

**Chief Executive's Department
Town Hall, Upper Street, London N1 2UD**

Report of: Assistant Chief Executive, Governance and HR

Meeting of:	Date	Agenda item	Ward(s)
Policy and Performance Scrutiny Committee	1 June 2015		

Delete as appropriate	Exempt	Non-exempt
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Subject: Islington Council's use of Agency Staff

1 Synopsis

- 1.1 This report provides the Policy & Performance Scrutiny Committee with an update on the council's use of agency staff.

2. Recommendations

- 2.1 To note the information provided in this report.

3 Background

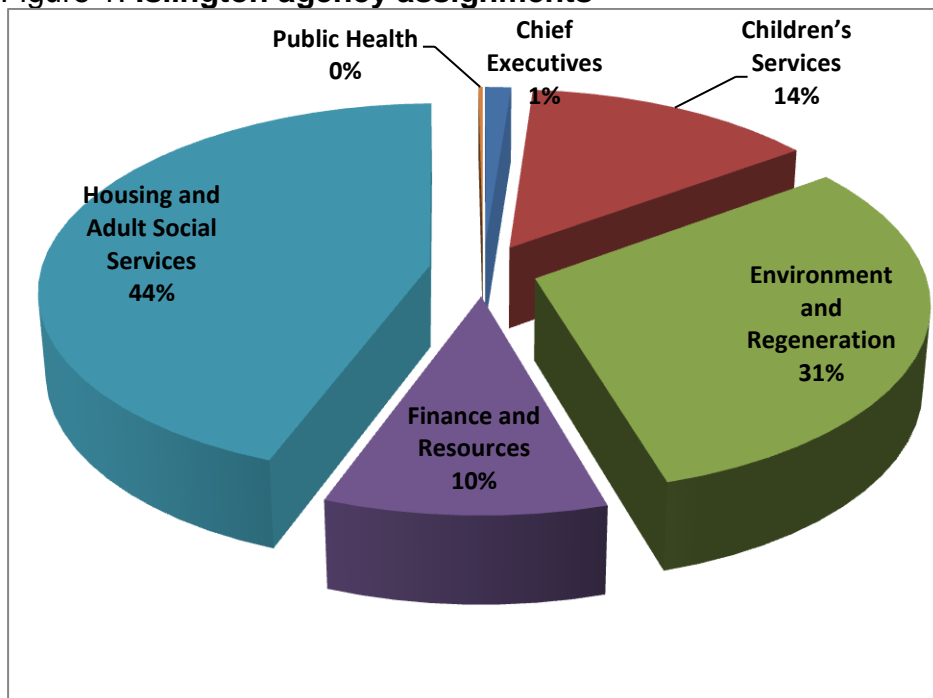
- 3.1 The Policy & Performance Scrutiny Committee undertook a review in 2013/14 of the council's use of agency staff. The Committee agreed a list of recommendations which were considered by the Executive. The Executive agreed to provide a bi-annual update to the committee on the council's use of agency staff and its implementation of the actions agreed by the Executive in response to the Committee's recommendations. This is the second such report. The committee asked at its December meeting for a specific update on use of agency staff in HASS and this is attached as Appendix 1.

4.0 Use of agency workers compared to council employees

- 4.1 As at 29th April 2015 there were 972 live agency assignments via the Comensura contract. The full time equivalent (FTE) figure for those assignments is 900.46 agency workers. Based on headcount, agency

workers currently make up 17.39 % of Islington Council's workforce (based on FTE, it is 17.00%). This compares to an average figure of 12.4% (based on headcount) across all London councils. This London-wide figure relates to 2013/14, as the 2014/15 figure is not yet available.

Figure 1: Islington agency assignments



Source: Comensura: March 2015

HASS has the highest number of live assignments with 429, followed by E&R with 296, Children Services with 134, Finance & Resources with 99, Chief Executive's Department with 12 and Public Health with 2.

5.2 Use of agency staff by service

Figures for use of agency staff by particular services as at the end of April 2015 are contained in Appendix 2.

Some of the services with higher use are discussed elsewhere in the report. Children's Services have clarified that the department's Commissioning and Business Support service have a staff establishment of 68.5 of which only 57 are permanent posts. Of the 21 current agency staff (a reduction on the number in Appendix 2) 6 are covering for secondments, 7 are covering vacancies that are being recruited to and 7 are covering roles which are subject to a current review. The vacancies being recruited are because the service held vacancies last year prior to making a saving of £170k through a reorganisation that it had committed to. It is taking the service time to now work through the vacancies.

