
Cabinet Member for Strategic Finance and Resources

19 July 2018

Name of Cabinet Member:

Cabinet Member for Strategic Finance and Resources – Councillor J Mutton

Director Approving Submission of the report:

Deputy Chief Executive (People)

Ward(s) affected:

None

Title:

Agency Workers and Interim Managers – Performance Management Report Q4 (1 January to 31 March 2018).

Is this a key decision?

No.

Executive Summary:

The purpose of this report is to provide the Cabinet Member with performance information on the use of agency workers procured for the Q4 period 1 January to 31 March 2018 and to consider Interim Manager and other agency worker spends for the same period. In addition, the Cabinet Member asked for further information to be provided this quarter and in the future, on the number of agency staff engaged and the reasons for that engagement. Where the information is available, it is provided within this report. Where this information is not available, commentary is made on the feasibility and timescales to implement this change to information reporting.

Recommendations:

The Cabinet Member for Strategic Finance and Resources is requested to:

1. Note the agency / interim spend for Q4 and the corresponding numbers of agency workers
2. Note the work done on providing in-house solutions as an alternative to agency and interim workers.
3. To note the inclusion in this report on the level of corporate staffing requirement met by agency workers from Pertemps.

4. To note the directorate assurances on the approval processes for ordering agency workers and on the filling of vacancies contained in section 5

List of Appendices included:

The information attached in Appendix 1 shows the total Directorate expenditure on agency workers up to and including Q4 2017/18 for spends with the Master Vendor supplier, Pertemps, including interims. The dotted line shows the trend line for the data shown; it does not predict spend in future quarters.

The information attached in Appendix 2 show the justification of new orders placed by Directorates for agency workers during Q4 2017/18 which resulted in spend with Pertemps.

Appendix 3 shows equalities data for workers supplied through the Pertemps contract.

Other useful background papers:

None

Has it or will it be considered by Scrutiny?

No

Has it, or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

Report title:

Agency Workers and Interim Managers – Performance Management Report Q4 (1 January to 31 March 2018)

1 Context (or background)

- 1.1 Coventry City Council has a Master Vendor Contract with Pertemps for the supply of agency workers. This came into effect in December 2013 and has been extended. Through the contract, Pertemps will supply all suitable agency workers through their own agency or via a 2nd tier arrangement with other agencies on behalf of the Council, using rates of pay based on an agreed pay policy and a negotiated mark-up rate with the Master Vendor. The information supplied by Pertemps gives detailed information on agency worker usage and expenditure. However, Pertemps is not always able to supply the required agency workers and where this is the case service areas will use other suppliers.

Having re-tendered this contract, a new provider, Reed, will be supplying agency workers with effect from 25th June 2018

2 Directorate Commentary on Agency Worker Spend for Q4 2017/18

Table 2.1 below shows comparative expenditure in Q4 2017/18 and Q3 2017/18 and indicates an overall increase in total spend. The Master Vendor Contract covers all agency workers required by the core Council. The Pertemps contract does not cover agency workers in schools.

Table 2.1: Spend with Pertemps: comparing Q4 2017/18 with Q3 2017/18

| Division / Directorate | Spend Q3 2017/18 | Spend Q4 2017/18 | Increase / decrease | |
|------------------------------------|-------------------|-------------------|---------------------|-----------------|
| | | | | |
| Adult Services | £96,756 | £206,201 | £109,446 | Increase |
| Children's Services | £614,826 | £690,482 | £75,656 | Increase |
| Customer Services & Transformation | £97,705 | £93,325 | -£4,380 | Decrease |
| People Directorate Total | £809,287 | £990,008 | £180,721 | Increase |
| City Centre & Major Projects | £214 | £398 | £184 | Increase |
| Finance & Corporate Services | £43,838 | £33,406 | -£10,432 | Decrease |
| Streetscene & Regulatory Services | £201,958 | £225,358 | £23,400 | Increase |
| Transportation & Highways | £925 | £5,917 | £4,992 | Increase |
| Place Directorate Total | £246,935 | £265,080 | £18,144 | Increase |
| TOTAL | £1,056,222 | £1,255,088 | £198,866 | Increase |

Table 2.2 below is new in this report and provides the percentage of staffing requirement met by agency workers from Pertemps.

