

**Meeting** Executive  
**Portfolio Area** Resources  
**Date** 14 July 2021



## REVIEW OF THE USE OF AGENCY STAFFING

### NON-KEY DECISION

#### 1 PURPOSE

- 1.1 The Executive at the March 2021 Executive considered the re-procurement and award of the Council's agency contract. At that meeting the Executive requested a further report to ensure that the use and spend on agency workers is managed in the most efficient way.
- 1.2 This report will update the Executive on measures in place and also further measures planned.

#### 2 RECOMMENDATIONS

- 2.1 That the actions in respect of the use of Agency staffing, as set out in section 4 of the report, be noted.
- 2.2 That a further report be brought forward to Executive during the current financial year, detailing progress against the actions set out in the report.

### **3 BACKGROUND**

- 3.1 In March 2021, a report was presented to Executive detailing the procurement process and contract award for the supply of agency workers across the Council for the next four years. Agency workers are engaged via recruitment firms and the new contract had a predominance of Stevenage based agency firms who were successful in winning the 'lots' within the contract award.
- 3.2 At this time, a further report was requested by Members to ensure that agency workers were being used appropriately across the Council.
- 3.3 The March report identified that agency usage, can be broken down into three distinct categories:
- Operational backfill - typically for refuse, recycling and cleansing services
  - One off project work - relating to specialist ICT skills or system implementation or Regeneration, where there isn't a long term need to employ.
  - Specialist professional roles - these roles are often for hard to recruit to areas which compete with the private sector, housing associations or the proximity to London (and higher salaries). Examples would be Surveyors, Finance Staff, Estates and Housing professionals.
- 3.4 This report will set out a number of measures in place and further action planned to address this as set out in section four to this report.

### **4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS**

#### **4.1 Reason for Agency use**

- 4.1.1 The Council's policy is deliver services directly rather than have a commissioning model and outsource services, this model can lend itself to higher levels of agency use than a Council with outsourced services. It also, provides for a higher level of flexibility than outsourced services as individuals can be redeployed across services to support if required.
- 4.1.2 Agency costs for specialist roles are generally more expensive than employing staff directly, although not for the operational backfill roles typically covering holidays and sickness. However even in the latter category there is an argument to employ more direct staff so that there is not a constant need to train operatives in health and safety and minimise damage to plant and vehicles.
- 4.1.3 The use of Agency should be limited to:
- Providing essential cover for key specialist roles (where service delivery would be impacted) such as Estates and Housing professionals

- Providing cover for Leadership roles where recruitment processes may be longer than notice periods and may involve more rigorous recruitment procedures.
- Filling periods of peak demand which could not reasonably be predicted.
- Delivery of short term projects such as ICT installations or specialisms not within the Council's normal establishment which could include setting up funding structures such as the Council's LLP or advising on complex tax and land issues.

4.1.4 Whilst agency usage may always be required as set out above measures should be in place to help manage the duration and breadth of agency interventions to ensure maximum service benefit when workers are engaged on this basis.

## **4.2 Planned measures to reduce the use of operational agency staff**

4.2.1 Agency staff are used for the Councils depot based services where there is a need to cover absences and vacancies and out of normal hours such as bank holiday catch-up for services such as Refuse and Recycling. This allows the services to run uninterrupted but can mean that there is a need to;

- Ring up for agency staff on any particular day if there are staff absences
- Ensure those agency staff are adequately trained on health and safety measure and PPE requirements
- Ensure agency staff are conversant with rounds and working practices which can be time consuming and can on occasion lead to damage to plant and equipment.

4.2.2 The Assistant Director Stevenage Direct Services is reviewing the use of this type of agency use by employing directly to cope with normal levels of demand during the current year. These include:

- The increase in directly employed operatives
- A change in working patterns for the street scene team to ensure employees are scheduled to work at times when work needs to be undertaken to avoid using agency staff or employee overtime
- The creation of a bank of staff who can be called upon at short notice to fill resourcing gaps in the manner that agency workers are used currently. These individuals will be multi-skilled, so will have the skills and training to be deployed to different teams as required to support the operation.

