

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CORPORATE SCRUTINY COMMITTEE – 12 JUNE 2019

Title of report	WORKFORCE AND AGENCY COSTS
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Purpose of report	To provide an update on workforce metrics and costs including spend on agency workers during the 2018/19 financial year.
Council Priorities	Value for Money
Implications:	
Financial/Staff	This purpose of this report is to provide information on staffing arrangements and to detail the approaches being undertaken by officers to ensure the workforce is being effectively deployed to achieve optimum efficiency.
Risk Management	No risks.
Equalities Impact Screening	N/A
Human Rights	N/A
Transformational Government	N/A
Comments of the Head of Paid Service	The report is satisfactory
Comments of Section 151 Officer	The report is satisfactory
Comments of Monitoring Officer	The report is satisfactory
Consultees	The report has been circulated to the Council's recognised trade unions for information and comment.

Background papers	Papers are held in the office of the Head of Human Resources and Organisation Development. (Room 132 Council Offices, Coalville) Report to Policy and Development Group dated 27 June 2018.
Recommendations	THAT THE CORPORATE SCRUTINY COMMITTEE NOTES AND COMMENTS ON THE LATEST WORKFORCE DATA AND AGENCY SPEND.

1.0 BACKGROUND

- 1.1 A report on workforce information and the use of agency temporary workers was considered by the Policy and Development Group and Cabinet in June 2018. At the time of that report the annual spend on agency workers totalled £1.8 m during the financial year 2017/18. The report concluded that while there were circumstances that explained the increase in spend and reliance on temporary agency workers, it was recognised that the use of agency workers should be reduced in future financial years and a target was set for the reduction of the spend level to £1.4m in 2019/20, a further reduction to £1.0m in 2020/21, and then a final reduction to £800k in 2021/22.
- 1.2 To assist with the reduction in spend a process was put in place across the Council to monitor and manage agency contracts involving a review of all agency worker contracts on the 12 week anniversary of starting. This involves approval by the Head of Service and the Head of HR and OD for any agency contracts extending beyond the 12 week period.

2.0 WORKFORCE DATA 2018/19

- 2.1 The spend on agency contracts is detailed in the table below. The spend has reduced to under the target set in the previous report at £1.39m in 2018/19.

Department	Comensura Agency Spend (£)	Other Agency spend (£)	Total Spend (£)	% of spend
Housing	833,334.85		833,334.85	60%
Housing General Fund	44,372.16		44,372.16	3%
Community Services	89,481.46		89,481.46	6%
Regeneration and Planning	57,101.66	23,243.13	80,344.79	6%
Customer Services	32,066.05		32,066.05	2%
Legal and Democratic Services		31,146.33	31,146.33	2%
Environmental Health	36,271.53	1,350.00	37,621.53	3%
Finance / Audit	218,496.71	10,240.00	228,736.71	16%
Chief Executives	-	13,488.15	13,488.15	1%
Totals	1,311,124.42	79,467.61	1,390,592.03	100%

- 2.2 The majority of the spend was in the Housing Repairs Team, with the Housing department accounting for 60% of the total spend across the Council, with the next highest spend in the Finance team. The spend is split in the table between spend under our umbrella agency contract (Comensura) and that incurred with other agencies not covered by the Comensura contract. The other agency spend occurs in situations where we have been unable to source temporary agency cover through Comensura – this can happen where there are particular occupational recruitment issues which restrict the supply of suitable workers.
- 2.3 The Housing and Property team had to make extensive use of interim agency support, whilst recruiting to the new approved structure for the Department. Posts covered during this period were at all levels of the organisation from senior managers to operatives carrying out repairs, and front line staff both dealing with the public and back office administration. Following successful recruitment exercises during the year the call upon agency resources was significantly reduced by the end of the year, and a further reduction is projected for 2019/20. The agency roles were funded from the existing salary budgets for the vacant positions so do not represent an overspend of salary budgets. In the Finance team the agency spending was temporary cover in the procurement and audit work areas where there are known difficult labour market supply shortages. Permanent arrangements are now in place in those work areas (one was a maternity leave cover).
- 2.4 The size of the Council's workforce inevitably fluctuates over time. The table below shows the number of full-time equivalent (FTE) permanent employees employed at the end of the financial years.

2008/9	489
2009/10	480
2010/11	460
2011/12	456
2012/13	466
2013/14	461
2014/15	459
2015/16	442
2016/17	446
2017/18	444
2018/19	482

Over an 11 year period there was a decline in the workforce to 444 FTE's mark by 2017/18. The number in the permanent workforce has increased during the past year and this can be explained by our clear strategy to transfer employees previously engaged as agency workers to permanent job roles, through internal recruitment processes primarily in the Housing repairs and refuse and recycling service areas. The number of full-time equivalent employees engaged will reduce during 2019/20 through the transfer of the Leisure Centre employees to Everyone Active under TUPE as part of the Leisure contract arrangements. The transfer occurred successfully on the 1 May 2019.

- 2.5 Corporate Leadership Team (CLT) have continued to take a pro-active approach to the management of Agency employees, recognising that while they have their contribution to make to the workforce, the preferred position is to recruit to posts on a permanent basis. The controls introduced to manage the recruitment of Agency workers beyond a

12 week period have continued and will stay in place to manage the spend during 2019/20 to help us with further reducing the spend to meet the target reduction.

3.0 CONCLUSIONS

- 3.1 The reduction target set when the report was presented to members in 2018 has now been achieved with spend on Agency workers during 2018/19 totalling £1.39m against the target of £1.4m. We recognise there will always be a requirement for the use of agency workers to fill short term requirements, but the preferred position is to engage permanent employees, or people on directly employed short term contracts wherever this is possible. We remain committed to achieving our further reduction of total spend being less than £1m in the current year and to then reduce that further to £800K in 1920/21.