

**Report of: Assistant Chief Executive, Governance and HR**

<b>Meeting of:</b>	<b>Date</b>	<b>Agenda item</b>	<b>Ward(s)</b>
<b>Policy and Performance Scrutiny Committee</b>	08 December 2014		

<b>Delete as appropriate</b>	<b>Exempt</b>	<b>Non-exempt</b>
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**Subject: Islington Council's use of Agency Staff**

## **1 Synopsis**

- 1.1 The Policy & Performance Scrutiny Committee undertook a review in 2013/14 of the Council's use of and expenditure on agency staff.
- 1.2 The Executive agreed a list of future actions in September 2014 and this report outlines the current position in respect of agency staff use and progress on the agreed actions .

## **2. Recommendations**

- 2.1 To note the information provided in this report.

## **3 Background**

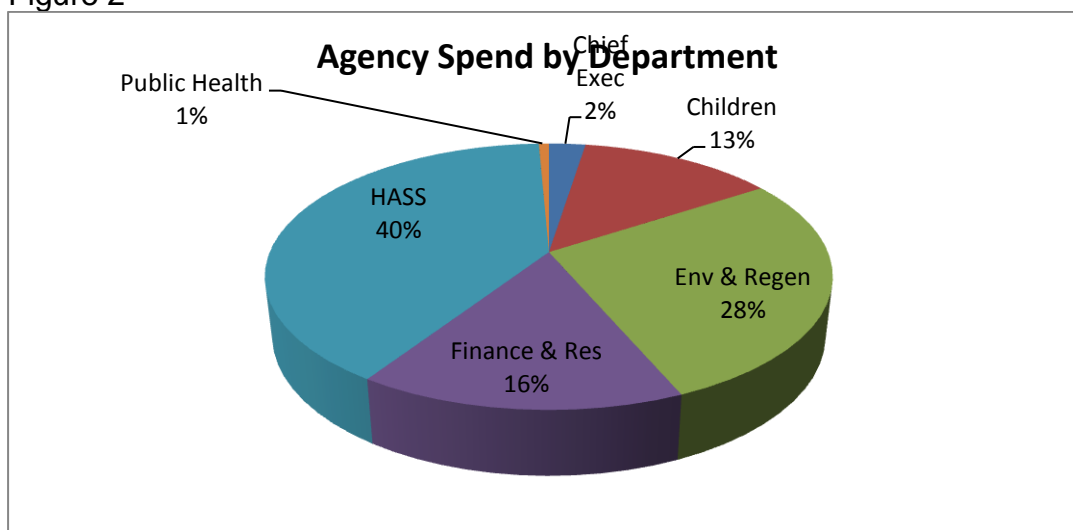
- 3.1 The Policy & Performance Scrutiny Committee undertook a review in 2013/14 of the council's use of agency staff. The Committee agreed a list of recommendations and presented its final report to the Executive at its meeting on 12 May 2014.
- 3.2 In September 2014 the Executive responded to the recommendations made by the Committee and in addition proposed future actions.

3.4 One of the agreed future actions was to provide bi-annual reports to the Policy and Performance Scrutiny Committee on agency usage, including details of the length of time agency staff have been employed and the number and length of any extensions which have been granted to their assignments, together with the equalities data provided by Commensura. This report is the first bi-annual report and outlines the current position regarding agency usage. The report also contains an update on progress in respect of the other future actions agreed by the Executive.

#### 4.0 Annual Spend on Agency Workers

4.1 Total agency spend for the 12 months to 31 October 2014 was £23,975,349. The highest spending Department is Housing and Adult Social Care which accounted for £9,603,203 (40.1% of total). Public Health had the lowest spend at £163,876 (0.7% of total).

Figure 2



Source: Comensura November 2014

A full break down of agency spend by Department is set out in the table below including a comparison with the previous year. The inbound TUPE transfer of the refuse service from Enterprise significantly impacted on the spend within Environment & Regeneration.