An order for an agency worker may require a worker full-time or a period of months. Alternatively the order may be for a person to work for a few hours as a one-off event. Also there may be an order for one worker for the whole quarter, but we may actually receive a different worker each month. Both of these circumstances means that it is not straightforward to count the number of workers. As an alternative, the full-time equivalent of agency staff have been calculated for each service area for this report and gives the percentage of staffing requirement met by agency workers from Pertemps for each Service Area.

Table 2.2: FTE of Pertemps Workers: comparing Q4 2017/18 with Q3 2017/18

| CCC | Supplied by Pertemps | | | Incr Decr | FTE (Perm & Temp) | % |
|------------------|----------------------|--------------|--------------|--------------|-------------------|------|
| | FTE Q3 | FTE Q4 | Chge | | | |
| Overall * | 63.83 | 78.21 | 14.38 | Incr | 3,693.71 | 2.1% |

2.1 People Directorate

The table below shows the main areas that contribute to the Children's and Adults spend in the table above:

| | Q3 £'000 | Q4 £'000 |
|--|-------------|-------------|
| Children's Services: Social workers | 522 | 525 |
| Children's Services: Senior roles, including Social Work Managers. | 50 | 80 |
| Adults' Services: Social workers | 87 | 175 |
| Adults' Services: Care Workers & Driver | 13 | 28 |

Children's Services

The number of Children's social workers supplied by Pertemps has increased from 41 in December 2017 to 48 in March 2018.

The recruitment campaign continues with the Recruitment Team working closely with colleagues in the People Directorate to ensure a co-ordinated process for recruitment and the retention of employees and the permanent recruitment of Agency workers where possible. The ongoing recruitment campaign is attracting Children's social workers to Coventry with some Agency workers opting to take permanent roles with the service.

The recruitment of social workers continues to be a national issue. A shortage of competent and experienced social workers regionally means that Children's Services continues to require Agency Social Workers, albeit that the numbers are decreasing in the longer term. The Children's Services Workforce Strategy and Recruitment Action Plan set out how the Service is addressing this issue. Good progress has been made but ongoing and continual recruitment is required to ensure we maintain sufficient social workers to meet our statutory duties.

The cost of Children's Social Workers is controlled by the West Midlands regional agreement. This involves 14 local authorities and has the effect of capping the rates paid to all newly appointed agency social workers. The Pertemps Q4 spend on Children's social workers, including senior roles and managers is £605,146.

Adults Services

The number of Agency Social Workers in Adults has increased from 11 in December 2017 to 15 in March 2018 at an overall cost of £175,207 for the quarter. The reasons for employing agency social workers is:

- a) To cover vacancies and ensure that statutory duties are met in the All Age Disability, Mental Health and Older People Service areas.
- b) The need to meet increased demand during the winter period in order to minimise the need for hospital admissions and to facilitate hospital discharge. This was recognised as a need by the system-wide CQC review.

2.2 Place Directorate

The table below shows the main areas that contribute to the “Streetscene and Regulatory Services” line in the table above:

| | Q3 £'000 | Q4 £'000 |
|------------------------------------|-------------|-------------|
| StreetScene: Waste Services | 94 | 120 |
| StreetScene: StreetPride | 81 | 67 |
| StreetScene: Planning & Regulation | 20 | 16 |

Waste Services Q4 agency costs were associated with cover for the Christmas / New Year period which extended into January, maintaining the service during inclement weather.

To ensure we have enough agency staff to cover the festive period, recruitment starts in November. This allows time for training and retention to man a full service during a highly competitive period for seasonal staff.

