
Cabinet Member for Strategic Finance and Resources

13 December, 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 – Performance Management Report Q2: 1 July to 30 September 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 Q2 period 2018.

Recommendations:

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

1. The agency / interim spend for Q2.
2. The work done on providing in-house solutions as an alternative to agency and interim workers.

List of Appendices included:

- Appendix 1 shows the total Directorate expenditure on agency workers for Q2 2018/19. This data includes spend with the previous and current Master Vendor supplier. It shows the trend line for the data shown; it does not predict spend in future quarters.
- Appendix 2 highlights the justification of new orders placed by Directorates for agency workers for Q2 2018/19 which resulted in spend with Reed.
- Appendix 3 shows equalities data for workers supplied through the Reeds 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 Q2, 1 July to 30 September 2018.

1. Context (or background)

1.1 Coventry City Council has a Master Vendor Contract with Reed for the supply of agency workers. This came into effect on 25 June 2018. Through the contract, Reed would supply all suitable agency workers either through their own agency or via a 2nd tier arrangement with other agencies, using rates of pay based on an agreed pay policy and a negotiated mark-up rate with the Master Vendor. The information supplied by Reed gives detailed information on agency worker usage and expenditure. Spend is based on timesheets paid during the quarter and is in essence the same process reported from Pertemps previously.

Reed is not always able to supply the required agency workers and where this is the case, service areas will use other suppliers.

Due to the implementation of the new Reed contract during Q1, Pertemps spend covered 12 weeks (out of 13 weeks) up until and including 24th June 2018. Q2 report provides the full quarter data for Reed spend; 1 July to 30 September 2018.

2 Directorate Commentary on Agency Worker Spend for Q2 2018/19

Table 2.1 below shows comparative expenditure between Q1 2018/19 and Q2 2018/19 as well as Q2 2017/18 and Q2 2018/19. There has been an overall increase of £69,396 in spend between Q1 and Q2 2018/19 as well as a £294,330 increase compared with the same quarter last year. The Master Vendor Contract covers all agency workers required by the core Council, the Reed contract does not cover agency workers in schools.

Table 2.1

	Spend comparing Q1 2018/19 to Q2 2018/19	Spend Q1 2018/19	Spend Q2 2018/19	Increase / Decrease
PEOPLE	Adult Social Care	£182,644	£212,832	£30,188
	Children and Young People's Services	£751,398	£840,392	£88,994
	Customer Services & Transformation	£70,171	£58,576	-£11,595
	People Directorate Total	£1,004,213	£1,111,800	£107,587
PLACE	Finance & Corporate Services	£29,202	£28,524	-£678
	Project Management and Property Services	£7,830	£9,682	£1,852
	Streetscene & Regulatory Services	£163,480	£130,809	-£32,671
	Transportation & Highways	£5,108	£2,009	-£3,099
	City Centre & Major Projects Development	£4,505	£911	-£3,594
	Place Directorate Total	£210,125	£171,936	-£38,190
	Total	£1,214,340	£1,283,736	£69,396

	Spend comparing Q2 2017/18 to Q2 2018/19	Spend Q2 2017/18	Spend Q2 2018/19	Increase / Decrease
PEOPLE	Adult Social Care		£212,832	
	Children and Young People's Services		£840,392	
	Customer Services & Transformation		£58,576	
	People Directorate Total	£783,950	£1,111,800	£327,850
PLACE	Finance & Corporate Services		£28,524	
	Project Management and Property Services		£9,682	
	Streetscene & Regulatory Services		£130,809	
	Transportation & Highways		£2,009	
	City Centre & Major Projects Development		£911	
	Place Directorate Total	£205,456	£171,936	-£33,520
	Total	£989,406	£1,283,736	£294,330

2.2 People Directorate

The table below shows the main areas that contribute to the Children's and Adult spend in table 2.1 above:

	Q1 £'000	Q2 £'000
Children's Services: Social workers (incl Senior Social Workers)	699	729
Children's Services: Senior roles e.g.Social Work Team Managers, IR0's (G9+).	52	108
Adults' Services: Social workers (Incl AMHP)	161	190
Adults' Services: Support Workers & Drivers	21	13

2.2.1 Children's Services

Children Services continue to aim to reduce their agency spend and are currently:

- Actively meeting and encouraging current agency staff to convert to permanent. This has so far resulted in 9 permanent appointments.
- Ongoing recruitment to social work vacancies with regular assessment centres.
- Held an open evening during October 2018 which resulted in 7 offers being made.
- Regularly attend Jobs Fairs throughout the year to promote visibility and employer brand.