Table 1

Department	Nov 13 to Oct 14	Nov 12 to Oct 13	Change %
Chief Exec	£595,773	£1,182,759*	-49.6%
Childrens Ser	£3,191,955	£2,510,549	+27.1%
Env & Regen	£6,655,900	£3,845,302**	+73.1%
Finance & Res	£3,764,641	£2,191,900*	+71.8%
HASS	£9,603,203***	£11,005,063	-12.7%
Public Health	£163,876	£680	N/A
<b>TOTAL</b>	<b>£23,975,349</b>	<b>£20,736,253</b>	<b>+15.6%</b>

Source: Comensura November 2014

\*Data impacted by internal transfer of Digital Services from Chief Exec to Finance in April 2013

\*\*Data impacted by Enterprise/Refuse TUPE which took place in July 2013

\*\*\*Data impacted by Kier/Repairs service TUPE took place in June/August 2014

4.3 A breakdown of total annual spend by Division covering the period 01 November 2013 to 31 October 2014 is below:

Table 2

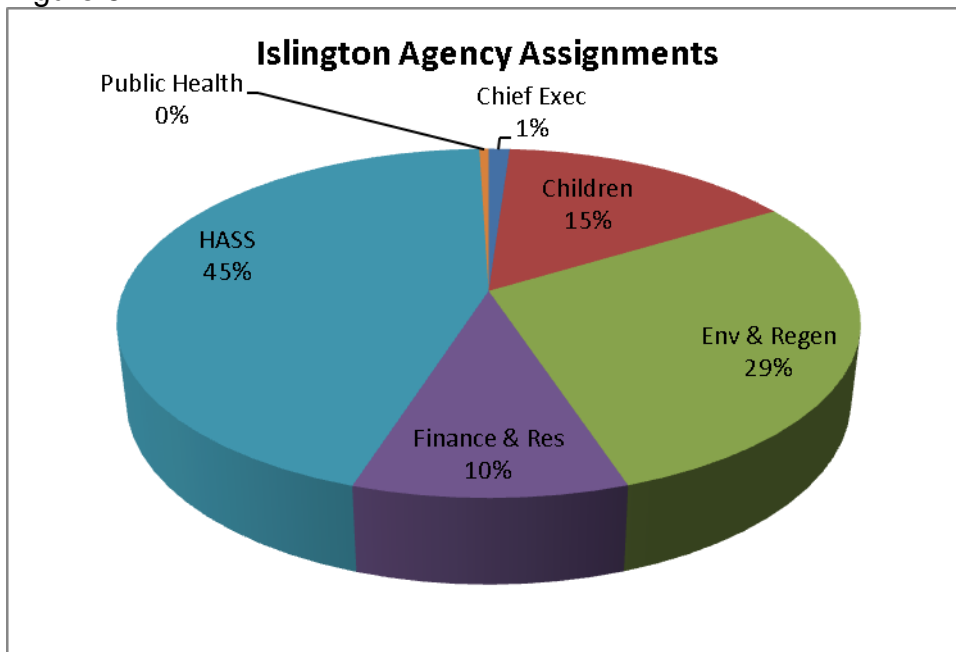
<b>Division</b>	<b>Department</b>	<b>Total Spend</b>
Public Realm	Env & Regen	£5,876,134
Adult Social Care	HASS	£3,226,527
Housing Operations	HASS	£2,454,188
Targeted, Specialist Children and Family Svcs	Children Services	£2,382,231
Digital Services and Transformation	Finance & Resources	£2,348,703
Property Services	HASS	£2,120,970
Financial Operations and Customer Service	Finance & Resources	£1,010,150
Housing Needs and Strategy	HASS	£671,852
Planning and Development	Env & Regen	£654,620
Community Services	HASS	£576,607
Governance and HR	Chief Exec	£489,858
Schools and Young Peoples Services	Children Services	£479,877
Joint Services	HASS	£437,494
Strategy and Commissioning	Children Services	£429,435
Property and Procurement	Finance & Resources	£361,929
Public Health	Public Health	£163,876
Public Protection	Env & Regen	£118,003
Strategy and Community Partnerships	Chief Exec	£105,915
Mental Health Service	HASS	£55,931
Directorate Support (E&R)	Env & Regen	£9,550
Directorate Support (HASS)	HASS	£1,500

Source: Comensura November 2014

## 5.0 Overview of Agency Workers at LBI

5.1 As at 31 October 2014 there were 826 live assignments via the Comensura contract. The full time equivalent (FTE) figure for those 826 assignments is 694.4 workers. Based on headcount agency workers make up 14.6% of Islington Council's workforce (based on FTE it is 13.7%). This compares to an average figure of 12.4% across all London councils.

Figure 5



Source: Comensura November 2014

HASS has the highest number of live assignments with 368, followed by Environment & Regeneration with 236, Children Services with 126, Finance & Resources 83, Chief Executives with 9 and Public Health with 4.

## 5.2 Average Length of Assignment

The average agency worker has been at the council for 396 days (13 months). 350 agency workers have been at the council for longer than 12 months which equates to 42.4% of assignments.