5.3 Average length of assignment

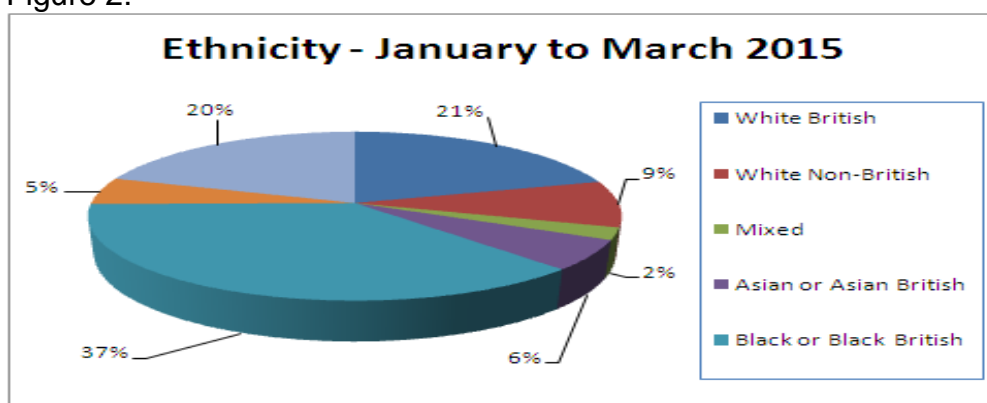
The average agency worker has been at the council for 397 days (13 months). 422 agency workers have been at the council for longer than 12 months, which equates to 43.42% of assignments.

5.4 Equalities data

5.4.1 Ethnicity

Agency workers are considerably more ethnically diverse than the permanent workforce, with 74% of agency workers coming from BME groups compared to 36.2% of directly employed staff.

Figure 2:



Source: Comensura: March 2015

5.4.2 Gender

The gender balance of the agency workforce closely matches the directly employed workforce: 45% of agency workers are male, compared to 48.3% of council employees.

5.4.3 Disability

The percentage of agency staff declaring a disability is 1%, significantly lower than the figure for directly employed staff which is 6.9%.

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: 7% of agency staff are under 25 compared to 3.2% of directly employed staff.

Figure 3: Age profile of agency workers

Age 16-24	Age 25-34	Age 35-44	Age 45-54	Age 55-64	Age 65 +
7%	26%	25%	28%	12%	2%

Source: Comensura: March 2015

5.5 Future Target

The 2014/15 performance target in respect of agency staff was to reduce usage to 13%. Following discussions, a new target has been proposed of 10% and this will be included in the new targets which will be presented to the Policy and performance Scrutiny Committee on 29 June. This is a challenging target but reflects the council's commitment to achieving significant improvement in this area.

6.0 Update on actions agreed by the Executive

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

PROGRESS: 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 into roles previously covered by agency workers. We expect these numbers to increase as this process becomes embedded across the council.

- 6.2 *ACTION: Continue to develop proposals for an "in-house" agency.*

PROGRESS: The council is interested in the possibility of establishing its own agency to provide temporary staff, if viable. Street Environmental Services (SES) would be the main user of an in-house agency. The service is part of the way through a process of implementing a new service structure to support a new business model based on the "village" operating model. This is discussed further under the 'temp-to-perm' heading below. The viability of such an in-house agency will need be revisited once the impact of these changes can be assessed, as the business case indicates the margins are already very tight. It would also be preferable to achieve a general shift to use of permanent staff in place of agency staff before assessing the viability of a council agency so the council doesn't get tied into a high level of agency use.

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

PROGRESS: A new market supplements policy was agreed with the trade unions and was adopted by the Audit Committee in January 2015. The new policy became effective following amendments to the council's Pay Policy Statement from February 2015. One market supplement has so far been agreed. This enabled the appointment of a Network Security Manager in Digital Services at a salary £40,000 less than the anticipated cost of appointment via an agency.

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

PROGRESS: Discussions concerning this have taken place at London Council's Heads of HR although there are no concrete outcomes from this as yet. During 2014/15 of the 1867 agency workers engaged 1177 had PAYE status and 690 LTD status. This indicates that they provide services on a Limited Company basis. These 690 workers are provided via at least 60 difference agencies and work in a variety of different roles including lawyers, surveyors and social workers. Unfortunately it has not been possible to identify within the LTD status group whether individual agency workers operate through an umbrella company arrangement.

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

PROGRESS: 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 and undertook a major recruitment campaign towards the end of last year which involved advertising a total of 25 jobs covered by staff engaged via agencies or vacant on the Council's website, on a microsite run by Jobs Go Public at 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 offers from other employers, and 13 are now in post at Islington Council.

Digital Services ran 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 previous campaign they refined the job descriptions and the marketing of the jobs to attract more candidates for the hard-to-recruit senior technical and project management roles.