Agency staff were retained throughout January to support any additional waste associated with the festive period, and to provide cover for annual training of the domestic and commercial waste front line staff (approximately 160 individuals).

Inclement Weather:

The adverse weather at the beginning of the year created a backlog of waste on multiple occasions during Q4. The decision was taken to retain a proportion of the agency staff to minimise disruptions to services.

Agency staff were transferred to the Councils Casual Pool in April where applicable.

StreetPride are now actively recruiting to a number of vacancies presently being filled by agency staff however a number of vacant post are been held back as a result of a service review which is presently being undertaken. These vacant posts are being filled by agency staff. This review is at its later stages and implementation is anticipated to happen during July 18. We will then be recruiting full time permanent positions and will see long term agency use reduce.

It is however anticipated that some agency use will continue during the high work demand summer period to cover for permanent staff annual leave and sickness.

A spend of £33,406 within Finance and Corporate Services reflected the need to cover vacancies pending recruitment and to cover maternity absence, specifically for Lawyers and a Senior Solicitor.

Planning has now successfully recruited to fill the vacant post and the person is due to start on 23rd July after working their notice. Agency cover is still required during this period leading to the cost of £16k for the quarter. In the past quarter one of our existing planners has handed in their notice; this pending vacancy is currently being advertised. In addition another planner has indicated that they will be leaving soon, although formal resignation has not been received yet. It is anticipated that agency spend will continue into the coming quarter.

3 Spend outside of the Pertemps Contract

Table 3.1: Comparison of expenditure outside of the Pertemps contract; Q4 2017/18 with Q3 2017/18:

| Directorate | Total Spend Q3 2017/18 | Total Spend Q4 2017/18 | Increase / Decrease | |
|---------------------------------------|------------------------|------------------------|---------------------|-----------------|
| People: Children's | £334,077 | £107,266 | -£226,811 | Decrease |
| People: Education | £50,246 | £67,437 | £17,191 | Increase |
| People: Adults | £0 | £0 | £0 | |
| People: Cust. Serv. | £5,359 | £34,639 | £29,280 | Increase |
| Place: Professional Services Contract | £526,156 | £335,299 | -£190,857 | Decrease |
| Place: Other | £0 | £0 | £0 | |
| TOTAL | £917,198 | £544,641 | -£372,557 | Decrease |

This includes both workers contracted through other agencies outside of the Pertemps contract or individuals contracted directly.

3.1 People: Children's Services

At the end of the quarter there were two interim contractors secured directly by the Council continuing to support service delivery and improvement. These posts are a Service Manager and an interim Strategic Lead who are required as part of the ongoing relationship with the Department of Education.

Spend on agency social workers outside of the Pertemps contract in this quarter is circa £400, which reflects late invoicing.

3.2 People: Education

Coventry Music Service (formerly the Performing Arts Service):

The changes made to the Coventry Music Service in September 2017 resulted in the service ceasing to use agency music tutors and this was reflected in the quarter 3 report which showed only a small residual charge. However, in quarter 4 unexpected charges were made which are included in the overall reported spend. These charges are all historic and relate to a period of time before the reorganisation of the service.

Centrally employed teachers/teaching assistants:

Q4 spend of £24.6k; Q3 was £23.7k

The LA maintains a range of direct teaching provision for vulnerable children, who are displaced from school or have SEN and attend a non-delegated 'unit' within a mainstream school. The law requires that the Local Authority ensures that children for whom it is responsible, receive an uninterrupted, full-time education. In addition we have a statutory duty to ensure that the specialist provision specified in an Education, Health and Care Plan is delivered. Failure to deliver opens up a right of complaint to the ombudsman. In summary, this means that action has to be taken to cover any sickness absence or vacancies. This applies specifically to the PRU, which operates as a school and the Enhanced Resourced Provisions (units) in schools. Staff have to be specialist in their field and can only be sourced from specialist agencies. These cover arrangements are always short-term.