4.2.3 This is not intended to bring financial savings but rather improve the resilience of the service with directly contracted and trained by the Council.

4.2.4 In addition agency staff will be used for those unplanned peak demand periods where say sickness levels are high due to the winter months or recruitment is in train.

### **4.3 Measures in place to manage agency use for hard to recruit to roles**

- 4.3.1 For specialist professional technical roles, such as surveyors or housing professionals, the review undertaken as part of writing the report, has highlighted that agency workers are being used for significant periods of time. These roles are generally expensive, as individuals with these skillsets, often command higher day rate salaries compared to those employed to do these roles directly.
- 4.3.2 The reasons for the length of these assignments varies, however, a number of reasons have been identified such as :
- Recruitment difficulties in attracting the right calibre of candidate with the required technical skills
  - Higher private sector or London based Council (Unitary) salaries.
- 4.3.3 Salaries are based on the Councils NJC job evaluation scheme which may not be competitive with the wider market. The job evaluation scheme is required for single status and job parity, but can sometimes hinder recruitment.
- 4.3.4 Reviewing the agency assignment in the key specialist role category, jobs could be advertised a number of times before addressing any market supplement need and so aiding a swifter appointment.
- 4.3.5 As a result a number of actions are being implemented which are, firstly the agency worker key performance indicator has been reviewed and will now highlight any agency workers who have been in place over 12 weeks on a quarterly basis. This will be highlighted to the relevant Human Resource Business Partner for discussion with the relevant Assistant Director to ensure quicker intervention and reduce the duration of assignments (from 1 April 2021).
- 4.3.6 Specific recruitment marketing support has been engaged via a local firm with expertise in this area, to help review recruitment advertising options available to the Council and ensure that for specialist professional technical roles, advertising strategies can be deployed that target candidates within those niche areas.
- 4.3.7 A review of the branding of job advertisements is currently underway, due to be completed the end of September 2021. This will include the use of the 'Stevenage Even Better' logo and colour scheme to align job adverts with the Council's marketing materials used for the Council's top Priorities such as Regeneration.
- 4.3.8 This is to ensure the Council can attract the best calibre of staff to deliver its ambitious work programme and unify existing branding material.
- 4.3.9 Additionally a procurement process has commenced for a new Applicant Tracking System. This system will aid with attraction of candidates as part of the initial stages of the recruitment process and also, help keep candidates informed and engaged in the recruitment process throughout their application, contributing to the overall success of the recruitment and attraction process.
- 4.3.10 Members are asked to note the above actions already implemented and planned future actions.

**5 IMPLICATIONS**

**5.1 Financial Implications**

- 5.1.1 As the supply of agency worker contract was awarded on framework basis, no-one supplier is guaranteed any business; roles will be requisitioned on the basis of the need for resource, the price, availability and quality of agency workers submitted. This model allows for flexibility as business unit reviews progress in operational service areas take place.
- 5.1.2 It should be noted that whilst in some cases resources supplied via a recruitment agency are more expensive than direct employment, this will not always be the case particularly in the engagement of operational staff.

**5.2 Legal Implications**

- 5.2.1 Under the 2011 Agency Worker Directive, agency staff accrue some workers' rights on day 1 of their employment and further rights after 12 weeks.

**5.3 Risk Implications**

<b>Risk</b>	<b>Mitigating Action</b>	<b>Residual Risk Level</b>
Failure to recruit to new roles.	Specific recruitment marketing will be put in place for each of the roles to support any recruitment.	Low
Increase in establishment costs in areas where specialist professional technical roles are required.	New KPI implemented to ensure the duration of these assignment is closely monitored	Medium
Failure to attract individuals to the multi-skilled roles	Targeted adverts and benefits of working in the multi-skilled roles will be produced and utilised	Low

**5.3 Staffing Implications**

The measures outlined in this report should improve the resilience of the workforce and ensure that recruitment and retention processes are improved to reduce the reliance on agency workers.