## 5.3 Extending Assignments

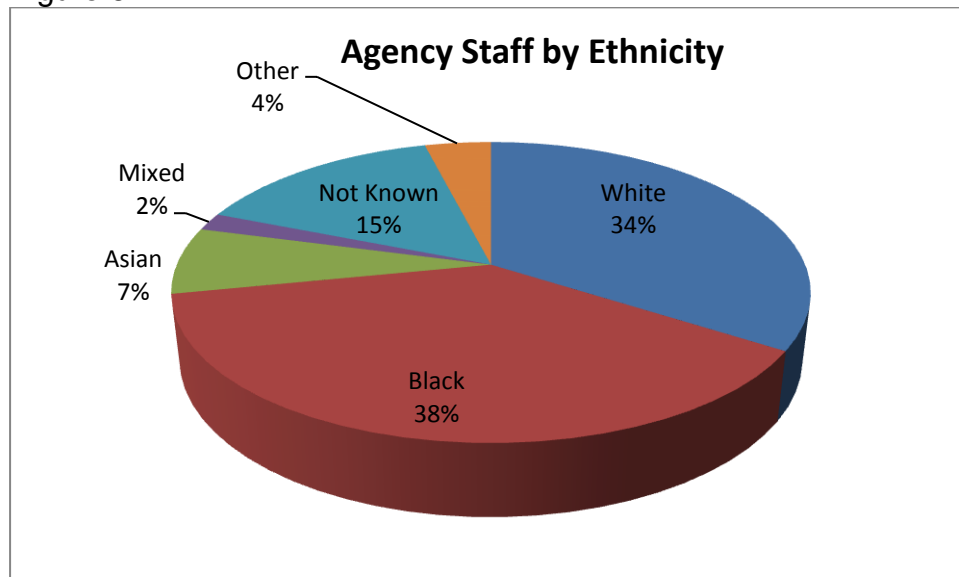
It was agreed that all requests to extend agency worker assignments beyond 6 months should be approved by the Chief Executive. During the last quarter 17 requests for extensions in excess of six months were received of which 13 were approved.

## 5.4 Equalities Data

### 5.4.1 Ethnicity

Agency workers are considerably more ethnically diverse than the permanent workforce with 51% coming from BME groups compared to 35.8% of directly employed staff.

Figure 6



Source: Comensura November 2014

### 5.4.2 Gender

The gender balance of the agency workforce closely matches the directly employed workforce, 48.1% of agency workers are male, compared to 48.4% of permanent workers.

### 5.4.3 Disability

The percentage of agency staff declaring a disability is 1.1%, significantly lower than the figure for directly employed staff which is 6.7%.

### 5.4.4 Age

The age distribution of the agency workforce is set out in the table below. The agency workforce is younger than the Council's, 8.4% are under 25 compared to 3.2% of directly employed staff.

Table 3

Age 16-24	Age 25-34	Age 35-44	Age 45-54	Age 55-64	Age 65 +
8.4%	26.1%	23.4%	27.6%	12.1%	2.4%

Source: Comensura November 2014

## **6.0 Update on actions agreed by Executive:**

### **6.1 *Continue to improve processes to ensure agency-covered posts are available as redeployment opportunities.***

HR have put a process in place whereby a monthly list of agency workers is circulated and redeployees can be matched against suitable roles. To date two employees at risk of redundancy have been successfully redeployed in to roles previously covered by agency workers. Whilst this appears low there were no live reorganisations in the last quarter and it is anticipated that results will improve as more staff enter the redeployment pool.

### **6.2 Continue to develop proposals for an “in-house” agency.**

Street Environmental Services (SES) would be the main user of an in-house agency. The service is currently finalising details of the staffing structure required to support a new business model to be proposed based on the “village” model. Consultation with the trade unions is anticipated to begin in the new year and it is expected that a large number of agency workers will apply for and move on to permanent contracts at this stage. Further consultation on the new model will follow later in the year. This new model will include a relief pool of permanent employees. Agency staff will continue to be used only to the extent that there are still gaps. The council is interested in establishing its own agency to provide these staff. The viability of the agency will need be revisited once the impact of the changes in SES can be assessed as the business case indicates the margins are already very tight. Discussions have taken place with the trade unions concerning staff terms and conditions in such an agency and any issues here appear to have been resolved.

