
Cabinet Member for Strategic Finance and Resources

21 February 2019

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 Q3: 1 October to 31 December 2019

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 Q3 period 2018/2019.

Recommendations:

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

1. The agency / interim spend for Q3 2018/19.
2. The cumulative spend for both agency workers via Reed and outside Reed (Table 2.1).
3. The upward trajectory of permanent filled jobs in Children Services (Appendix 1).

List of Appendices included:

Appendix 1 shows a 12 month upward trajectory of filled permanent posts in Children's Social Care.

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 Q3, 1 October to 31 December 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.

2 Directorate Commentary on Agency Worker Spend for Q3 2018/19

Table 2.1

The table below highlights the **overall cumulative spend** on agency workers with both Reed and outside Reed, and compares Q2 and Q3 2018/19.

	Q2 2018/19	Q3 2018/19	Increase/Decrease
Reed	£1,283,736	£1,206,650	-£77,086
Outside Reed	£287,256	£282,801	-£4,455
Total	£1,570,992	£1,489,451	-£81,541

The below table provides a breakdown of the cumulative spend across the Directorates for the same periods.

	Q2 2018/19		Q3 2018/19	
	Reed	Outside Reed	Reed	Outside Reed
PEOPLE	£1,111,800	£163,646	£1,071,341	£177,285
PLACE	£171,936	£123,610	£135,309	£105,517
TOTAL	£1,283,736	£287,256	£1,206,650	£282,801

Table 2.2

Tables 2.2 below shows comparative expenditure for the **Master Vendor Contract** between Q2 2018/19 and Q3 2018/19 as well as Q3 2017/18 and Q2 2018/19. There has been an overall decrease of £77,085 in spend between Q2 and Q3 2018/19 and an increase of £150,428 compared to the same quarter in 2017/18. The Master Vendor Contract covers all agency workers required by the core Council, the Reed contract does not cover agency workers in schools.

	Spend comparing Q2 2018/19 to Q3 2018/19	Spend Q2 2018/19	Spend Q3 2018/19	Increase / Decrease
PEOPLE	Adult Social Care	£212,832	£164,072	-£48,760
	Children and Young People's Services	£840,392	£835,891	-£4,501
	Customer Services & Transformation	£58,576	£68,222	£9,646
	Education and Skills	£0	£3,157	£3,157
	People Directorate Total	£1,111,800	£1,071,341	-£40,459
PLACE	Finance & Corporate Services	£28,524	£18,404	-£10,120
	Project Management and Property Services	£9,682	£7,169	-£2,513
	Streetscene & Regulatory Services	£130,809	£109,737	-£21,072
	Transportation & Highways	£2,009	£0	-£2,009
	City Centre & Major Projects Development	£911	£0	-£911
	Place Directorate Total	£171,936	£135,309	-£36,626
Total	£1,283,736	£1,206,650	-£77,085	

	Spend comparing Q3 2017/18 to Q3 2018/19	Spend Q3 2017/18	Spend Q3 2018/19	Increase / Decrease
PEOPLE	Adult Social Care		£164,072	£164,072
	Children and Young People's Services		£835,891	£835,891
	Customer Services & Transformation		£68,222	£68,222
	Education and Skills		£3,157	£3,157
	People Directorate Total	£809,287	£1,071,341	£262,054
PLACE	Finance & Corporate Services		£18,404	
	Project Management and Property Services		£7,169	
	Streetscene & Regulatory Services		£109,737	
	Transportation & Highways		£0	
	City Centre & Major Projects Development		£0	
	Place Directorate Total	£246,935	£135,309	-£111,626
Total	£1,056,222	£1,206,650	£150,428	

3. People Directorate

The table below shows the main areas that contribute to the Children's and Adult's spend in table 2.2 above:

	Q2 £'000	Q3 £'000
Children's Services: Social workers (Inc. Senior Social Workers)	729	718
Children's Services: Senior roles e.g. Social Work Team Managers, IR0's (G9+).	108	110
Adults' Services: Social workers (Inc. AMHP)	190	146
Adults' Services: Support Workers & Drivers	13	17

3.1 Children's Services

Children Services continue to aim to reduce their agency spend and can evidence an upward trajectory of filled permanent posts. To further reduce their agency reliance, they are currently:

- Actively meeting and encouraging current agency staff to convert to permanent. This has so far resulted in 9 up to Q2. There have also been a further 5 agency social workers who have been recruited as permanent Advanced Social Workers following the progression framework going live.
- Promoting a Social Worker career progression framework, now gone live as of 1 January 2019 with a primary aim to recruit and retain experienced Social Workers.
- Successfully transitioning the first cohort of newly Qualified Social Workers (x9) exit the Social Worker Academy at the end of January to take up their posts within the establishment on a full time basis releasing agency workers who have been covering their 4 days in the academy.
- Arranging a further Social Worker recruitment evening being held on the 22 January 2019 following the success of the previous event held during October 2018, which resulted in 7 offers being made; 4 of which accepted and have started.
- Continue to progress ongoing recruitment to social work vacancies with regular assessment centres.
- 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.

3.2 Adult Services

The number of Agency Social Workers in Adult Services has decreased between Quarter 2 and Quarter 3. The reasons for continuing to employ 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.

Adult Social Care also employ support workers within provider services on an agency basis in order to maintain the staffing levels required to meet the needs of service users in registered care provision. The use of support workers tend to be required in order to cover vacancies where recruitment is underway and some occasions of sickness absence. Management action in being taken in respect of sickness, some vacancies have already been filled and further recruitment is underway.

