

## Summary Sheet

### Committee Name and Date of Committee Meeting

Overview and Scrutiny Management Board – 3 October 2018

### Report Title

Response to Recommendations from Overview and Scrutiny Management Board –  
Use of Agency, Interim and Consultancy Staff

### Is this a Key Decision and has it been included on the Forward Plan?

Yes

### Strategic Director Approving Submission of the Report

Shokat Lal, Assistant Chief Executive

### Report Author(s)

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### Ward(s) Affected

All

## Summary

Over the course of 2016-17, Overview and Scrutiny Management Board (OSMB) expressed its concerns at the increasing and significant forecast of in-year overspend. Related to this had been concerns about the use of agency staff and consultants across the authority and if there was robust management control in place at that time. It was agreed that a small cross-party working group would be established to examine what actions were being taken to drive down the number of agency staff and consultants and consequently reduce the associated financial impact.

The recommendations made by Members are based on information and evidence collated during the course of the review and their challenge of existing practices and developing protocols.

Under the Overview and Scrutiny Procedure Rules, the Cabinet is required to respond to any recommendations made by scrutiny and this report is submitted to meet that requirement.

## **Recommendations**

1. That the Cabinet's response and their agreement to the recommendations of the scrutiny review on the Use of Agency, Interim and Consultancy Staff be noted.

## **List of Appendices Included**

Appendix A Cabinet's Response to Scrutiny Review on Use of Agency, Interim and Consultancy Staff

## **Background Papers**

Report of the Overview and Scrutiny Management Board – [Scrutiny Review of Use of Agency, Interim and Consultancy Staff](#)

## **Consideration by any other Council Committee, Scrutiny or Advisory Panel**

Council – 31 October 2018

## **Council Approval Required**

No

## **Exempt from the Press and Public**

No

## **Response to Recommendations from Overview and Scrutiny Management Board – Use of Agency, Interim and Consultancy Staff**

### **1. Recommendations**

- 1.1 That the Cabinet's response and their agreement to the recommendations of the scrutiny review on the Use of Agency, Interim and Consultancy Staff be noted.

### **2. Background**

- 1.1 The purpose of the review was to seek assurance that the Council measures performance and value for money in its use of agency staff and consultants and was taking appropriate action to maintain spend within acceptable limits. The recommendations made by Members were based on information and evidence collated during the course of the review and their challenge of existing practices and developing protocols.
- 1.2 The review report was submitted to Council on 23 May 2018, which represented the formal publication of the report. Under the Overview and Scrutiny Procedure Rules, the Cabinet is required to respond to any recommendations made by scrutiny and this report is submitted to meet that requirement.

### **3. Key Issues**

- 3.1 There are 12 broad recommendations arising from the scrutiny review of Use of Agency, Interim and Consultancy Staff, which are detailed in Appendix A. The schedule provides detail in respect of whether the recommendations are agreed, not agreed or deferred. Where recommendations are agreed, the schedule details what action will be taken, by when and who will be responsible.
- 3.2 By way of context, the twelve recommendations from Overview and Scrutiny Management were:
  - (i) That the following definition of agency, interims and consultancy staff is adopted and is applied consistently across the Council. It is suggested that a further report is provided to this sub-group in six month on its implementation.
    - (a) Agency Staff - Individuals employed and paid for through an agency. They may be covering a single specific vacancy or be covering a capacity gap left by a number of vacancies, by specific demand pressure or as a result of a skills gap. They may or may not have decision making authority or staff management responsibilities.

- (b) Interims - Individuals working day to day 'as though an employee' but not engaged through an agency contract. They may be covering a single specific vacancy or be covering a capacity gap left by a number of vacancies, by specific demand pressure or as a result of a skills gap. They may or may not have decision making authority or staff management responsibilities.
  - (c) Consultancy/Independent Contractor - An individual or a company engaged through a tender/procurement process to carry out a defined piece of specialist work or a project. The company or individual would not be expected to have any decision making authority or staff responsibilities and the work would be expected to culminate in an output e.g. a report. They may work predominantly on or off site depending on the nature of the piece of work.
- (ii) That the above definition is appended to the Workforce Management Board's (WMB) terms of reference to ensure that there is a shared and consistent understanding of the criteria. It is further recommended that the Head of Procurement escalates to the Board any issues or concerns arising out of an extension or variation to the tendered contract which takes it significantly beyond the original timeframe or agreed expenditure.
- (iii) That following the development of clear definitions relating to the appointment of agency, interims and consultants, that there are corresponding budget codes developed to ensure that accurate monitoring can be undertaken.
- (iv) That prior to the appointment of consultants, there should be a clear business case developed aligned to service plans to demonstrate the necessity of the appointment and why external resources are required to complete the task. To avoid 'drift', the business case should outline clear outcomes, timescales and what resources are required; with variations to the business case reported to the WMB by the Head of Procurement.
- (v) Wherever possible and appropriate, there should be a development element in the engagement of consultants in order to develop in-house capacity. The business case should outline how this is to be addressed.
- (vi) That the transformation plans for Adult Social Care are carefully monitored to ensure that agency and consultancy use is delivering value for money and practice improvements.