With 11 posts advertised in January, six resulted in conditional offers, one of which was declined by the successful candidate. One person has taken up their role with the council and a further four successful candidates are working out their notice periods following the successful completion of our pre-employment checks.

One specialist role was recruited to separately following the approval of a market supplement; this has resulted in a conditional offer to a very

strong candidate, who is currently going through their pre-employment checks.

A third round of specialist recruitment is starting in June 2015 for six posts not filled in the first two rounds of advertising.

Currently over 86% of Digital Services establishment posts are filled by directly employed staff. Establishment posts are temporarily filled by agency staff covering maternity leave and facilitating permanent staff working on projects as well as covering vacant posts pending permanent recruitment

- **Children's Services** rolling recruitment since January has led to 7 new starters, a further 14 employees are due to start pending pre-employment checks. The campaign is still live and 10 candidates are scheduled to attend for interview.
- **Property Services** – A total of 30 vacancies were advertised via a special micro-site and 21 candidates were appointed. All have now taken up their posts. Property Services are reviewing how to proceed with the remaining post and are considering a further similar recruitment exercise and/or the use market supplements where the need for these can be demonstrated.

6.7 Some of the current agency use is to cover posts being recruited to through these and other recruitment campaigns. There is a high level of recruitment activity at the moment, partly due to efforts being made to replace agency staff (for example via these campaigns and via the temp-to-perm campaign described in 6.6) and this is leading to backlogs in the recruitment team. Although it isn't possible to accurately match posts between the agency and recruitment systems, it is likely that a significant number of the 301 posts currently in the recruitment process are covered by agency and once it is possible to catch up with some of the backlog there will be a related reduction in use of agency staff for this purpose.

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

PROGRESS: Last year approximately 70 agency workers were successfully appointed to permanent positions in Housing Operations and the transport section of Street Environment Services.

In February 2015, the Council began a recruitment campaign within the Public Realm division to increase the permanent establishment and reduce reliance on agency workers. This was planned as a two-phase campaign. In phase one there were three type of roles recruited to within Street Environment Services. These were "Public Realm Skilled Operatives Drivers", "Public Realm Semi Skilled Operatives" and "Public Realm Operatives". 82 vacancies have been filled, 78 by existing agency staff. Phase 2 of the recruitment process will be undertaken within Street Environment Services

where a further 42 vacancies are expected to be filled. It is anticipated that there will be a further reduction in the use of agency staff as the service changes are rolled out across the borough over the next 12 to 18 months

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

PROGRESS: Digital Services are in the process of recruiting to an apprentice post.

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

PROGRESS: This is ongoing, with the next stage focussing on agency workers who have been with the Council for between 12 and 24 months. The previous phase considered those who had been with the council more than 24 months. This phase resulted in a small number of recruitments of agency staff to directly employed roles.

- 6.9 **ACTION:** *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.*

PROGRESS: It was agreed that all requests to extend agency worker assignments beyond 6 months should be approved by the Chief Executive. It has proved quite difficult to put in place effective controls to achieve this because authorisation of individual assignments and subsequent extensions through the Comensura system takes place at service level. New arrangements which prevent assignments proceeding unless they have been approved at Service Director/Head of Service level or higher are now being implemented. It is the responsibility of the relevant Service Director/Head of Service to ensure that the Chief Executive’s approval has first been obtained. It is anticipated that this control will now operate more effectively.

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 and because organisational restructuring as a result of the 2015/16 budget is not yet complete.

Final report clearance:

Signed by:

Received by: Assistant Chief Executive, Governance and HR Date

Head of Democratic Services Date

Report Author: Debra Norman, Assistant Chief Executive, Governance and HR
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Appendix 1: Housing and Adult Social Services Summary

A line by line analysis is currently being undertaken for all Comensura assignments within the Housing and Adult Social Services department. This exercise has identified a small disparity in the overall figures, in summary this is due to duplication of assignments, contracts which have come to an end and assignments allocated to the wrong division. A significant number of posts are currently going through the Council's recruitment process and this will facilitate a significant reduction in agency use numbers in the department.

Adult Social Services

Social work & care management services: the service underwent a restructure, which was completed on 1st April 2015. Policy and Performance Scrutiny Committee was advised of this at its meeting in December 2014. No compulsory redundancies were made, although a number of posts were deleted. Vacant posts in the new structure are actively being recruited to. It is proving challenging to recruit to social worker posts due to a London-wide shortage of qualified workers. Whilst we are pursuing recruitment, we are covering posts with agency staff, as these are key front-line statutory services. We also have some additional agency staff to support the safe move to the new structure, and to provide some temporary additional capacity to release front-line staff for training in their new roles. These will be tapered down over the next 6 months, and there is a clear and costed plan to do this. There are also some short-term posts which are funded by non-recurrent monies from the NHS to support with hospital discharges and other pressures on the health system. These are covered by agency staff, as there is no guarantee of the funding continuing, and the posts had to be filled quickly to meet NHS targets.

