



Haringey Council

[No.]

Agenda item:

General Purposes Committee

On 3 December 2007

Report Title: **Agency Workers Usage**

Forward Plan reference number (if applicable):

Report of: **Interim Head of Human Resources**

Wards(s) affected: **All**

Report for:

1. Purpose

1.1 To inform Committee about the numbers and deployment/usage of agency workers across the council over the last six months.

2. Introduction by Cabinet Member

2.1 This report provides members with update on the use of Agency staff across the Council. Members will note the high percentage under the 'business volume' category which obviously will require more work to be done to understand the reasons for this trend. Although the report is for noting, the Committee's views are nevertheless welcome.

3. Recommendations

Note the contents of this report

Report Authorised by: **Stuart Young Assistant Chief Executive, People and Organisational Development**

Contact Officer: **Steve Davies, Interim Head of Human Resources (extn 3172)**

4. Chief Financial Officer Comments

The Chief Financial Officer has been consulted in the production of this report and notes the useful management information available now available to the authority under the managed service contract.

5. Head of Legal Services Comments

5.1 The Head of Legal Services has been consulted on the content of this report and has no specific comment to add.

6. Local Government (Access to Information) Act 1985

6.1 No documents that require to be listed were used in the preparation of this report.

7. Background

7.1 The Hays Managed Services – Agency Worker contract went live in May 2006. This report looks at the deployment and usage of staff in the last six months.

7.2 Since the contract was implemented there has been a dramatic decrease in the usage of Agency Workers. At the end of the last financial year Mar 2007 there was some 2321 agency workers. This has reduced to an agency population of 739 in September 2007 - a reduction of 68%.

8. Reasons for Hiring Agency Workers

8.1 As part of the process for engaging agency workers hiring managers need to identify the reasons for engaging the worker. There are a number of pre-determined categories that the manager can select from as follows: Holiday, Maternity, Awaiting permanent recruitment, Sickness, and Volume of Business.

8.2 Monitoring of these reasons is undertaken and the table below outlines the situation over the last 6 months.

Reason For Hire	Mar-07 %	Jun-07 %	Sep-07 %
Holiday	4	2	2
Maternity	0	1	1
Perm Recruitment	1	3	4
Sickness	13	4	4
Volume of Business	83	90	89

- The reasons behind the hire of temporary staff have stayed relatively stable over the last three quarters.
- The bulk of hires are due to 'volume of business' – which refers to a need for staff that doesn't come under the normal classifications above, often where there is no established vacancy. Some areas have funding for this type of worker within their budgets. For example in the case of schools catering they serve approximately nine hundred more meals a day during the autumn / winter term and use temporary staff for a short mid day shift to help cope with this surge in demand as it is not practical to recruit permanently.
- Every Directorate utilises the category 'volume of business' for at least 84% of their agency workers, with slight drops in POD and ACCS due to increases in permanent recruitment following the restructuring period.

- The only category where there has been a noticeable change is the number of agency workers working to cover absence due to sickness of permanent staff. This is because sickness absence has improved during this period.

8.3 Reasons for Hire by Directorate as at September 2007.

Reason For Hire by % breakdown	ACCS	Corp Res	P&OD	PPPC	CYPS	Urban Env
Holiday	1	3	9	11	2	2
Maternity		1		3	1	
Perm Recruitment	3	7	18			3
Sickness	4	4			9	2
Volume of Business	92	85	73	86	88	93

9. Length of Engagement of Agency Workers

- 9.1 If an Agency temp worker is required for a longer period than 3 months, then the Manager must complete the business case rationale field on the Work Flow ordering page. The extension must be authorised by the approving officer before the worker can continue. Any extensions for 9 months or more need to be approved by Assistant Director level.
- 9.2 The table below outlines the length of service by reasons for hire based on the September 2007 agency worker population.

Reason For Hire by % breakdown	1 - 3 mths	3 - 6 mths	6 - 9 mths	9 - 12 mths	12+ mths
Holiday	52	26	10		12
Maternity	20	40			40
Perm Recruitment	27	38	21	6	9
Sickness	43	33	17		7
Volume of Business	24	21	18	10	29

- This shows that agency workers covering absence due to sickness and vacancies during permanent recruitment tend to be short term i.e. less than 6 months.
- The Adults, Culture & Community Services directorate are currently putting a process in place to increase the scrutiny of reasons behind temporary staff hire and extensions. With a quarterly 'forum' where service heads and ADs have to provide explanations to the director for any temps that continue service beyond 9 months.

