

SLOUGH BOROUGH COUNCIL

REPORT TO: Employment and Appeals Committee

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PART I

FOR COMMENT & CONSIDERATION

TEMPORARY AGENCY STAFF

1 Purpose of Report

This report seeks to provide Members with an update on the Council's actions regarding the supply and control of temporary labour.

2 Recommendation(s)/Proposed Action

The Committee is requested to resolve:

- a) That the actions from the last meeting be noted
- b) That the report and its contents be noted.

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

3a Slough Joint Wellbeing Strategy Priorities

The provision of temporary staff does not directly impact on the Slough Joint Wellbeing Strategy.

The provision does however enable the Council to deliver its services to the community through the provision of specialist skills or replacement labour where required.

3b Five Year Plan Outcomes

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

Outcome 1, 2, 3, 4

The services provide labour necessary to deliver these outcomes when permanent labour is not available or specialist skills are required.

Outcome 5

The supplier of temporary workers engages with local suppliers of temporary labour whilst also working with a wider pool to ensure Slough has access to the best available talent to make Slough an attractive place to operate and work.

4 Other Implications

(a) Financial

The procurement actions described in this report assume that the Council continues to engage temporary labour at existing rates of £8-10m per year.. On this basis, the Council may expect to generate savings of circa £110k per year. This saving will be generated from reductions in contributions to statutory labour fees such as National Insurance, Pensions and Apprentice Levies charges in relation to the agency labour.

Due to rebasing of the costs of agencies, there is likely to be an increase of circa £20k per annum in agency fees on a directly comparable basis. The increase may result in reductions in demand from other more expensive sources of labour replacement with an overall reduction in cost to the Council. As an example, the ability of the Council to engage engineers as temporary labour should be increased, with the potential impact of reducing consultancy spend at a lower overall cost.

(b) Risk Management

There are no specific risks to be managed for temporary labour provision beyond the need to ensure ongoing provision at appropriate costs.

(c) Human Rights Act and Other Legal Implications

There are no Human Rights Act Implications.

(d) Equalities Impact Assessment

There is no requirement for an Equalities Impact Assessment as we do not hold equalities data on temporary workers.

(e) Workforce

There are no implications for permanent staff.

5. Actions from the Previous Meeting

In October 2019 officers reported that there was a local shortage of cemetery and Parking officers. We reviewed our workforce data in January 2020, which indicates that the Council has successfully filled relevant vacancies. As such, these posts are no longer classified as local skills shortages posts.

6. Update in the Procurement Process

At the previous meeting officers advised the Committee the intentions of the Council to reprocure the temporary labour services. The Council has intended to have this completed and implemented by January 7th 2020. Due to the need to perform thorough due diligence due to the critical nature of the supply of temporary labour to the delivery of Council services, this date has varied to April 7th 2020.

The procurement has sought to deliver the following benefits to the Council over the current solution to relieve some of the issues experienced with the current contract:

- 1) A reduction in contribution to statutory costs of agency workers. The Council currently pays for such on a flat rate basis. Given the proportion of lower graded temporary workforce, a move to a sliding scale will enable the Council to reduce its contributions whilst maintaining its compliance to legal requirements. Based on a 12 month sample and assuming no variation in usage, the Council can expect to reduce its contribution to these fees from 9.2% of pay to 7.9%. This reduction will result in a saving to the Council of circa £110k per annum.
- 2) Provide a deeper supply chain. The Council has experienced difficulties in obtaining staff in some areas such as planning and social workers, with some of this caused by commercial restrictions placed by the Council on the incumbent, forcing companies from the supply chain. Whilst high levels of constraint on agency fees provide measurable savings when compared on the basis of individual roles, the constraints reduce the pool of agencies and workers able to enter at standard rates, with the consequence of increases in appointments to day rated roles at a higher overall cost or the failure to appoint any person with the consequent opportunity costs of lost labour. This activity has allowed a rebasing of agency rates and allowed new suppliers to enter the supply chain with the likely improvement to candidate availability at market normal rates.
- 3) The improvement in service through the provision of an on-site resource from the incoming supplier. An issue often highlighted by end users has been the inability of staff to engage with the supplier directly, resulting in a reduction in

effectiveness of recruitment exercises due to a receipt of sub-optimal CVs. The implementation of on-site personnel from the supplier will enable users to interact with them, resulting in better outcomes from the sourcing process. The resource will further be available to work with managers to train or otherwise engage with Council staff with the likely impact being an increase in compliance to contract and an increase in labour supply at market normal rates.