### **6.3 *Complete investigation of the reintroduction of market supplements and/or other recruitment and retention aids to address recruitment to hard-to-fill posts.***

A new policy has been drafted and consultation with trade unions is underway. It is anticipated that the policy will go to Audit Committee in January 2015 and be included in the council’s Pay Policy Statement from February 2015.

### **6.4 *Continue to work with other boroughs to limit the use of agency staff engaged on a Limited Company basis.***

Further discussion concerning this has taken place at London Council’s Heads of HR although there are no concrete outcomes from this as yet.

### **6.5 *Undertake sophisticated recruitment campaigns to replace agency staff in hard-to-fill areas.***

A number of campaigns have been undertaken since the original Scrutiny meeting in November 2013.

- **Digital Services** continues its efforts to reduce its reliance on staff engaged via agencies, most recently through a major campaign in conjunction with HR and the Council's recruitment partner Jobs Go Public. A total of 25 jobs covered by staff engaged via agencies or vacant were advertised on the Council's website, on a microsite run by Jobs Go Public at [www.connectingislington.co.uk](http://www.connectingislington.co.uk) and on job sites favoured by ICT professionals such as Computer Weekly jobs and Jobsite. This was supported by a social media campaign through LinkedIn and Facebook; and through search-specific adverts on Google and Bing.

Digital Services received 349 applications; shortlisted 49 candidates and made 15 conditional offers of employment across all the jobs. Two offers were declined by candidates following better offers from other employers, two have started work already, and the remaining 11 are awaiting pre-employment checks or serving out their notice periods with their existing employers.

The campaign will displace seven staff engaged via agencies once all our new directly employed recruits take up their posts. A further six posts will be filled with directly employed recruits, removing the need to engage further staff via agencies to maintain essential services.

This will result in over 90% of Digital Services establishment posts filled by directly employed staff.

Temporary posts supporting programmes and projects are still largely filled by staff engaged through agencies as there are no establishment posts to recruit permanent staff to. Attempts to fill these roles with directly employed fixed term staff have been largely unsuccessful. Jobs Go Public and specialist ICT agencies advise fixed term appointments are unattractive to candidates as they offer neither the higher day rates associated with contracting nor the security associated with a permanent position.

Digital Services are running another recruitment campaign in January 2015 to further reduce the number of staff engaged via agencies covering establishment posts. Using the lessons learned from the recent campaign they will refine the job descriptions and the marketing of the jobs to attract more candidates for the hard-to-recruit senior technical and project management roles.

- **Children's Services** rolling recruitment over the summer has led to 14 new starters, a further 19 employees are due to start pending pre-employment checks. The campaign is still live and 23 candidates are scheduled to attend for interview.

- **Property Services** – A total of 30 vacancies were advertised and 21 candidates were appointed. Those appointed are at various stages of the pre-employment checking process.

6.6 *Undertake temp-to-perm campaigns in high agency usage areas.*

Circa 70 agency workers were successfully appointed to permanent positions in Housing Operations and the transport section of Street Environment Services. It is anticipated that circa 75 agency workers within Street Environmental Services (Waste Management) will be given a similar opportunity to secure a permanent role as mentioned above.

6.7 *Establish a “grow your own” training programme in Digital Services for school leavers and/or graduates.*

A graduate trainee is working with Digital Services to develop this programme. It is anticipated that the programme will go live in early 2015.

6.8 *Complete the review of all agency assignments over 12 months.*

First stage review of assignments over 24 months led to a small number of temp to perm appointments. The next stage of the review will focus on agency workers who have been with the Council for between 12 and 24 months.

6.9 *Seek approval of the Chief Executive to all extension of agency staff assignments beyond 6 months (other than in the case of maternity leave cover) and report quarterly to the Executive Member for Finance and Performance concerning extensions agreed.*

This control has been put in place and the first quarterly report was presented in October 2014.

## 7.0 Implications

**Financial implications:**

None arising directly from this report.

**Legal Implications:**

None arising directly from this report.

**Environmental Implications:**

None

**Resident Impact Assessment:**

No resident impacts arise directly from this report.



## 8.0 Conclusion

Progress is being made in respect of all the actions agreed by the Executive. Impact on the overall usage of agency staff is not yet being fully felt, for example because new permanent employees joining the council as a result of recruitment campaigns and temp to perm opportunities have yet to take up their posts.

Final report clearance:

**Signed by:**

**Received by:** Assistant Chief Executive, Governance and HR      Date

Head of Democratic Services      Date

**Report Author:** Shane Lynch, Head of Shared Services  
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