

SLOUGH BOROUGH COUNCIL

REPORT TO: Employment & Appeals Committee **DATE:** March 2015
CONTACT OFFICER: Roger Parkin – Director of Customer & Community Services
AUTHORS: Claire Portsmouth
(For all enquiries) (01753) 875472
WARD(S): All

PART 1 **FOR INFORMATION**

Temporary Agency Staff progress on implementation and baseline monitoring

1 Purpose of Report

This report is to provide members with an update on the Temporary Agency Staff contract with Matrix.

2 Recommendation(s)/Proposed Action

The Committee is requested to Resolve:

- (a) That the report be noted.
- (b) Members consider any additional information they would like to see in future reports

3 Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan

3a. Slough Joint Wellbeing Strategy Priorities

The JSNA priorities of particular relevance are:

- The Managed Service Provider will open opportunities for the local economy and SME organisation to provide temporary agency staff to the Council.
- Working with local Job Centres and other organisation to assist job seekers in finding employment and therefore increase skills and employment opportunities.
- Enables the Council to flexibility manage its workforce and meet the need to deliver front line services to residents, particularly within Health & Wellbeing.
- Delivering cashable and efficiency savings across the council.

3b. Five Year Plan Outcomes

The proposals within this report meet the Five Year Plan objectives as follows:

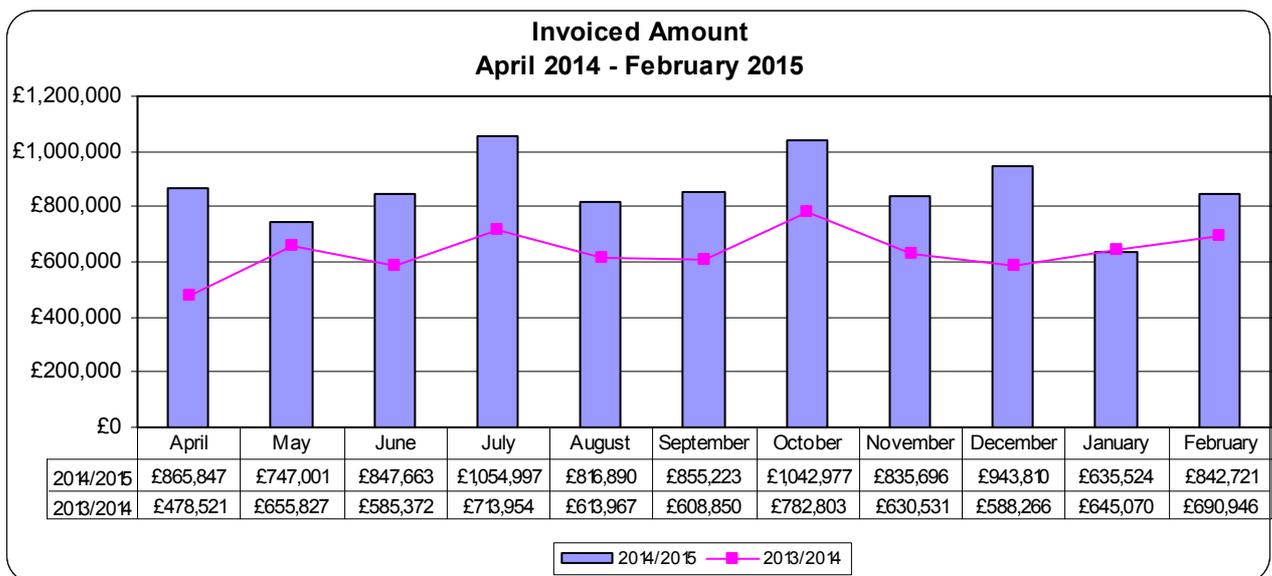
1. Improve customer experience by improving service delivery from the provider.
2. Deliver high quality services to meet local needs by ensuring access to a diverse work force through broadening access to higher quality resource (e.g. Occupational Therapists / Physiotherapists / Qualified Social Workers).

