

NAME OF COMMITTEE	OVERVIEW AND SCRUTINY PANEL
DATE	29 OCTOBER 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 Panel with an overview on the use and costs of engaging agency workers.

Financial implications:

There are no direct financial implications arising from this report.

RECOMMENDATIONS:

That SMT continue to monitor the use and cost of using agency workers.

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THE USE OF AGENCY WORKERS

1. The managed use of Agency workers remains an important 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.

2. With the implications for jobs arising from measures to address the on-going financial situation, SMT consider very carefully any request to recruit to a vacant post. In some cases, an agency worker is engaged whilst consideration is given to alternative ways of delivering the service without the need for a permanent replacement.
3. The use of agency workers to fill vacancies in the short-term can also reduce the need to make permanent members of staff redundant in the longer term, avoiding both the financial cost of severance payments and helping to secure the longer term employment prospects for existing employees.
4. In August 2013, after an open procurement exercise, a Master Vendor contract was entered into between the Council (and a number of other Devon local authorities) and Acorn Staffing (formerly known as Concept Staffing) for the provision of agency workers for a three-year period.
5. By entering into a Master Vendor contractual arrangement with Acorn the Council is able to secure a competitive and fixed price for the supply of agency workers and to negotiate the waiver of fees normally charged if an agency worker takes up a permanent post with the Council.
6. When compared to the historical use of agency workers, there has been an increase in the past 2 years, although the cost in the current financial year particularly is projected to be lower than in 2012/13. There has been a relatively high use of agency workers in Development Management and Housing.
7. In Development Management, agency workers have played a significant part in helping to reduce backlog, improve performance and provide cover during times of leave, sickness and recruitment. In Housing, agency workers have been used to cover maternity leave and long-term sickness absence and to cover vacant posts whilst a pay and grading review was carried out. In both sections, some permanent replacements will be appointed and the use of agency workers will significantly reduce.
8. The tables below show the distribution of the expenditure during 2011/12, 2012/13 and in the current financial year to 30 September 2013.

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	
Department	Cost (£)
Waste Management	4,737.33
Finance	3,188.65
Community Delivery	3,185.63
Homelessness/Aid & Advice/Hostels	84,762.41
Development Management	37,183.08
ICT Infrastructure Unit	4,262.49
Total	137,319.59

April 2013 to September 2013	
Department	Cost (£)
Revenue and Benefits	1,011.58
Homelessness/Aid & Advice/Hostels	17,473.50
Development Management	46,641.85
Kilworthy Park Offices	1,481.98
Total	66,608.91

9. The table below shows the occupation, location, start date and reason for engagement of agency workers at 1 October 2013. 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 (amounting to 39% of salary).

Post	Service Area	Start date	Reason for Appointment	Hourly Rate (inc. agency fee)	Hourly rate of comparator (inc. on costs)
Housing Officer	ICT & Customer Services	17/09/12	To assist with back log of benefit claims	£18.00	£15.66
Admin Assistant	ICT & Customer Services	09/07/13	To assist with back log of paperwork	£10.39	£10.94

Planning Officer	Planning, Economy & Community	29/07/13	To assist with back log of planning applications	£31.20	£17.25
ICT 1 st Line Support Officer	ICT & Customer Services	12/08/13	To cover vacancy created from recent resignation	£8.63	£9.09
Planning Officer	Planning, Economy & Community	27/08/13	To assist with back log of planning applications	£32.00	£17.25

LEGAL IMPLICATIONS

10. 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.

FINANCIAL IMPLICATIONS

11. In some cases there can be a higher cost associated with using an agency worker rather than a fixed-term employee. However, when managed correctly, the advantages drawn from the flexible nature of using agency workers can offset any increase in cost.

CONCLUSION

12. 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.

1. RISK MANAGEMENT

1.1. The risk management implications are:

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 ↓ ↑ ↔

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