

NAME OF COMMITTEE	OVERVIEW AND SCRUTINY COMMITTEE
DATE	15 JANUARY 2013
REPORT TITLE	THE USE OF AGENCY STAFF
REPORT OF	PERSONNEL MANAGER
WARDS AFFECTED	ALL

Summary of report:

The purpose of this report is to provide the Committee with an overview on the use and costs of engaging agency workers.

Financial implications:

There are no direct financial implications arising from this report.

RECOMMENDATION:

That the Senior Management Team continues to monitor the use and cost of using agency workers.

Officer contact:

Andy Wilson, Personnel Manager

Andy.wilson@swdevon.gov.uk

01803 861154

Jan Montague

Jan.montague@swdevon.gov.uk

1. THE USE OF AGENCY WORKERS

- 1.1 The managed use of Agency workers is an integral component of the Council's staffing resources and helps to provide the flexibility needed to meet periodic fluctuations in demand for services, to cover for unexpected and short-term staff absences and where the demand for services and/or the availability of funding is uncertain and subject to change.
- 1.2 The identification and deployment of an agency worker is normally very responsive to changing operational needs and avoids the time and expense of advertising and selecting an appropriate candidate. By working closely with our preferred supplier, the Council can be confident that service delivery will not be adversely affected by fluctuating demand or unforeseen circumstances.

- 1.3 The use of agency workers also transfers the risk and liability for the worker to the Agency and does not create an obligation on the Council or enable the worker to accrue employment rights directly enforceable against the Council. Where necessary, unreliable or underperforming agency workers can be immediately replaced and good performing agency staff can be identified and requested when required.
- 1.4 In April 2009, after an open procurement exercise, a contract was entered into between the Council and its partners (Teignbridge District Council and South Hams District Council) with Concept Staffing for the provision of agency workers for a three-year period. This contract was extended by further 12-months and is due to expire on 31 March 2013. A procurement exercise to secure the provision of agency workers for the period April 2013 to March 2016 will begin in January 2013.
- 1.5 The advantages of entering into a contractual relationship with a supplier are that a competitive price can be negotiated and fixed, that the supplier will take responsibility for sourcing all staffing requirements, including approaching specialist agencies where necessary, a simple and single invoice system and better data and financial record management.
- 1.6 The tables below show the distribution of the expenditure during 2011/12 and in the current financial year to 30 November 2012.

2011/12	
Department	Cost (£)
Car parking	85.17
Cleaner at Kilworthy Park	217.20
Post room	98.32
Miscellaneous	8.00
Total	400.77

2012/13 to 30 November 2012	
Department	Cost (£)
Waste Management	4,737.33
Finance	3,188.65
Community	2,105.03
Housing	17,375.91
Total	27,406.92

- 1.7 The tables show that there is a significant increase in the use of agency workers in the current financial year compared to the previous year. This is due to a number of factors.
- (i) In Waste, additional administrative support was used to help with the restructure of the waste collection rounds and the cost was met by the waste contractor, FCC Environmental.
 - (ii) In Finance, temporary administrative support was used to cover a vacant position during the busy end of year procedure.
 - (iii) In Community Delivery, temporary administrative support is being used to provide additional support during a period of maternity leave, long-term absence and an internal secondment.
 - (iv) In Housing, three temporary housing advice officers have been used to cover for maternity leave, a long-term absence and an internal secondment.
 - (v) In Development Management, an additional Planning Enforcement Officer is being used to help clear a back-log of cases.
- 1.8 The total expenditure on agency workers during 2011/12 of £400.77 was a very small fraction of the total salary costs for permanent employees.
- 1.9 The total expenditure on agency workers during 2012/13 to date of £27,406 amounts to about 0.5% of the total budgeted salary costs.
- 1.10 The table below shows the occupation, location, start date and reason for engagement of agency workers at 7 December 2012. The table also identifies the total cost of the agency worker, including the fees payable to the Agency and the total cost of employing a comparable employee, including salary, employer on-costs and employer pension contributions.

Agency Workers at 7 December 2012

Post	Service Area	Start date	Reason for Appointment	Hourly Rate (inc. agency fee)	Hourly rate of comparator (inc. on costs)
Admin Assistant	Community Delivery	1.9.12	To provide additional support during maternity leave, long-term absence and internal secondment	11.88	11.34
Housing Options Officer	Housing	17.09.12	Covering long-term absence	18.00	17.79
Enforcement Officer	Development Management Enforcement	29.10.12	To resolve back log of cases	29.00	18.96

Housing Options Officer	Housing	18.11.12	Awaiting permanent appointment. Interviews week beginning 10.12.12	18.00	17.79
Housing Options Officer	Housing	27.11.12	Maternity cover	21.89	17.79

2. LEGAL IMPLICATIONS

2.1 In October 2011, the Agency Worker Regulations were introduced and provide that an agency worker must broadly receive the same pay and conditions as a comparable directly employed person once they have worked for the Council for 12 weeks. Under normal circumstances the use of an agency worker is short-term and the assignment will not last 12 weeks.

3. FINANCIAL IMPLICATIONS

3.1 In certain circumstances there can be a higher cost associated with using an agency worker rather than a fixed-term employee and the table above shows the comparable costs of using current agency workers. However, when managed correctly, the advantages drawn from the flexible nature of using agency workers can offset any increase in cost.

4. CONCLUSION

4.1 The appropriate use of agency workers will continue to be managed by the Head of Service in discussion with HR and the associated costs monitored by Finance.

5. OTHER CONSIDERATIONS

Corporate priorities engaged:	Shared Services and Beyond
Statutory powers:	Local Government Acts 1972 – 2007
Considerations of equality and human rights:	There are no equality or human rights considerations
Biodiversity considerations:	There are no biodiversity considerations
Sustainability considerations:	There are no sustainability considerations
Crime and disorder implications:	There are no crime and disorder considerations
Background papers:	None
Appendices attached:	None

RISK MANAGEMENT

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
1	Financial control	That the use of agency workers incurs unnecessary additional cost	3	2	6	↔	To consider alternative arrangements, such as fixed-term contracts where appropriate and more cost effective. Regularly monitor use and cost to ensure agency workers are only used where there is good business case.	SMT
2	Impact on service delivery	That insufficient staffing resources will have an adverse impact on service delivery	2	2	4	↔	The appropriate use of agency workers to ensure service delivery is not adversely affected by short-term staff absences, fluctuations in demand or time lost in recruiting suitable candidate	SMT

Direction of travel symbols ↓ ↑ ↔