3. Develop new ways of working by introducing a new, end to end automated system for the ordering, tracking, monitoring and analysis of temporary agency staff.
4. Deliver local and national change by increasing opportunities for local and SME agencies to work with SBC.
5. Achieve value for money by ensuring significantly improved service delivery and guaranteed cashable savings.

4 Other Implications

(a) Financial

The total invoiced amount this year to date (April to February 2015) is £9,602,885. Given that our weekly invoice is on average £200k a forecast for the full year of £10.4m reported in the last report remains on target. The graph below shows this years spend against the last financial year, however I should remind you that the increase in 'off contract' spend this year will have affected the distribution.



(b) Risk Management

Risk	Mitigating action	Opportunities
Employment Issues	Service areas unable to source requirements via supply chain on Matrix. Hard to recruit roles identified and processes in place to source these posts. Current market forces in relation to Social Workers are influencing this risk	
Employment Issues	Unable to recruit on agreed pay scales in Matrix. Pay scales are aligned to council job levels and Spinal column points. Assistant Director and or HR approval	

	required to alter pay scales	
Financial	Failure to maximise savings by increasing pre-agreed pay scales within Matrix. Assistant Director and or HR approval required to alter pay scales for specialist roles influenced by market forces e.g. social workers	
Human Rights	None	None
Health and Safety	None	
Equalities Issues	Agency Worker Directive ensures pay parity between full time permanent employees and temporary agency staff.	None
Financial	None	<ul style="list-style-type: none"> • Guaranteed minimum savings of 3% on existing spend (with further opportunities to increase this) • Guaranteed maximum pence-per-hour agency fees • Pay parity between full time permanent employees and temporary staff workers in-line with Agency Worker Directive • Potential discount for workers that have been in post for longer periods of time (although the aim is to challenge the need for worker longer term posts and reduce the need) • Gainshare mechanism – whereby savings achieved over and above the guaranteed minimum will be shared between SBC (90%) and the supplier (10%) • Mechanism for supplier to credit SBC for failure to deliver agreed service levels
Other	None	None

(c) Human Rights Act and Other Legal Implications

There are no Human Rights Act Implications.

(d) Equalities Impact Assessment

An Equalities Impact Assessment has been undertaken and was attached to previous report.

(e) Workforce

There are no implications for permanent staff.

5 Supporting Information

- 5.1 The number of Matrix placements currently stands at 240, up from the last report where the number of placements was 228. The table in fig3 later in the report gives a breakdown by directorate.
- 5.2 Work to move 'off contract' staff and to secure more agencies across the employment categories is continuing with Matrix. Margin costs through re-procurement continue and since quarter 1 has seen a reduction in our costs of £27k. This exercise will continue to be conducted on any agency where staff remain at SBC more than 12 weeks. So far a total of 97 placements have been re-procured against 191 eligible posts (50%).
- 5.3 The current economy continues to challenge pay for certain agency workers and the pay parity between SBC staff and against other temporary staff fulfilling the same post title is variable. The table below gives an illustration of the differences:

Post Title	Pay (lowest)		Pay (highest)		Pay (average)		SBC (range)	
Admin	8.37	10.05	12.50	16.44	9.53	12.05	8.42	10.50
Healthcare NQ	7.26	10.06	35.00	46.42	10.04	14.22		
Healthcare Q	8.00	11.30	45.00	60.28	30.52	37.66		
Senior Social Worker q	22.47	39.00	31.27	52.56	32.66	44.63	18.96	21.33
Support Worker nq	7.65	11.63	8.75	13.29	8.68	12.85	9.53	10.50

Fig 1

The above table shows that the basic salary for a Senior Social Worker is £3.51 per hour higher than the SBC equivalent worker and the higher pay certainly far in excess of the scale point. Work is currently being undertaken in HR on permanent recruitment for Social Workers and the application of market supplements, the figures above therefore show the current status of worker pay. It also shows that there is some disparity between the ranges paid to administration workers, and has also highlighted that we have a disparity between salary pay for temporary and permanent staff undertaking non-qualified healthcare posts (support worker in fig1) where the minimum and maximum pay rate seems to be adrift from the SBC pay scale. Work with Matrix is underway to ensure that

these posts and any incorrect administration posts are correctly coded and any pay rates rectified where necessary.