- (vii) That an audit is undertaken to clarify how many agency staff are in posts for more than 12 months; their length of service; if a business case was developed at the time of appointment and if so, whether this has been reviewed and by whom. On the basis of this information, that plans are drawn up as soon as possible to action permanent recruitment if there is a service requirement for the posts and if this cannot be demonstrated, that agency staff or interims are released.
- (viii) Following from this, to avoid 'drift', the business case developed to support the appointment of agency staff should outline clear outcomes, timescales and resources and explicit alignment to the service plan; with variations to the business case or extension to contract reported to the WMB.
- (ix) That further work be undertaken to lessen the requirement for seasonal agency staff. This should include annualising hours or ensuring operatives 'multi-task' and are able to share roles and functions. The review asks that a further report be provided exploring options.
- (x) That the WMB should have regular discussions with in-house trade unions and staff fora to seek their views if there are alternative options to the appointment of agency staff or consultants; particularly in services where there is the possibility of redundancies.
- (xi) That the WMB should explore the feasibility with other councils and public sector partners of developing an in-house 'bank' system or employment agency to reduce cost and reliance on external agencies.
- (xii) That OSMB convenes a sub-group bi-annually to review the progress of the WMB in meeting the priority measure and the implementation of accepted recommendations.

#### **4. Options considered and recommended proposal**

- 4.1 The options considered were detailed within the report and recommendations from the Overview and Scrutiny Management Board. A number of recommendations from the Overview and Scrutiny Management Board have already been implemented, with arrangements for review by the Workforce Management Board in place.
- 4.2 This report proposes that all of the recommendations from the Overview and Scrutiny Management Board be formally accepted by the Cabinet. The recommendations from scrutiny are welcomed and contribute to the ongoing strengthening of arrangements to manage the use of agency, interim and consultancy staff by the Council.

#### **5. Consultation**

- 5.1 There has been no further consultation on this report beyond the requirements of internal processes, alongside consultation with the Cabinet member.

- 5.2 It should be noted that Trade Unions were consulted as part of the review by the Overview and Scrutiny Management Board. In response to recommendation 10, it has been agreed that Trade Unions will be consulted at quarterly Joint Consultative Committee meetings for their views on alternative options to the appointment of agency staff or consultants.

## **6. Timetable and Accountability for Implementing this Decision**

- 6.1 The timetable for implementing the recommended actions is set out in the attached schedule (Appendix A).
- 6.2 Various senior officers across the authority will be responsible for the implementation of the agreed recommendations. The Assistant Chief Executive and the Assistant Director of Human Resources and Organisational Development will be accountable for the overall implementation of the review's recommendations.

## **7. Financial and Procurement Advice and Implications**

- 7.1 Finance and Procurement will develop and implement actions where appropriate in response to the recommendations in Appendix A. This includes communication of the revised definitions and the development of suitable controls and reports to monitor spend with clear escalation processes where required.

## **8. Legal Advice and Implications**

- 8.1 There are no direct legal implications arising from the recommendations in this report.

## **9. Human Resources Advice and Implications**

- 9.1 HR implications are contained in the recommendations shown in Appendix A. These recommendations will be incorporated into the Workforce Management Board terms of reference and Directorate board representatives charged with bringing full detail of agency, consultants and interim along with clear exit strategies to future board meetings.

## **10. Implications for Children and Young People and Vulnerable Adults**

- 10.1 There are no implications for children and young people or vulnerable adults directly arising from this report.

## **11. Equalities and Human Rights Implications**

- 11.1 There are no direct equalities or human rights implications arising from this report.

## **12. Implications for Partners and Other Directorates**

- 12.1 There are no implications for partners arising from the recommendations from the Overview and Scrutiny Management Board.

- 12.2 All directorates of the Council will be required to work within and comply with the procedures adopted in respect of the use of agency, interim and consultancy staff.

### **13. Risks and Mitigation**

- 13.1 There are no additional risks presented by the recommendations from the Overview and Scrutiny Management Board. The recommendations themselves and the proposed actions serve to mitigate risks in relation to lack of action or compliance. Furthermore, risks to the arising actions will be monitored by officers and will be reported to the Overview and Scrutiny Management Board when reviewing the implementation of its recommendations.

### **14. Accountable Officers**

Shokat Lal, Assistant Chief Executive

Lee Mann, Assistant Director – Human Resources and Organisational Development

Approvals obtained on behalf of:-

	<b>Named Officer</b>	<b>Date</b>
Strategic Director of Finance & Customer Services	Nikki Kelly	22.08.2018
Assistant Director of Legal Services	Dermot Pearson	29.08.2018
Head of Procurement (if appropriate)	Karen Middlebrook	21.08.2018
Assistant Director – Human Resources (if appropriate)	Lee Mann	28.08.2018

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