Educational Psychology:

Q4 spend ££9.6k; Q3 spend £5.6k. Of this spend £6.4k is in direct support of the Psychology Service and £3.2k is to support the SEN Alternative Provision.

Educational Psychologists (EPs) in Coventry, provide both a statutory and traded service. There is an acute national shortage of EPs. To qualify as an EP, graduates ordinarily have a teaching background and then complete a Doctorate qualification. The Government sponsors a very limited number of Doctorate placements at UK University's. Placements are therefore highly competitive and the challenge of securing sufficient capacity, grows year on year. The Educational Psychology service provides the Council's statutory function under part 3 of the Children and Families Act. This equates to circa 1/3 of service activity.

The service then trades directly with schools and colleges to provide specialist SEN support at a day rate, set at a market forces rate. Our education providers have been very clear, that they regard this service as invaluable and want it to expand to meet local demand. The traded income is offset against the overall service cost and meets all elements the full cost of the traded service, without subsidy.

We can use the trainee's to deliver many of the EP functions, under supervision which we do. This is because trainees are in their 3rd year of post doctorate study and are therefore highly competent.

Many LA's have been unable to recruit or retain any EPs. Coventry has currently secured an EP service and is taking creative action to ensure that the service maintains a good reputation and continue to grow. However, service demand continues to exceed physical capacity. The trading demand of the service significantly outstrips supply. There is therefore no alternative but to balance the delivery of the service with independent/agency staff. The Council's 'grow your own' strategy, has enabled the service to recruit three trainee EPs, who will qualify in September 2018. The current indication is that the staff will then take up permanent posts with Coventry.

Quality Assurance Monitoring Officers:

Spend Q4 £13k; spend Q3 £21k

Coventry City Council aims to raise the achievement of Coventry pupils so that it is in line with, or better than, national standards, and to ensure all Coventry pupils attend schools that are judged by OFSTED to be at least good. The QA Monitoring Officers evaluate the effectiveness of support received for school improvement to ensure that all Coventry schools (primary, secondary and special schools) are making good progress.

3.3 People: Customer Services

Spend of £34.6k for Homelessness Officers (Q3 was £5.4k] and is in addition to those now supplied by Pertemps. This role is very hard to recruit to a permanent position. As of 28/02/2018, recruitment is underway for the 8 vacant posts for which verbal offers have been made to four candidates and a further assessment centre is planned for next week.

3.4 Place

This spend of £335.3k (Q3: £527.5k) was through the Professional Services Contract. Out of the total £335,299 was paid from Revenue. It is known that some of this figure will be recharged later.

In other areas we have filled a number of vacant posts, including an SM1 manager (Head of Transport & Innovation) who starts on 19th March 2018.

4 Alternative solutions to agency staff

4.1 To reduce the reliance on agency workers within Waste there is a bank of casual workers usually drawn from workers who have previously worked for the Council via an agency. The size of the pool is matched to the anticipated need to cover annual leave, sickness and peaks in demand so that we can offer work regularly. During the Christmas / New Year period the demand is much higher than can be met by the pool and it is judged that the use of agency workers during this period provides the most economical solution. At all other times of the year, use of agency workers is minimal.

4.2 Specialist Recruitment in Highways, Traffic & Transport

We continue to utilise the Transport & Highways microsite to recruit to our remaining vacant posts, and will be launching a fresh recruitment campaign in the coming weeks promoting the major programme of capital investment in highways and infrastructure within the city and highlighting the benefits of working for Coventry City Council.

For posts that have proved difficult to recruit to, we are looking at other options, such as career grading and graduate placement. Six vacant posts have been filled since February and these employees are now in place which has helped to reduce agency costs. Where possible, we recharge relevant revenue costs to Capital projects and external funding.

5 Overall Management Comment

The Master Vendor contract is a planned strategy to work towards reducing the level of agency spends and to better understand where and how we use agency workers.