- 5.4 A report has been produced that shows 1% of the total pay to Matrix comes from agency staff expenses. The majority of these claims are for mileage with the total paid since April last year in excess of £90k. While the mileage rates being paid reflect those paid to permanent staff we continue to pay these rates when the worker reaches over 1000 miles, for which SBC pays a lump sum to permanent staff. Further investigation on this will need to be undertaken to see if this is adding an unnecessary burden to the overall pay bill and whether we need to look at paying mileage claims differently to agency workers who are reaching these higher mileage charges.
- 5.5 Matrix continue to achieve the KPI targets set in the original contract. These relate to the fulfilment of posts, the number of rejected candidates and helpdesk assistance. These rates are monitored through business reviews every quarter. Any agency that continues to perform poorly in the KPI for number of rejected candidates submitted to posts for which they have no qualification or business experience, are penalised through tiering. This ensures that SBC continues to get high quality candidates.
- 5.6 The average number of candidates submitted per advertised post over financial year to date is 11. For posts such as Administration Assistant the average number of candidates per post is 13, Senior Social Worker 16 and Family Support Worker 23.
- 5.7 Recruitment difficulties and recruitment in progress continue to be the most common reason for agency staff requests (54% over the last quarter). February alone had 20 temporary posts advertised for these reasons (77% of the total number of posts advertised that month). 35% were for Social Care Qualified posts although the split by directorate was 50/50 split between Resources, Housing & Regeneration and Wellbeing Directorates.
- 5.8 Below (fig 2) is a typical process flow and approval hierarchy for the employment of agency staff:

