that the council spent £4,448,805 on agency staff in 2016/17, rising to £4,967,569 in 2017/18 – amounting to £9,416,374 over the two-year period. Adult social care saw the highest spend of £5.1m – rising from £2,285,723 in the first year to £2,837,266 in the second.
- The Royal Borough of Windsor and Maidenhead total spend on agency staff in 2014/2015 was £4.8m. No recent data was found.
- Reading Council - data shows that the council's spent £9,836,009.42 on agency staff in 2015/16, which rose to £13,708,390.05 in 2016/17. The figures show the total so far for 2017/18 is £8,329,328.23
- London Borough of Greenwich - Recent information published by the authority identifies that in the previous 12 months the use of agency staff had increased by 12% (to a total of £17.9m). The largest job assignments being filled by agency staff were social care workers, followed by council admin staff. .
- Waltham Forest - took a deliberate strategy to increase the use of agency workers during a period of unparalleled change in 2016. Following the change the council has taken steps to review and reduce the use of agency workers across the organisation. In just over a year the council reduced the number of agency workers by 41%.
- Brighton and Hove - In 2014/2015 Brighton and Hove spent £8.3m in Agency spend.

Interestingly the BBC reported in 2017 that UK spending increased from £180m in 2012-13 to £356m in 2016-17 on Social Workers through agencies.

- 5.7 Detailed work being undertaken/strategy to reduce/tackle use of temporary agency staff.- The following the strategies that are in place to support the reduction of the use of agency spend / usage.

Recruitment campaigns are being used to address areas of the business that do have a reliance on agency workers, for example in Children Services and targeted campaigns in the planning service area.

Where organisational change occurs, the council is considering employees first for any available vacancies. However, agency workers are also being given the opportunity to be considered for permanent roles
Introduction of the Slough Academy to reduce the skills shortage by growing our own profession staff.

HR Teams are sharing the agency reports with the directorates to monitor use and spend and identify with the services alternatives to agency workers.
The Council is monitoring the contract to ensure there are no excessive costs to the contract for example we have reduced the available rates to agencies and this has reduced costs accordingly.

- 5.8 The introduction of IR35 has affected the tenure for staff through the Matrix contract. Staff classified as outside IR35 i.e. those not filling substantive posts but providing consultancy services for Project work, were assigned titles and job descriptions that reflected their posts. This reset the worker to the 0-3 month category. Given the requirements of IR35 for the individual workers, we are unable to assign previous service length for the authority to the current placement.
- 5.9 Dashboards have been provided to the back of this report (appendix 1) for a visual breakdown of agency staffing figures.

Staffing Scorecard (Matrix) – as at 30/09/2018

Level 1	Duration	Number of Staff Placements	FTE
Chief Executive - Environmental	0-3 months	19	2.8
	3-6 months	20	11.2
	6-9 months	22	13.3
	9-12 months	26	16.9
	1 – 2 Years	1	0.7
	Over 2 Years	0	0.0
	Chief Executive - Environmental Total		88
Finance & Resources	0-3 months	3	1.2
	3-6 months	5	2.2
	6-9 months	5	2.7
	9-12 months	3	1.1
	1 – 2 Years	9	6.2
	Over 2 Years	6	3.9
	Finance & Resources Total		31
Children's Services	0-3 months	1	0.8
	3-6 months	2	1.2
	6-9 months	4	2.3
	9-12 months	1	0.6
	1 – 2 Years	6	0.6
	Over 2 Years	0	0.0
	Children's Services Total		14
Regeneration (inc. Place & Development)	0-3 months	18	5.3
	3-6 months	14	7.9
	6-9 months	12	9.9
	9-12 months	6	5.2
	1 – 2 Years	9	7.9
	Over 2 Years	4	2.3
	Regeneration (inc. Place & Development)		63
Adults & Communities	0-3 months	28	6.1
	3-6 months	21	14.8
	6-9 months	10	5.6
	9-12 months	9	5.8
	1 - 2 Years	17	8.3
	Over 2 Years	12	10.0
	Adults & Communities Total		97
Grand Total		293	156.8

Fig 1

The table below (fig2) shows a breakdown of the number and title of active temporary staff placements by job category.

Job Category	Chief Executive - Environmental	Finance & Resources	Children's Services	Regeneration (inc. Place & Development)	Adults & Communities	Grand Total
Admin & Clerical	3	5	10	6	15	39
Driving	11	-	-	-	2	13
Engineering & Surveying	-	1	-	1	-	2
Executive	1	16	4	19	1	41
Facilities & Environmental Services	-	-	-	3	-	3
Financial	-	2	-	-	-	2
Housing, Benefits & Planning	-	1	-	28	-	29
Human Resources	-	2	-	-	-	2
IT	-	1	-	1	-	2
Legal	-	-	-	1	-	1
Management	-	2	-	3	4	9
Manual Labour	73	-	-	-	-	73
Procurement	-	1	-	1	-	2
Social & Healthcare Non-Qualified	-	-	-	-	34	34
Social & Healthcare Qualified	-	-	-	-	41	41
Total	88	31	14	63	97	293

Fig 2

5.10 Work is due to assess and produce an options appraisal for an agency staff contract fit for the future. In conjunction with the councils programme for reducing agency staff, there are a number of possible options to assist the council in achieving its targets and costs. The current contract comes up for renewal or re-procurement in January 2019. Committee will be updated on progress through this report on a regular basis.

6 Conclusion

6.1 The Matrix contract continues to be successful in controlling and improving governance around departmental engagement of agency staff and to an extent reduce maverick spend due to non compliance to corporate policies. However the introduction of identified 'off-contract' spends gives a picture of increasing costs. If the trend does not subside, it is currently forecast that the agency spend, both Matrix and 'off-contract', could total £12m by the end of the financial year. As mentioned above, it will be necessary to work with Finance to ensure coding to agency and consultant cost codes is accurate. This will assist in identifying spend that should come through our agency staffing contract and those that have been procured through competitive quotation. We will continue to monitor and challenge

spend outside Matrix arrangement to ensure placements are in accordance with the council's constitution.