There will always be the need to use agency workers. However, it is acknowledged that current usage is higher than we would like because of the need to cover sickness absence, short-term cover whilst Fundamental Service Reviews are taking place and to cope with sudden surges of demand. This will require the need for scarce skills and workers during these reviews; organisational restructures and sudden peaks in demand.

In terms of the cost of using agency workers, it is important to note that not all of the cost is in addition to normal staffing spend. Although agency cover associated with sickness

absence in front line services is often an additional cost, in the case of agency cover for vacant posts the cost will be funded at least in part by the relevant staffing budget.

Where opportunities exist for bulk recruitment campaigns to front line essential services, the Human Resources Recruitment Team will continue to work with service managers to identify workers, who are available for casual, temporary or permanent work in order to reduce the use of agency workers. However, some roles continue to be hard to recruit. In the case of children's social workers we have had some success with the current campaign which has been evolved to make extensive use of social media. Nevertheless recruitment of experienced, high quality children's social workers continues to be difficult.

The contract with Pertemps came into effect on the 2 December 2013 and is joint with Warwickshire and Solihull following an extensive tendering process. The contract is a hybrid Master Vendor arrangement which provides the Council with additional advantages to the existing Master Vendor contract. The contract has been re-tendered and the new contract with a new supplier is scheduled to start on 25th June 2018.

The need for managers to ensure that the process of filling vacancies is undertaken at the earlier opportunity has been communicated to senior management teams and this has been reflected in the process to be used for the new contract.

The requirement that all engagement of agency staff be approved by senior management has been communicated to management teams. This build for the new contract will incorporate this into the system set-up.

6 Results of consultation undertaken

- 6.1 The report sets out the steps the Council is taking to reduce expenditure on agency workers, particularly in those areas where they are used most intensively.
- 6.2 The report is able to identify more accurately spend on agency workers and the reasons for spend.
- 6.3 Officers will continue to bring the monitoring information to the Cabinet Member and steps will continue to be taken to endeavour to reduce the level of expenditure.
- 6.4 Management Information has given the opportunity for the Recruitment Team to target large areas with high usage of agency workers to try and reduce the need for agency workers. This work is ongoing.

7 Timetable for implementing this decision

Not applicable

8 Comments from the Director of Finance and Corporate Services

8.1 Financial implications

Quarterly monitoring of expenditure on agency workers will continue throughout the contract. The cost of agency workers for the current reporting period from the Pertemps system is £1,255,088 which equates to 3.4% [Q3 = 2.82%] of the overall wage bill for this quarter (excluding schools).

Pertemps operate a live management accounts system which places the cost of agency workers in the period the work took place rather than the period of time in which the Council was billed for or paid the related invoices. The system shows the volume of agency activity/usage in a particular quarter irrespective of when invoices are paid. Therefore this information will be different from that which has gone through the Council's financial systems during Q4.

Pertemps system only incorporates timesheets authorised by managers and therefore the costs for a particular quarter will have a small tendency to increase throughout the year as more timesheets are authorised. We actively work with the master vendor to keep outstanding timesheets to a minimum.

Spend outside of the Pertemps contract, relates to the invoices paid during the relevant period. This expenditure relates to both temporary workers supplied by other agencies and to interim workers who operate under a PSC (Personal Service Company) with whom we contract directly.

8.2 Legal implications

There are no specific legal implications associated with this report.

9 Other implications

9.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / LAA (or Coventry SCS)?

The Agency Worker Contract arrangement provides good value for money in relation to the procurement of agency workers. It also provides firmer controls on the use of agency workers and has in place sound management reporting to see where spend is taking place to target recruitment, maximise resources, and reduce spend on agency workers.

9.2 How is risk being managed?

There may be a risk to the Council where managers go outside of the Pertemps and contract directly with workers with the advent of changes to IR35 arrangements. There has been numerous communications across the Council to inform managers of changes and there will continue to be as the changes that have been made bed in.

