

**ROTHERHAM METROPOLITAN BOROUGH COUNCIL
REPORT TO SCRUTINY –SELF REGULATION SELECT
COMMISSION**

1.	Meeting:	Scrutiny – Self Regulation Select Commission
2.	Date:	27th March 2014
3.	Title:	Agency Worker Usage
4.	Directorate	Resources

5. Summary

To provide an overview of agency worker activity across the Council including rationale for use.

6. Recommendations

- **To support the continued use of agency workers if managed in accordance with the Temporary Agency Workers policy and supporting guidance.**

7. Proposals and Details

7.1 Background

The Council has had a master vendor contract for the supply of temporary agency workers in place since 2007. It is important that usage of such workers should be managed in a cost effective and business efficient way. In order to ensure this happens an overarching policy document (see Appendix A) plus a range of guidance documents are in place to inform managers of the processes and procedures which should be followed to achieve this efficiency. If used correctly the additional costs for agency workers in higher hourly rates and agency commission can largely be offset by not incurring other 'On-costs' associated with National Insurance and Pension contributions or costs nor eventual redundancy payments or employment litigation costs associated with employment being brought to an end. .

Senior management in each directorate are supplied, on a monthly basis, with a range of data regarding their agency usage. Detailed workforce data is also supplied on an annual basis to assist with workforce planning. (Documents attached as Appendix B).

7.2 Trends

Over the last three year period the overall spend on agency workers has dropped significantly although there is a slight upward trend showing in this current year (2013/14).

Directorate	2011/12	2012/13	2013/14 (to end of Jan14)
CYPS	£1,854,856	£545, 773	£693,669
EDS	£286,771	£266,232	£602,285
NAS	£573,207	£519,111	£308,936
Resources	£631,418	£194,098	£41,254
Total	£3,346,252	£1,525,214	£1,646,144

It should be noted that structural changes have affected spend in some directorates e.g. dissolution of RBT and Rotherham 2010 and services moved from Resources to EDS and NAS.

7.3 Directorate usage

A short summary of directorate activity is given below. A more detailed overview is provided in Appendix C.

Children and Young People's Services (not including schools) – The current spend in the directorate is £286.3k higher when compared to the same point last year. Agency workers are mainly used to cover vacant posts, sickness/absence and maternity leave. Also included are the £92,000 costs paid to the Agency for the 10 months of interim cover of the Director of Children, Families and Safeguarding post. It is not generally recommended to use agency workers to cover maternity leave but shortages of children's social workers, particularly for temporary recruitment has made this approach the only option.

Neighbourhoods and Adult Services - The directorate is slightly up on agency usage (+£47.7k) compared to this time last year. Again this is mainly due to covering of vacant posts plus backfilling whilst permanent employees cover project work.

Environment and Development Services – The directorate has spent £366.4k more when compared to last year. This is due to several factors including the movement of some services from Resources to EDS, covering of vacancies, sickness/absence and annual leave in waste management and the change to supplementing casuals with agency

workers for seasonal gardening. This arrangement had been determined by service management after an options appraisal and assessment of forecast cost compared to previous seasonal worker costs.

Resources – due to decreasing size of the directorate agency worker usage is very low and the current spend stands at just £41k, a decrease of £135.4k from this time last year.

8. Finance

As detailed above the spend to date on agency workers is £1.6m which is an increase of £469k compared to last year. Although this figure may appear large put into context against the £70m savings the Council has delivered over the last three years, assisted by the depletion of over 1,000 posts, it could be argued that the spend is not as excessive as initially perceived.

Agency spend prior to the budgets cuts was generally in the region of £3m per year e.g. 2008/09 = £3.8m and 2009/10 = £4.6m. There is no set departmental budget for agency worker usage so any costs associated with this activity would come from existing staffing budgets.

For vacant post cover the budget allocated for that post will meet the majority of the cost for the agency worker but for other incidences e.g. sickness, maternity, annual leave etc. this will be additional to the allocated staffing budget.

Hourly rates for agency workers are higher than those paid for employees, although in the majority of cases the agency worker themselves receives the same rate as a permanent employee, with the additional monies being for on costs and agency commission. However for certain posts e.g. social workers the hourly rates far exceed the amount permanent employees receive. For example Band I social worker – agency rate £31.93 per hour (£29 to the employee), Council rate = £18.13 (including on costs).

9. Risks and Uncertainties

Agency workers are a vital commodity if we wish to maintain effective services. Failure to cover vital posts would not only comprise the health and safety of our most vulnerable residents and reduce levels of service to below an acceptable level for others it would also raise concerns and effect the outcomes of inspection regimes e.g. Ofsted.

10. Policy and Performance Agenda

Agency workers are used across the Council and therefore they support all the corporate priorities, albeit some more than others.

11. Background Papers and Consultation

Management information from Dutton International and Procurement

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