Commissioning: There are a number of interim posts pending a restructure of the service. The new service structure will be in place by the end of June, pending HR capacity to support grading of JD's. As part of the restructure, vacant posts will be recruited to.

In-house services: Agency staff are used when required to cover sickness, leave and maternity. This is to ensure that essential personal care services can be provided. Agency staff do not cost more than permanent staff in this area. Vacant posts are being actively recruited to. Recruitment is currently taking a relatively long time due to limited capacity within the HR recruitment team.

Housing Property Services

Repairs and Maintenance: There are a number of interim posts pending a restructure of the service following the insourcing of the repairs contract.

Capital Programme: A number of posts are awaiting confirmation of market supplements to drive permanent recruitment. The department are reviewing how to proceed with permanent recruitment of vacant posts through re-grading and considering options for flexible cover for peaks and troughs.

Housing Operations

The disparity between the numbers within this division is currently being reviewed however the remainder of posts are the result of a moratorium which previously applied and a pending restructure this year.

Housing Needs and Strategy

The majority of these vacancies have now been offered permanent positions through an internal recruitment drive and will come off the total use of agency staff figures for the service as soon the HR process is completed. The remainder of assignments will be recruited to on fixed term contracts through the Council's internal recruitment process.

Appendix 2: Number of agency workers by council service

Department	Service	Total
Chief Executives	Communications and Consultation	2
	Community Safety	1
	Human Resources (HR)	3
	Legal Services	3
	Partnerships and Employability	1
	Scrutiny and Democratic Services	2
Chief Executives Total		12
Children's Services	Children and Families	1
	Children In Need	28
	Children Looked After	13
	Children's Services	4
	Commissioning and Business Support	37
	Information and Performance	3
	Information, Advice and Guidance	2
	Play and Youth Service	13
	Project Team	1
	Pupil Services	14
	Special Projects	1
	Strategy and Commissioning	6
	Targeted and Specialist Children and Family Services	5
	Targeted Youth Support and Youth Offending	6
Children's Services Total		134
Environment and Regeneration	Building Control	2
	Cemetery Service	3
	Development Control	10
	Greenspace and Leisure	36
	Libraries and Heritage Services	1
	Library and Heritage Service	1
	LRF Communication	1
	Mechanised Services Support	4
	Planning	1
	Public Realm	1
	Residential Environmental Health	1
	Spatial Planning and Transport	2
	Street Environmental Services	219
	Street Management	9
	Traffic and Engineering	3
Waste Management and Enforcement	2	
Environment and Regeneration Total		296
Finance and Resources	Accommodation and Facilities	34
	Assets	1

	Corporate Health and Safety	2
	Corporate resources	1
	Customer Services	13
	Customer Services Unit	2
	Digital Services	27
	Networks	9
	Property	1
	Property Services	1
	Revenues - Council Tax and Business Rate	4
	Service Finance	2
	Technology Solutions Group (TSG)	1
	Transformation	1
Finance and Resources Total		99
Housing and Adult Social Services	Access Service	2
	Allocation	1
	Capital Programme Delivery (HASC)	25
	Central Admin (HASC)	1
	Central Services (HASC)	3
	Community Services	118
	Concierge Client Team	2
	Directorate Support	2
	DLO	29
	Estate Maintenance Team (HASC)	3
	HFI Legal Disrepair (HASC)	7
	Highbury House Area Office	1
	Holland Walk (Caretakers) (HASC)	3
	Holland Walk (HASC)	9
	Home Ownership Unit (HASC)	6
	Housing Direct	18
	Housing Needs and Strategy	6
	Housing Operations	23
	Human Resources	1
	Information Services	3
	Investigations And Interventions	1
	Joint Services	52
	Learning Disabilities	4
	Lyon Street Caretaking Services (HASC)	1
	Mechanical and Electrical Unit (HASC)	2
	Mental Health	7
	Mental Health Trust	1
	Old ST AO (HASC)	3
	Old St AO Caretakers (HASC)	8
	Operations	1
	Partnerships	3
	Planned Maintenance Repairs (HASC)	2

	Productivity and Compliance	13
	Property Services	1
	Property Services Repairs	3
	Rent Arrears (HASC)	7
	Repairs and Maintenance	22
	Senior Management Team	5
	Sensory Team	4
	Strategy and Commissioning	1
	Upper St AO (HASC)	11
	Voids	1
	Welfare Reform	4
	Whittington Hospital Social Work team	9
Housing and Adult Social Services Total		429
Public Health	Public Health	2
Public Health Total		2
Grand Total		972