9.3 What is the impact on the organisation?

Through the rigorous monitoring of the use of agency workers and alternative strategies for resourcing short-term work requirements, the dependency on agency workers should be reduced. The Council's Policy on the use of agency workers states that Agency Workers should only be used when:

- Proper recruitment processes have failed to secure an appointment and staff cover has become crucial to the delivery of services;
- Short-term temporary cover is required until proper recruitment processes have been completed and an appointment is made;
- Unplanned absences require immediate cover to ensure continuity of services;
- Unplanned, short-term or peak workloads occur.

Human Resources are proactively supporting managers to reduce agency spend.

9.4 Equalities / EIA

The master vendor has made considerable efforts to ensure that the equalities monitoring form is completed. The graphs in appendix 3 show the main equalities data at corporate level for the agency workers who were on assignment with us in the month of March 2018.

No equality impact assessment has been carried out as the recommendations do not constitute a change in service or policy.

9.5 Implications for (or impact on) the environment

None

9.6 Implications for partner organisations?

None

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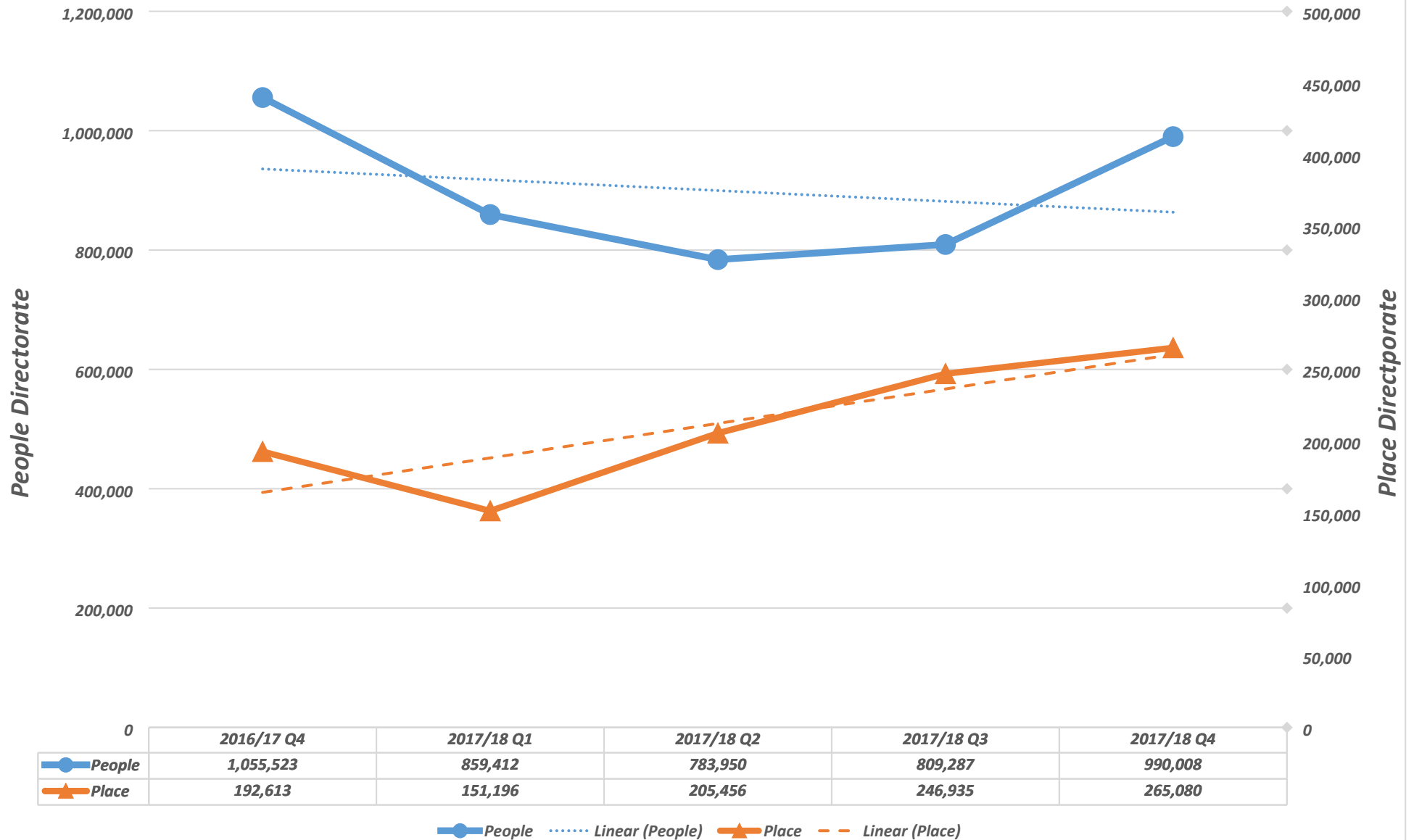
Enquiries should be directed to the above person.