The cost of agency 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.

2.2.2 Adult Services

The number of Agency Social Workers in Adults is largely unchanged but there is a small increase for the period July - September 2018. The Q2 cost is £212.832 (Q1 = £182,644).

The reasons for employing agency social workers are:

- a) To cover vacancies and ensure that statutory duties are met in the Adults Disability, Mental Health and Older People Service areas. For all substantive vacancies recruitment is underway and in Adults Disability and Mental Health initial recruitment has not resulted in the filling of all vacancies.
- b) There a number of posts that are short term due to the nature of funding. Short term posts are very challenging to fill with directly employed staff and in order to make maximum use of available funding the speed of obtaining agency capacity is greater than the speed of direct recruitment.
- c) Is it preferable to employ agency social workers as opposed to carrying vacancies or not making best use of short term money as this would impact on our ability to meet statutory requirements and maintain appropriate safeguarding arrangements.

Adult Social Care also employ support workers on an agency basis in order to maintain minimum staffing levels in registered care provision. These arrangements tend to be required in order to cover vacancies where recruitment is underway and some occasions of sickness absence.

2.3 Place Directorate

The table below shows the main areas that contribute to the "Streetpride, Streetscene and Regulatory Services" in table 2.1 above:

	Q1 £'000	Q2 £'000
Waste Services	29	4
Street Pride	52	83
Planning & Regulation	15	41

2.3.1 Following on from Quarter 1, the use of agency staff in Waste Services has been minimised, and not required since April.

- 2.3.2 The Streetpride and Greenspace Agency spend for Quarter 2 of £83k reflects the high number of vacant posts within the service and the seasonal nature of the Grounds and Parks service. The number of Agency staff used by the service was reduced following the recruitment to 8 of the vacant posts in early September. Unfortunately the planned recruitment identified following a service review for late September was delayed and is due to commence early December with vacant posts filled in Quarter 4. This delay has affected our ability to further reduce Agency numbers and may see a slight increase until all posts are filled.
- 2.3.3 Within Planning Services, the Development Management team currently employs 3 agency officers. The workload within the planning team has been on the increase and as a result additional resources are required in order to meet the demands of service users. Two additional posts funded through pre-application charging were created and in order to meet the immediate demands agency staff have been appointed to fill the gap until staff can be recruited permanently. Following advertisement of the vacancies we have still been unable to recruit to the posts, as such there is a need to retain 2 of the 3 agency officers beyond the end of November. Agency spend in the team equates to approximately £52k until the end of October; spend in November will be in the region of £20k with a further £37k until the end of February.
- 2.3.4 A spend of £28,524 (Q2) (Q1 = £29,202) within Finance and Corporate Services reflected the need in Legal Services to cover vacancies pending recruitment and some maternity absence. The majority of posts being covered by agency staff have now been filled and expect the spend on agency staff to reduce significantly during Q3.

3 Spend outside of the Reed Contract

Table 3.1: Comparison of expenditure outside of the Reed contract

a) Q1 2018/19 and Q2 2018/19

Directorate	Total Spend Q1 2018/19	Total Spend Q2 2018/19	Increase / Decrease
People: Children's	£87,624	£57,900	-£29,724
People: Education	£27,765	£42,056	£14,291
People: Adults	£0	£0	£0
People: Cust. Serv.	£20,934	£63,690	£42,756
Place: Professional Services Contract	£70,323	£86,454	£16,131
Place: City Centre & Major Projects	£0	£37,156	£37,156
TOTAL	£206,646	£287,256	£80,610

b) Q2 2017/18 and
Q2 2018/19

Directorate	Total Spend Q2 2017/18	Total Spend Q2 2018/19	Increase / Decrease
People: Children's	£333,869	£57,900	-£275,969
People: Education	£99,870	£42,056	-£57,814
People: Adults	£0	£0	£0
People: Cust. Serv.	£21,211	£63,690	£42,479
Place: Professional Services Contract	£207,033	£86,454	-£120,579
Place: City Centre & Major Projects	£0	£37,156	£37,156
TOTAL	£661,983	£287,256	-£374,727