Typical Matrix Process Flow

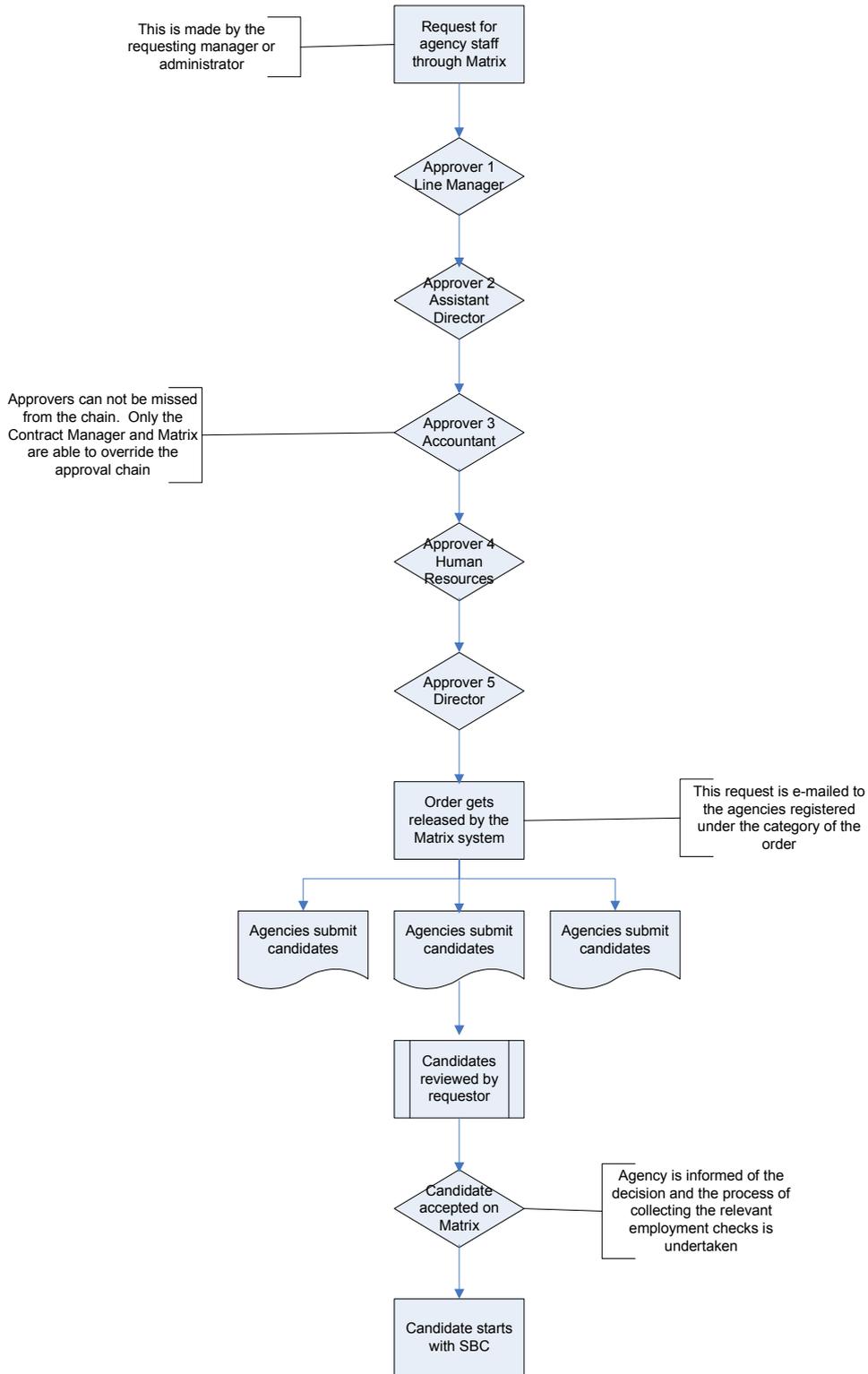


Fig 2

5.9 There currently 24 staff outside of the Matrix contract (as at February) costing a total in January and February of £145,374. This can be split into Temporary Staff (i.e. substantive post cover) £61,481 and Consultants £83,893 (fig3). The majority of spend for this period is in Wellbeing £119,222, 82%. Work will continue to move as many of these to Matrix as and when contracts come up for renewal.