- 4) The contract management abilities of the Council will be enhanced through the creation of meaningful service level agreements for the provider, with associated service credits creating a financial incentive on performance. The Council has also built in a levy on the contract to enable it to employ a contract manager to manage the supplier's performance.

The Council is currently undertaking extensive due diligence on the preferred supplier. This due diligence is assessing:

- 1) The robustness of the supplier's intended supply chain to ensure that benefits described above in point 2 will be delivered
- 2) A validation of the costs proposed by the supplier
- 3) An assessment of the supplier's processes to ensure compliance to key requirements e.g. social care registrations, right to work, etc.

The aim of this due diligence is to ensure the full capability and capacity of the supplier to meet the Council's requirements prior to the execution of change.

The Council is seeking to be able to announce formally its provider of temporary labour by end January 2020 and will then commence work internally to review relevant policies and procedures as well as initiate the commercial transitions.

7. Statistics

Councillors are provided in Appendix 1 statistics relating to the use of on contract temporary labour.

8. Appendix

Appendix 1 - Usage of Temporary Worker – On Contract Trends

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Spend and Hours Used

	17/18	18/19				19/20		
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Hours	58,000	73,087	83,697	76,000	81,873	81,915	90,516	81,539
Spend	£2.09m	£2.28m	£2.67m	£2.59m	£2.76m	£2.81m	£3.01m	£3.12m

Councillors should note that during Q3, the Council institutes additional controls on temporary workers, meaning most temporary workers were not engaged for the period 16th December 2019 to 6th January 2020. As such, agency worker hours are reduced in Q3 in comparison to other periods. Councillors should further note in the table below the higher number of roles closed to opened.

On-Contract Roles Opened and Closed

	2019/20					
	Q1		Q2		Q3	
	Opened	Closed	Opened	Closed	Opened	Closed
Adult and Communities	22	20	13	24	12	27
Chief Executive	2	1	1	3	0	1
Children, Learning and Skills	2	7	2	4	8	16
Finance and Resources	11	3	8	2	14	6
Place and Development	17	22	28	21	5	26
Regeneration	6	17	9	7	6	5
Total	60	70	61	61	45	81

Engagements over 12 Months in Duration

Directorate	2019/20		
	Q1	Q2	Q3
Adult and Communities	31	31	24
Chief Executive	2	1	2
Children, Learning and Skills	7	7	1
Finance and Resources	6	7	6
Place and Development	45	50	51
Regeneration	11	9	11
Grand Total	102	105	95

Councillors should note Place and Development as a directorate includes the Direct Service Organisation, which has a high proportion of temporary staffing

Engagements Durations

		Staff Engaged At Quarter End				
Directorate	Duration	31/12/18	31/03/19	30/06/19	30/09/19	31/12/19
Adult and Communities	0-3 months	19	19	22	14	12
	3-6 months	22	15	12	16	13
	6-9 months	17	11	8	9	9
	9-12 months	5	8	4	5	7
	1-2 years	18	14	13	12	11
	Over 2 years	16	15	17	18	14
Adult and Communities Total		97	82	76	74	66
Chief Executive	0-3 months	0	2	2	0	0
	3-6 months	0	0	1	1	0
	6-9 months	1	0	0	1	1
	9-12 months	0	1	0	0	0
	1-2 years	0	0	1	1	1
	Over 2 years	1	1	1	1	1
Chief Executive Total		2	4	5	4	3
Children, Learning and Skills	0-3 months	2	7	2	2	2
	3-6 months	3	2	4	2	3
	6-9 months	2	3	2	2	2
	9-12 months	2	1	2	2	2
	1-2 years	7	5	6	3	0
	Over 2 years	1	4	2	4	1
Children, Learning and Skills Total		17	22	18	15	10
Finance and Resources	0-3 months	0	1	9	8	14
	3-6 months	1	0	1	8	5
	6-9 months	0	1	0	1	6
	9-12 months	2	0	1	0	3
	1-2 years	4	3	3	3	1
	Over 2 years	1	4	2	4	5
Finance and Resources Total		10	10	17	24	34
Place and Development	0-3 months	16	17	13	28	4
	3-6 months	19	13	14	9	14
	6-9 months	13	15	10	11	7
	9-12 months	17	14	10	8	8
	1-2 years	25	37	39	46	34
	Over 2 years	2	2	6	5	17
Place and Development Total		92	98	92	107	84

Regeneration	0-3 months	6	10	4	10	6
	3-6 months	9	4	3	7	8
	6-9 months	4	7	2	2	5
	9-12 months	9	3	2	1	2
	1-2 years	12	10	7	5	5
	Over 2 years	4	4	4	4	6
Regeneration Total		44	38	22	26	32