4. Place Directorate

The table below shows the main areas that contribute to the “Streetpride, Streetscene and Regulatory Services” in table 2.2 above:

	Q2 £'000	Q3 £'000
Waste Services	4	12
Street Pride	83	41
Planning & Regulation	41	53

- 4.1 During the Christmas / New Year period the need for additional operatives in Waste Services is greater than the casual pool can supply, therefore collectors and HGV drivers were sourced through the agency. Training and start dates were scheduled to start as late as possible, with annual leave and sickness levels both low prior to Christmas. Agency staff will be retained into January, after which the service will return to use of casual pool operatives for additional support.
- 4.2 The Streetpride and Greenspace Agency spend for Quarter 3 of £41k, is substantially lower than the last quarters spend but continues to reflect 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 has continued to reduced following the recruitment to a number of vacant posts. Following the completion of an operational review, it is anticipated that staff will be recruited to vacant posts in February which will see a continued reduction in agency staff numbers.
- 4.3 Within Planning Services, the Development Management team currently employs 2 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. One of the two additional posts funded through pre-application charging that was created, remains vacant and is currently filled with an agency officer. Furthermore we still hold a vacant core funded Planning Assistant post which is also being covered by agency at this

time. Both posts are being re-advertised but until such time as they are filled, current workloads will need to be covered by agency staff. Currently agency contracts expire at end of Feb with a projected total spend being approximately £130,000.

- 4.4 Within Finance and Corporate Services, as expected the agency spend in Q3 £18,404 was significantly reduced from Q2 £28,524, the post which was being covered by agency staff in Legal Services has now been filled. However due to small number of unexpected long term absences we anticipate the agency spend to increase significantly during Q4.

5. Spend outside of the Reed Contract

Table 5.1 below shows comparative expenditure outside of the Reed contract between Q2 2018/19 and Q3 2018/19 as well as Q3 2017/18 and Q3 2018/19.

There has been an overall decrease in spend outside of the Reed contract of £4,455 between Q2 and Q3 2018/19 as well as a decrease of £634,397 compared to the same quarter Q3 2017/18.

Table 5.1:

- a) Q2 2018/19 and Q3 2018/19

Directorate	Total Spend Q2 2018/19	Total Spend Q3 2018/19	Increase / Decrease
People: Children's	£57,900	£45,654	-£12,246
People: Education	£42,056	£52,244	£10,188
People: Adults	£0	£0	£0
People: Cust. Serv.	£63,690	£79,386	£15,696
Place: Professional Services Contract	£86,454	£90,059	£3,605
Place: City Centre & Major Projects	£37,156	£15,458	-£21,698
TOTAL	£287,256	£282,801	-£4,455

- b) Q3 2017/18 and Q3 2018/19

Directorate	Total Spend Q3 2017/18	Total Spend Q3 2018/19	Increase / Decrease
People: Children's	£334,077	£45,654	-£288,423
People: Education	£50,246	£52,244	£1,998
People: Adults	£0	£0	£0
People: Cust. Serv.	£5,359	£79,386	£74,027
Place: Professional Services Contract	£527,516	£90,059	-£437,457
Place: City Centre & Major Projects		£15,458	£15,458
TOTAL	£917,198	£282,801	-£634,397

5.2 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. Assignments for both are due conclude at the end of the financial year.

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

5.3 People: Education

Centrally employed teachers/teaching assistants:

Spend of £52.2k in Q3. (Q2 = £42k)

A national teaching agency is used to provide interim education for LAC if at any point they are not in a full-time school placement. It is a short-term intervention organised by the virtual school and enables us to reach children irrespective of where they are placed in the country.

In addition, agency workers are used in Behaviour Support to ensure continuity of education for the provision of direct education to primary age pupils who have been permanently excluded or are at high risk of permanent exclusion and is used to cover short-term gaps in staffing including short-term one to one support.

Education Entitlement have ongoing challenges in recruiting to teachers to the Coventry Extended Learning Centre (Pupil Referral Unit) and undergoing a restructure.

5.4 People: Customer Services

Spend of £79.3k in Q3. (Q2 = £63.6k)

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, while the permanent structure for this area can be implemented. Recruitment is under way here but the team is expanding significantly so these will be in place for a little while.

5.5 Place – Professional Services Contract – Deb Severs

The revenue spend in Q3 is £90,059.09. (Q2 £86.4k)

The specialist recruitment campaign continues to be successful and we appointed a further member of staff to a vacant grade 10 post from the beginning of December 2018, there are some costs relating to the appointment that will appear in quarter 4 due to invoicing being carried out in arrears. We are about to go out to advert for one grade 9, a grade 8 and 2 grade 7 posts which if successful will further reduce some revenue costs.

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.

5.6 Place – City Centre & Major Projects

The £15.4k spend was in accordance with the development, property and tenancy work in relation to City Centre South and required a specialist in the industry. The role has been filled on a permanent basis since September with the agency member of staff leaving in October. This spend relates to an overlap between Q2 and Q3 invoices and a handover period between the temporary and permanent members of staff.

6. 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. The current usage continues to cover extra workload, vacancy, sickness absence and 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 and other recruitment initiative to attract talent. 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.

7. Results of consultation undertaken

- 7.1 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.
- 7.2 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.

- 7.3 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.

8. Timetable for implementing this decision

Not applicable

9. Comments from the Director of Finance and Corporate Services

9.1 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.

9.2 Legal implications

There are no specific legal implications associated with this report.

10. Other implications

- 10.1 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.

10.2 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.

10.3 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.

10.4 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.

10.5 Implications for (or impact on) the environment

None

10.6 Implications for partner organisations?

None

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Member: Councillor J Mutton	Cabinet Member for Strategic Finance and Resources		11/02/19	11/02/19

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Appendix 1 – Children Services

Please see below graph showing the 12 month upward trajectory of filled permanent posts in Children's Social Care