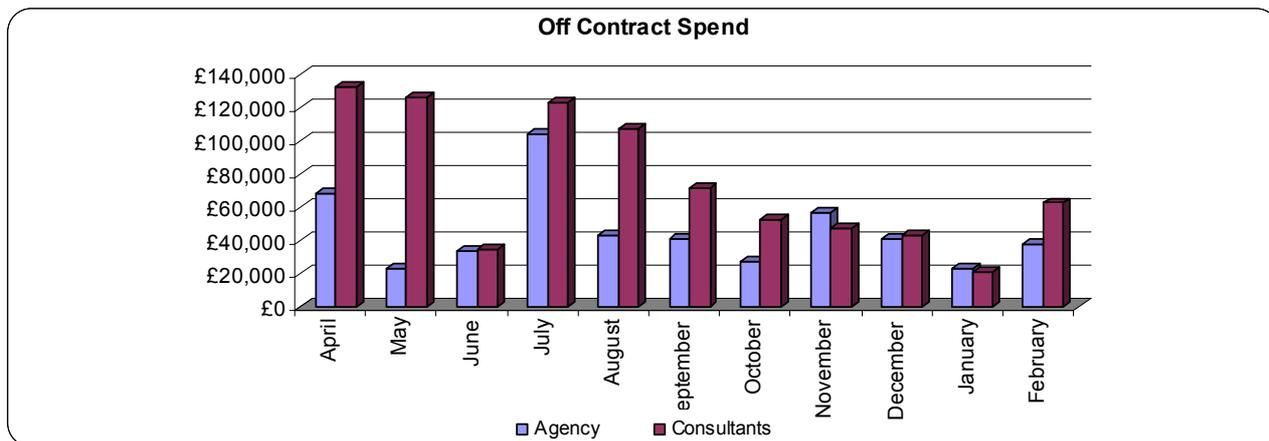


Fig 3

5.10 As requested by members, Matrix are currently working on the latest user survey on their services including the quality of candidates and communication. In conjunction, it is intended to run a parallel survey through the council's new survey portal which is currently being rolled out across the authority. This will focus more on the internal aspects of temporary staff recruitment including the levels of hierarchy approval (fig2), ease of the system and changes to pay rates etc. It is hoped that both surveys will be complete by June and a report with the findings will be submitted to the subsequent meeting of this committee.

5.11 Below is a breakdown of agency staff placements and the tenure of those staff by directorate. It should be noted that there have been changes in directorate make up since the figures in the 2014 column:

Scorecard as at 28 February 2015			2014
Directorate	Number of Placements	Tenure (weeks)	Number of Placements
Chief Executive	9	0-13 = 1 14-26 = 2 27-39 = 4 40-52 = 0 Over 52 = 2	3
Customer & Community Services	13	0-13 = 6 14-26 = 1 27-39 = 4 40-52 = 0 Over 52 = 2	19
Regeneration, Housing & Resources	33	0-13 = 10 14-26 = 9 27-39 = 8 40-52 = 0 Over 52 = 6	11
Wellbeing	185	0-13 = 32 14-26 = 32 27-39 = 32 40-52 = 12 Over 52 = 77	139
Total	240	0-13 = 49 14-26 = 44 27-39 = 48 40-52 = 12 Over 52 = 87	172

Fig 4

5.12 The table below (fig5) shows a breakdown of the number and title of active temporary staff placements by job category. The brackets represent the changes from the last report:

Job Category	Chief Exec	Customer & Community	Resources, Housing, Regen	Wellbeing	Total
Admin & Clerical	3	3	6 (+3)	18 (+5)	30 (+8)
Driving				3	3
Engineering & Surveying		2	2		4
Executive			4 (+1)	4 (+1)	8 (+2)
Facilities/Environmental		2 (+1)	1		3 (+1)
Housing/Benefits/Planning		1	16 (+1)		17 (+1)
IT	1			1 (+)	2 (+1)
Legal	3				3
Management	1 (+)	1 (-1)	1 (+)	3 (+1)	6 (+2)
Manual Labour			2 (+1)		2 (+1)
Procurement		1			1
Social/Healthcare Non-Qualified	1	3 (+2)		41	45 (+2)
Social/Healthcare Qualified			1	115 (-7)	116 (-7)

Fig 5

The number of temporary staff in Admin & Clerical roles has increased since the last report and now represents 12% of the temporary workforce against 10% previously reported, the number of social care staff however has reduced since the last report and is now at 67% (73% in the last report).

The table below (fig6) shows the tenure of staff by job category:

Job Category	0-13	14-26	27-39	40-52	52+
Admin & Clerical	11	7	6	2	4
Driving					3
Engineering & Surveying			1		3
Executive	2	2	4		
Facilities/Environmental	1		1		1
Housing/Benefits/Planning	3	8	4		2
IT	1		1		
Legal		1	2		
Management	1	2	2		1
Manual Labour			1		1
Procurement			1		
Social/Healthcare Non-Qualified	7	7	5	2	24
Social/Healthcare Qualified	23	17	20	8	48

Fig 6

6 Conclusion

6.1 There have been concerns raised by members regarding the costs and numbers of agency staff requested through Matrix. The information provided above should help to alleviate some of those concerns however, the issue still remains that Slough continues to rely heavily on agency staff. Until the structure of the council starts to settle through a number of ongoing consultations and the implementation of the five year plan, costs are likely to increase in the interim period of adjustments.