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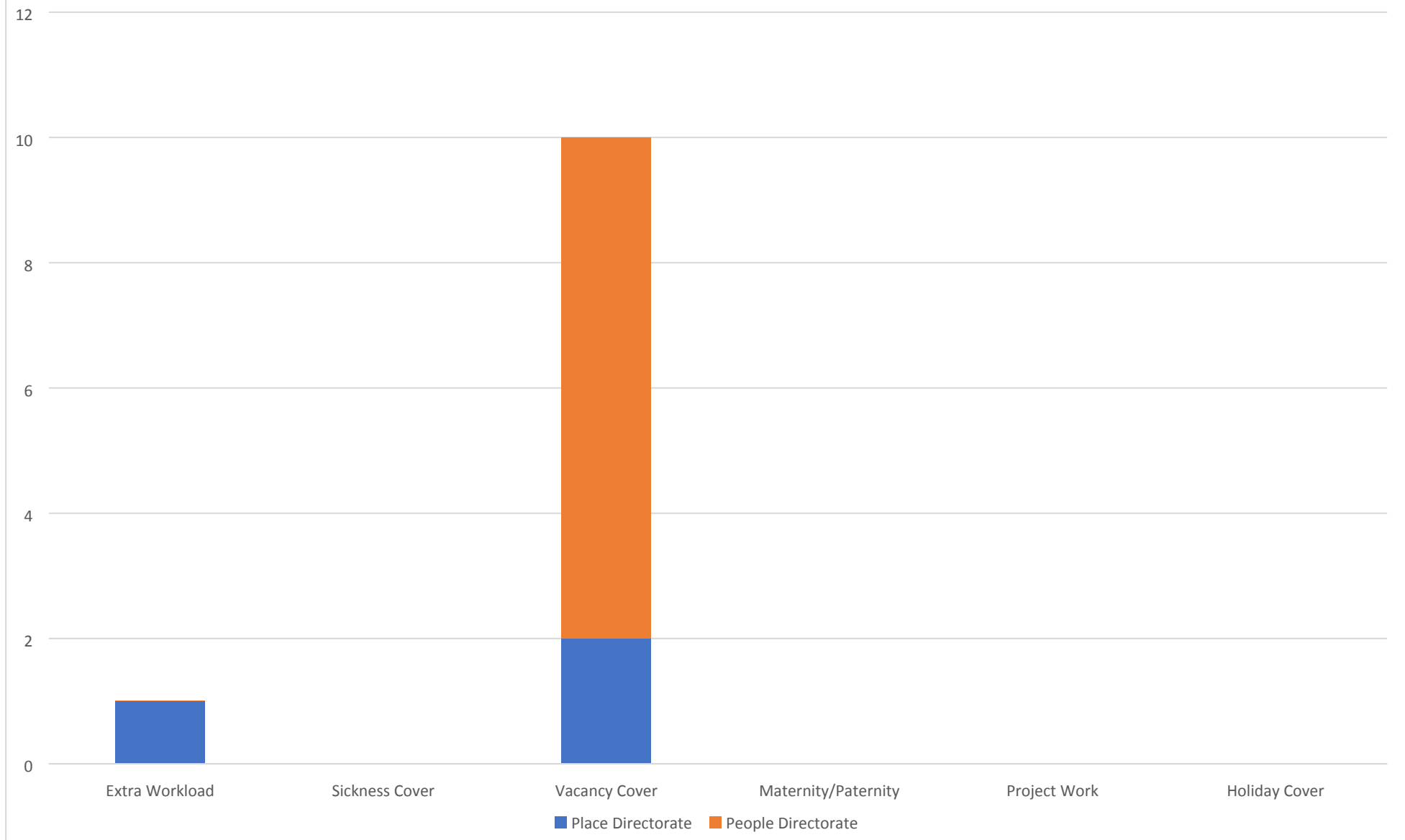
This report is published on the Council's website:

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Appendix 1: Comparison of Agency Spend with Pertemps Q4 16/17 to Q4 17/18

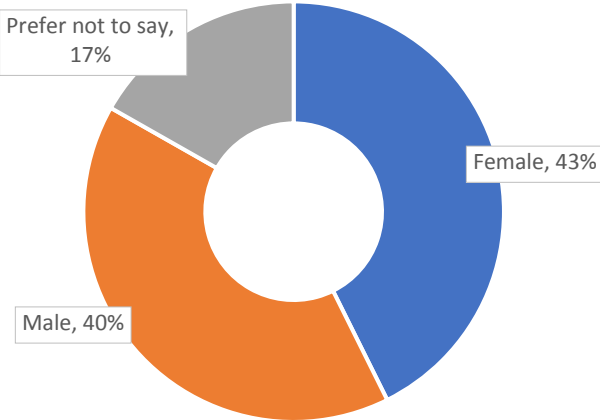


Appendix 2: Reason for Orders Q4 (January to March 2018)

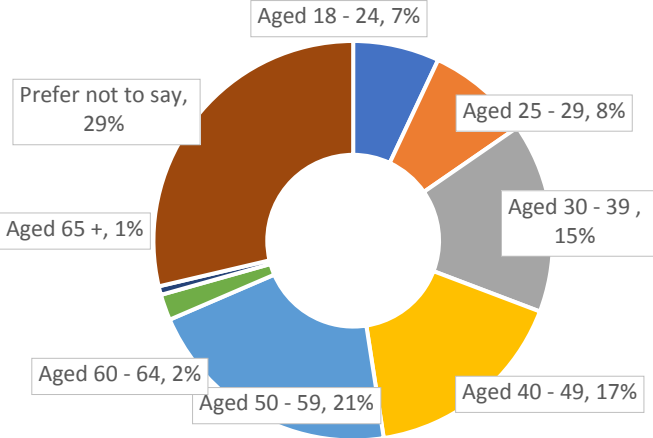


Appendix 3 - Equality Data for Agency Workers via the Pertemps Contract (Q2 2017/18)

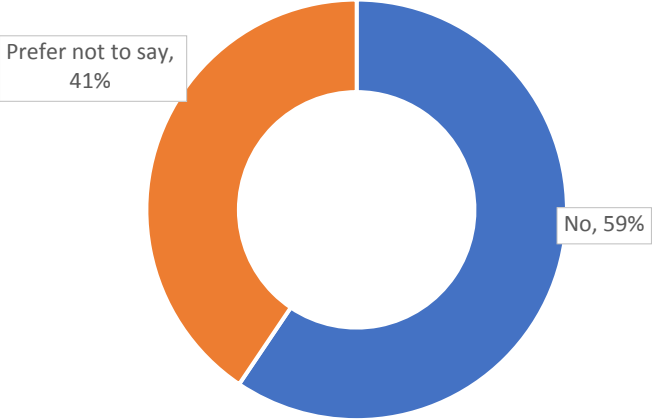
By Gender



By Age Range



By Disability



Ethnic Origin

