



Haringey Council

Agenda item:

[No 1

General Purposes Committee

On 26 June 2008

Report Title: **Actions to reduce Consultants & Manage Long Term Agency Usage**

Forward Plan reference number (if applicable): **[add reference]**

Report of: **Assistant Chief Executive (People & OD)**

Wards(s) affected: **ALL**

Report for: **Key decision**

1. Purpose

To provide information on actions to reduce consultancy usage and manage long term agency temps in the Council.

2. Introduction by Cabinet Member – Cllr Charles Adje

2.1 This report provides Members with an update on the improvement made of the use of consultants and agency staff following a Member Working Group.

3. Recommendations

3.1 To note the improvements that have been made in the management of agency workers to date.

3.2 To note the actions being undertaken by management to further improve the management of both consultants and long-term agency workers.

Report Authorised by: **Stuart Young, Assistant Chief Executive (People & OD)**

Contact Officer: **Steve Davies, Head of Human Resources, 020 8489 3172**

4. Chief Financial Officer Comments

The Chief Financial Officer has been consulted over the contents of this report and notes that continued focus on reducing use of and dependence on long term agency workers and consultants should support the authorities drive to achieve value for money both in terms of control of costs but also in terms of the effective use of our human resources.

5. Head of Legal Services Comments

There are no specific comments from legal. However it is worth noting that a deal between unions and employers was agreed on agency workers in the UK receive equal treatment after 12 weeks' employment.

Both the CBI and TUC agreed a deal which has the effect of agency workers in the UK receive equal treatment after 12 weeks employment.

The new proposals state that agency workers will be given equal pay and holiday entitlements after 12 weeks employment.

However, the agreement will not give agency workers sick pay or pension payments while temporary staff will have to work the same length of time as full-time workers to enjoy paid maternity leave.

It is the Government's plan to pass the equal treatment legislation in autumn but this depends on a similar EU directive being passed before then.

EU members are at present debating legislation on the issue and a number of key matters remain undecided. It is only when Brussels passes a directive will the UK government be in position able to put forward implementing legislation

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. Financial Implications

7.1 There are no significant financial implications arising out of this report. Potential savings may be accrued from a reduction in consultants or long term agency workers. This is difficult to quantify. However, services need to be clear that they have the capacity and capability to deliver if they are looking to fulfil the work from existing or new permanent staff resources.

8. Legal Implications

8.1. See paragraph 5 above.

9. Equalities Implications

- 9.1 The proposals ensure that we are managing and minimising our reliance on consultants and agency workers. This will increase the permanent workforce and ensure greater opportunities for employing a diverse workforce.

10. Background

The Council introduced a policy to help monitor and control the engagement of consultants across the council in April 2007.

The policy outlines that only authorised budget holders should approve spend on Consultants. There is a process for Assistant Directors to authorise extensions over 3 months.

Separately, in May 2006 a contract was let for the supply of agency temps. This too set limits on the duration of use and required that the extensions of duration are authorised by senior managers.

The effect of these changes has been to reduce the reliance on both consultants and agency staff. At the time that the agency contract commenced Council usage of temps peaked at 2200. In April 2008 there were 581 temps engaged, approximately a quarter of the previous rate. The use of consultants has also reduced from 56 in January 2007 to 44 at present.

11. Proposal for further action

To further reduce Council reliance on agency temps it is proposed to address long term usage. This occurs when a vacancy cannot be filled typically in high turnover or hard-to-recruit occupations. Long term agency workers are those engaged for 12 months or longer. There are 94 such instances where a vacant post is being covered. It is proposed that this arrangement is regularised by reassessing the need for staff, and where appropriate applying the recruitment process. By applying our standard recruitment the Council ensures that it appoints based on merit (a legal requirement) and avoids any introductory fee from the supplier should the temp be appointed.

To reduce consultant use a review of the 44 engagements has commenced. Each Director is preparing a business case where continued use of a consultant is required. These will be the subject of consultation with the relevant Cabinet Member(s). Thereafter any circumstances requiring consultant use will be similarly treated and discussed between Director and Cabinet Member(s). The Assistant Chief Executive (People & OD) will oversee the use of consultants with the Cabinet Member for Resources.

General Purposes Committee has employment matters within its terms of reference and will receive regular updates on the process and use of both agency and consultant resources.