The table above reflects Q2 - 1 June 2018 – 30 September 2018. The spend includes workers contracted through other agencies outside of the Reed contract or individuals contracted directly.

3.2 People: Children's Services

During the quarter, there were two interim contractors secured directly by the Council who supported service delivery and improvement. Of these, one is filling a Team Manager post and the other is an Improvement Partner working closely with external bodies.

There was no other spend on agency social workers outside of the Reed contract in this quarter.

3.3 People: Education

Centrally employed teachers/teaching assistants:

Quarter 2 spend of £42k (Q1 = £27.7k)

There have been challenges in recruiting to teachers to the Coventry Extended Learning Centre (Pupil Referral Unit) and a shortage of teachers. Some of our most vulnerable learners are at the CELC and the service needed to utilise a number of agencies to secure the right staff. There are approximately 6-9 teachers at any one time on these contracts, this will continue until the new structure is implemented by September 2019.

3.4 People: Customer Services

Spend of £63.6k in Quarter 2. (Q1 = £21k)

Housing colleagues are working towards agreeing the future structure and associated funding for the service. Temporary workers are required at the moment to manage demand in the service, there is only one vacancy at the moment which is in the process of being recruited to but there is still a need for temporary resource beyond that, until such time as the longer term proposed structure is accepted. There are discussions at the moment about the structure that are also under

way with members about the broader picture and proposed amalgamation of operations and strategy.

3.5 Place – Professional Services Contract

The revenue spend in Q2 is £86,454.19 (Q1 £70,323).

The specialist recruitment campaign continues to be successful and we have been able to appoint a further member of staff to a vacant post from the beginning of December 2018. For posts that have proved difficult to recruit to, we continue to look at other options, such as career grading, career development opportunity and graduate placement. Where possible, we recharge relevant revenue costs to Capital projects and external funding to reduce the impact on core budgets

3.6 Place – City Centre & Major Projects

The £37k spend was in accordance with the development, property and tenancy work in relation to City Centre South and required a specialist in the industry. This assignment is now complete and the role has been filled on a permanent basis since September.

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

The specialist recruitment campaign continues to be successful and we have been able to appoint a further member of staff to a vacant post from the beginning of December 2018. For posts that have proved difficult to recruit to, we continue to look at other options, such as career grading, career development opportunity and graduate placement. Where possible, we recharge relevant revenue costs to Capital projects and external funding to reduce the impact on core budgets

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 extra workload, vacancy and 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 or increase in demand of services.

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 new Master Vendor contract started on 25th June 2018 and is starting to be embedded. The new contract is joint with Solihull and again is a hybrid Master Vendor.

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 processes 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 requirement has been built into the set-up for the new contract. Combined with a consistent approach in the way data is recorded and collected should allow for governance and monitoring on the use of agency workers.

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 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.
- 6.3 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.

Reed 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.

Reeds 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 Reed contract, relates to the invoices paid during the relevant period. This expenditure relates to both temporary workers supplied by agencies other than Reed 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 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 Reed 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 this will continue into the future.

