

## CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE

<b>Date of Meeting</b>	Thursday 12 May 2016
<b>Report Subject</b>	Use of Agency Workers
<b>Cabinet Member</b>	Cabinet Member for Corporate Management
<b>Report Author</b>	Senior Manager, Human Resources and Organisational Development
<b>Type of Report</b>	Operational

### EXECUTIVE SUMMARY

This report provides Members with a detailed overview of the use of Agency Workers and associated costs.

Flintshire County Council spent £180.8m on staffing budgets in 2015/16. Agency workers accounted for approximately 2.07% of this or £3.75m.

The needs to use agency workers vary from service to service. The level of agency workers has increased in some service areas as a result of vacancies or to support time-limited services and projects. Services continue to consider ways in which this can be reduced to ensure that this complementary workforce is used sparingly and appropriately.

### RECOMMENDATIONS

1	Members are asked to review the position of the Council, as an employer, in using agency workers sparingly and appropriately.
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### REPORT DETAILS

<b>1.00</b>	<b>THE USE OF AGENCY WORKERS</b>
1.01	The purpose of this report is to provide the Committee with an overview on the use and requirements for agency workers and the steps that are being

taken to control their use in the future.

### **Agency workers**

Over the last few years the use of Agency workers has been periodically reviewed in terms of:

- how we agency workers
- the cost benefit of agency workers,
- how we meet our obligations under the Agency Worker Regulations,
- how services use agency workers and for what reasons.

### **Contract Arrangements**

Since October 2010 Flintshire has consolidated its agency contract arrangements with the majority of agency workers now supplied via Managed Agency Solution (hosted by Matrix). There are exceptions to this arrangement where highly specialist skills are required in service such as ICT.

This contract is a tripartite agreement with Wrexham and Denbighshire which is managed by the procurement team and allows for the following:

- Standardised rates and terms and conditions for agency workers based on standardised job descriptions;
- Preferential rates based on contract volume;
- Transparency regarding the ordering, deployment and payment of agency workers;
- No temporary to permanent fee if a worker is taken on after 12 weeks of placement;
- detailed management information which helps understand the use of agency workers;
- a consolidated and automated weekly invoice; which gives significant savings in processing costs;

### **The cost of agency workers**

Agency workers are normally paid below Flintshire County Council pay-rates for the first 12 weeks of any placement. However, since the Agency Worker Regulations came into force in 2012, agency workers engaged for more than 12 weeks must receive the same rates of pay. Whilst this excludes benefits like sick-pay and pensions, agency workers receive basic pay, overtime and premium pay (as applicable) in the same way as employed staff.

In addition to levelling up the basic pay of agency workers, costs are also incurred regarding the 'agency fee'. Under the Matrix contract this varies from 40% to 50% of the hourly rate and is inclusive of fixed costs. Included in this, is the cost of National Insurance and holidays which agency workers must be paid under the Working Time Regulations. This accounts for around 25% of the fee.

As a rule of thumb agency workers in front line services are less costly than overtime.

To illustrate the cost associated with using agency workers some examples are given in Appendix I.

Other advantages from using agency workers are as follows:

- ‘Just in time’ – workers can be hired at very short notice
- Flexibility – Assignments can be ended at any time without incurring costs (i.e. for severance), employee relations issues (performance, attendance, disciplinary) are referred to agency.
- Elimination of recruitment costs and delays (advertising etc.)

Increasingly agency workers are being hired for longer or for recurring periods of time. As reliable agency staff tend to be rebooked for recurring assignments 75.16% of assignments now exceed 12 weeks.

74.49% of active placements at the time of this report are required for front line service delivery, with some administrative or specialist staff also booked. Reasons for hiring agency workers are also recorded. The most commonly cited requirements include providing short term cover especially for sickness or when there are vacancies.

The majority of active placements are in the Streetscene and Transportation Portfolio and at the time of this report had 92 of the 138 placements. 70 of the 92 placements exceed 12 weeks.

The majority of workers in Streetscene are covering vacancies which have been held pending a decision on potential alternative delivery models and a review of the type of roles required going forward (from generic to non-generic). The service are in the process of preparing to recruit 40 loaders, 6 highways operatives and 8 grounds maintenance operatives which will result in a significant number of placements being ended. There is also a commitment from the Chief Officer, Streetscene and Transportation that agency workers who do not apply for these roles or are unsuccessful, will have their placement ended.

Longer-term, services with a high reliance on agency workers (Social Services and Streetscene) will be required to develop alternative strategies to reduce their usage and to control (minimise) the length of placements, for example, with the use of fixed term-contracts.

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
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2.01	None as the report captures existing arrangements only.
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<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
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3.01	None as the report captures existing arrangements only.
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<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	None arising directly from this report which captures existing arrangements only.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix 1 – Table detailing costs associated with agency placements.

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<b>Contact Officer: Sharon Carney, Senior Manager, Human Resources and Organisational Development.</b> <b>Telephone: 01352 702139</b> <b>E-mail: <a href="mailto:Sharon.carney@flintshire.gov.uk">Sharon.carney@flintshire.gov.uk</a></b>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<b>None.</b>