10. Pay Band Distribution of Agency Workers

10.1 The table below shows the distribution of agency workers within pay bands based on the September 2007 agency worker population.

Reason for Hire by % breakdown	Manual - Sc5	Sc6 - SO2	PO1 - PO3	PO4 - PO7	PO8+
Holiday	95		5		
Maternity	60	20		20	
Perm Recruitment	53	12	12	18	6
Sickness					
Volume of Business	90	7	3		

- 66.1% of agency workers working within the Council in September would be classed as a manual – Scale 5 grade, based upon what the business units are charged for them.
- Only 11% of agency workers are charged for at a PO4 grade or above, with covering a vacancy during perm recruitment being the only reason for hire for temps of grade PO8 +.
- The large number of agency workers in the manual to scale 5 to manual category suggests that they are covering low skill, entry level positions that are service critical e.g. care assistants and GKAs, where the service will suffer in the immediate term if there is nobody there and the posts are quite generic so it's possible to find replacements. Whereas with the higher graded vacancies and absences it may not be necessary to have somebody in place if it is only for a short period of time and is more difficult to find somebody to fit the requirements, so temps aren't used as much to cover their short term vacancies.

11. Pay Rate comparison of Agency Workers against Permanent staff

11.1 The table below shows the relative cost of agency workers in the most commonly used roles compared with the cost of permanent staff.

Agency worker Job title	Grade Band	Count	Ave Hrly Charge rate	Comparator Permanent Job	Ave Hrly rate with oncosts	Diff
Administrator	M - Sc 5	42	£13.48	Administrator	£12.82	£0.66
Cleaner	M - Sc 5	29	£8.45	Cleaner	£9.23	-£0.78
General Kitchen Assistant	M - Sc 5	27	£8.30	GKA	£9.07	-£0.77
Support Worker	M - Sc 5	27	£11.54	Support Worker	£11.03	£0.51
Customer Service Officer	M - Sc 5	23	£9.93	Customer Services Officer	£17.15	-£7.21

Agency worker Job title	Grade Band	Count	Ave Hrly Charge rate	Comparator Permanent Job	Ave Hrly rate with oncosts	Diff
Parking Attendant	M - Sc 5	20	£10.32	Parking Attendant	£10.75	-£0.43
Administrative Officer	M - Sc 5	16	£12.31	Administrative Officer	£16.51	-£4.20
Landscape Labourer	M - Sc 5	15	£9.00	Gardener	£9.55	-£0.56
Receptionist	M - Sc 5	9	£10.58	Receptionist	£13.03	-£2.46
NightCarer - Weekly	M - Sc 5	7	£10.49	Night Care Officer	£9.73	£0.76
Escort	M - Sc 5	6	£8.80	Escort	£9.99	-£1.19
Domestic	M - Sc 5	5	£8.52	Domestic Worker	£7.71	£0.81
Care Assistant	M - Sc 5	8	£8.99	Care Assistant	£9.73	-£0.74
Planning Enforcement Officer	P01 - P03	4	£25.79	Planning Enforcement Officer	£18.22	£7.57

This shows that for the majority of positions the cost of the agency worker is cheaper than the permanent employee of the council.

12. Proportion of Agency Workers compared to other London boroughs.

12.1 In Haringey the proportion of Agency workers to the workforce is 11%. A recent survey by London Councils shows that the average agency rate is 16%.

12.2 The Adults Social Care Workforce survey published in October 2007 shows that across London the average agency rate is 16.3%. In Haringey the proportion in Adult, Culture & Community Services is 13.7%.

12.3 This shows that the proportion of Agency workers within the council is good compared to usage across London.

13. Financial Implications

13.1. None.

13. Legal Implications

13.1 See paragraph 5.1

14. Equalities Implications

14.1. The proportion of Black & Minority Ethnic (BME) agency workers is good. Of the jobs submitted for agency placement 54% were offered to BME workers and 67% of the jobs went to BME workers. This demonstrates that agency worker placement and monitoring is working from an equalities perspective and ensures that council delivered services are provided by workers that broadly match the resident profile.