9.3 What is the impact on the organisation?

Through the rigorous monitoring of agency worker usage 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 that 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 June 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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People Directorate

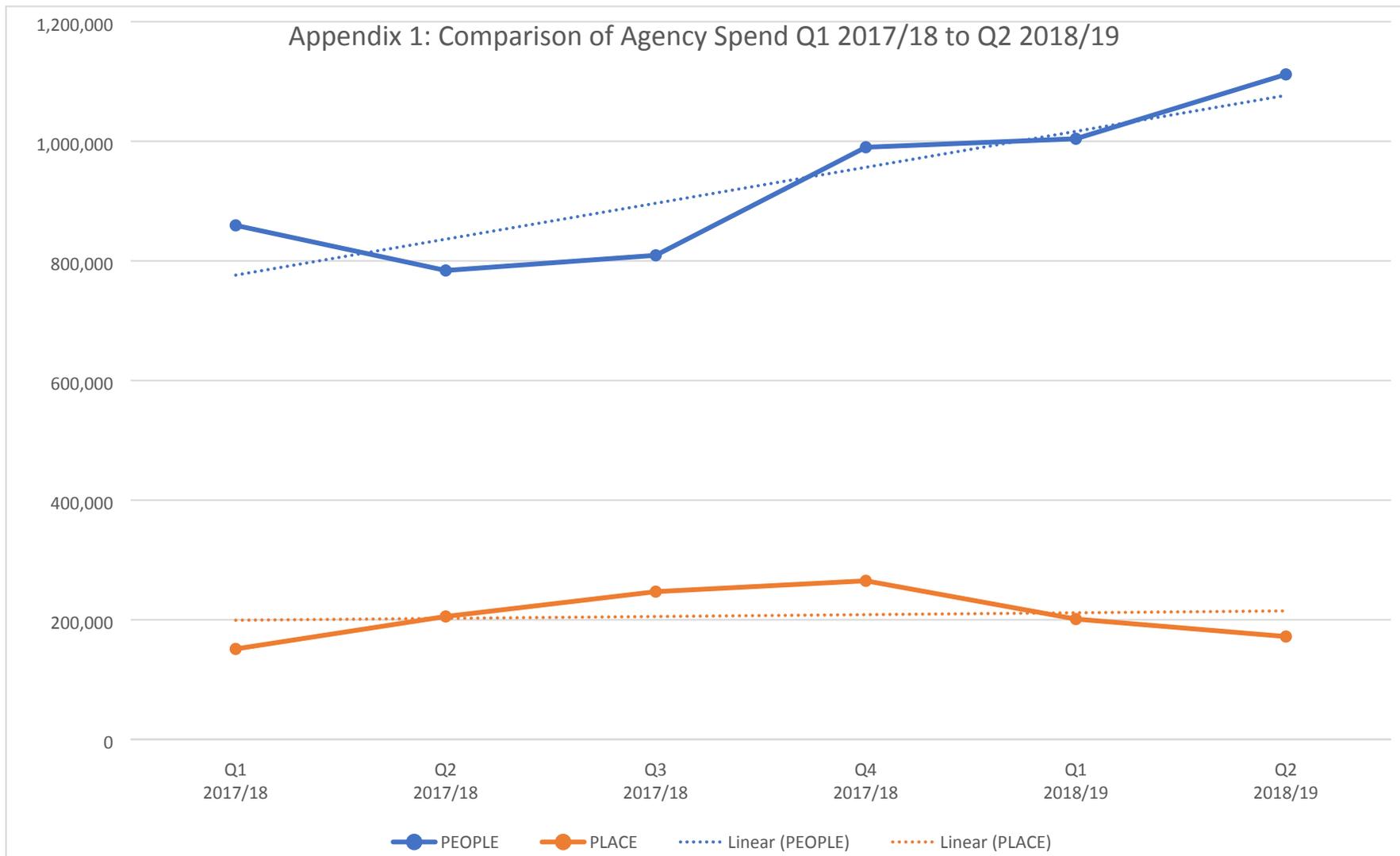
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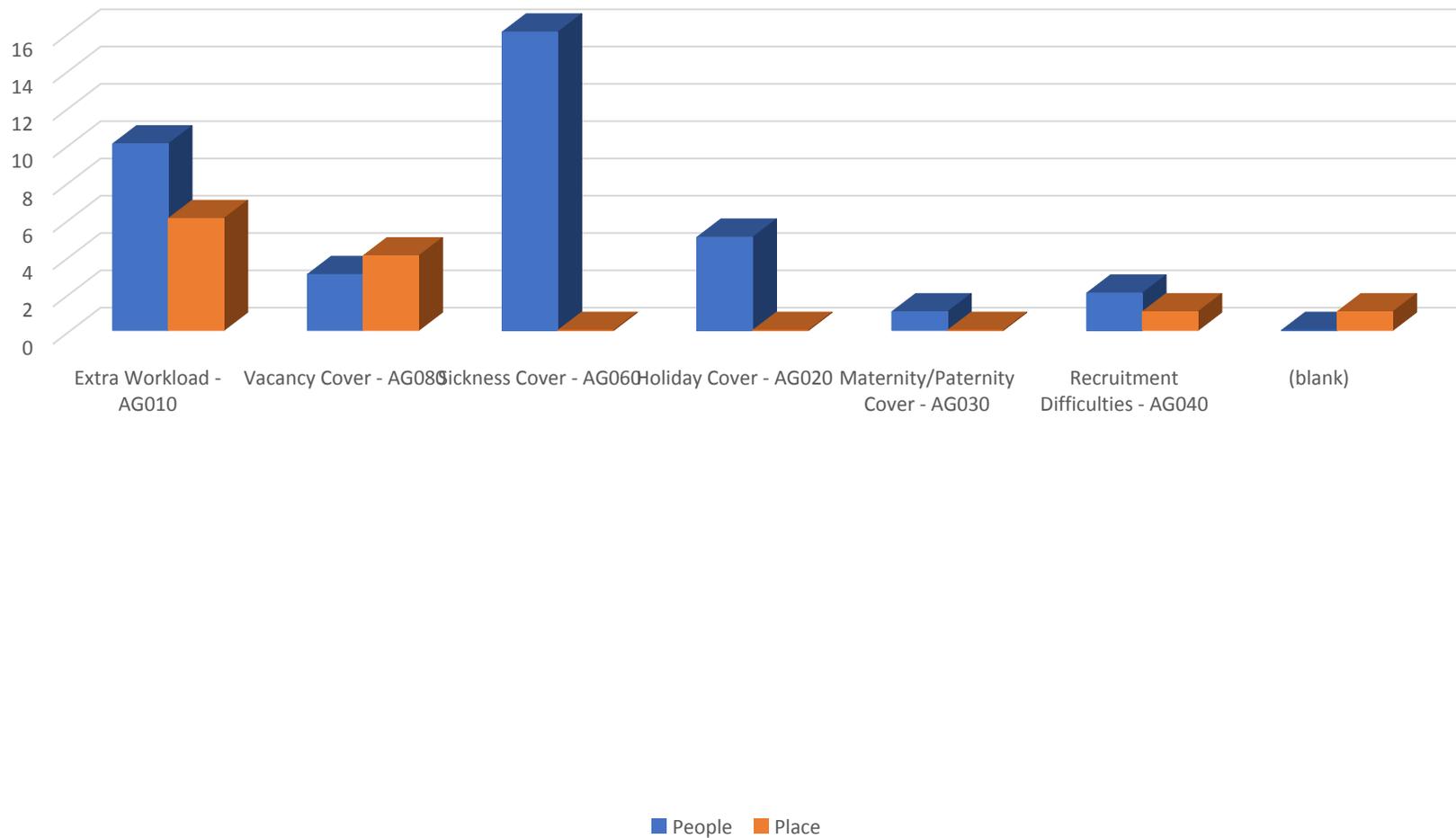
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	Q1 2017/18	Q2 2017/18	Q3 2017/18	Q4 2017/18	Q1 2018/19	Q2 2018/19
PEOPLE	£859,412	£783,950	£809,287	£990,008	£1,004,213	£1,111,800
PLACE	£151,196	£205,456	£246,935	£265,080	£201,125	£171,936

Appendix 2: Reason for orders placed via the Reed Contract within Q2 2018/19



Appendix 3: Equality Data for Agency Workers via the Reed Contract (Q2 2018/19)

