

Report No.  
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a report  
number

## London Borough of Bromley

### PART ONE - PUBLIC

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**Decision Maker:** EXECUTIVE, RESOURCES AND CONTRACTS POLICY  
DEVELOPMENT AND SCRUTINY COMMITTEE

**Date:** Wednesday 5<sup>th</sup> January 2022

**Decision Type:** Non-Urgent Executive Non-Key

**Title:** COST OF AGENCY WORKERS

**Contact Officer:** Emma Downie, Head of HR Business, Systems & Reward  
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**Chief Officer:** Charles Obazuaye, Director of HR & Customer Services  
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**Ward:** All Wards

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#### 1. Reason for report

1.1 The Chairman of the ER&C PDS requested a report for information on the use and cost of agency workers across the Council and the ten highest paid agency workers. This information is being provided for Members taking into account our duty of care for affected individuals and the requirements of the DPA/GDPR Regulations 2018.

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#### 2. RECOMMENDATION(S)

2.1 The Executive, Resources & Contracts PDS committee are invited to:

- (i) Note and comment on the contents of the report;
- (ii) Refer any queries back to the appropriate Chief Officer for comment and action

### Impact on Vulnerable Adults and Children

1. Summary of Impact: Summarised in Report
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### Corporate Policy

1. Policy Status: Existing Policy
  2. BBB Priority: Excellent Council
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### Financial

1. Cost of proposal: Not Applicable
  2. Ongoing costs: Not Applicable
  3. Budget head/performance centre: Services' employee budgets
  4. Total current budget for this head: c£83m
  5. Source of funding: Existing revenue budgets 2021/22
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### Personnel

1. Number of staff (current and additional): N/A
  2. If from existing staff resources, number of staff hours: N/A
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### Legal

1. Legal Requirement: None
  2. Call-in: Not Applicable
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### Procurement

1. Summary of Procurement Implications: Not Applicable
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### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Not Applicable
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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: Not Applicable

### 3. COMMENTARY

- 3.1 This report summarises the costs of agency workers across the Council. Whilst it is appropriate that budgetary spend is monitored it is equally important to consider this not in isolation but in a climate of national recruitment shortages and to recognise the steps that have already been taken to reduce the Council's reliance on agency workers.
- 3.2 There will always be a requirement for the use of agency workers and in particular across our social care functions where statutory provision applies however the recruitment of permanent staff remains a key aim of the Department's Recruitment and Retention strategy.

#### BROMLEY CONTEXT

- 3.3 From April 2021, the Council moved to a neutral vendor arrangement with Matrix SCM Ltd via the ESPO MStar3 Framework. Prior to this, Adecco had been the Council's Managed Service Provider (MSP) for the provision of agency workers since 2013.
- 3.4 The use of agency staff requires a business case to be considered and approved by the relevant DMT/Director and the Director of HR, Customer Services and Public Affairs.
- 3.5 We currently have 259 active agency assignments of which 65% are in Children and Adult's Services, the majority of which are qualified Social Care posts.
- 3.6 As the Council progresses with its Transformation agenda there will be a need to ensure staffing structures remain sufficiently flexible to support business need and service requirements. The continued use of agency staff in the short term may therefore need to be considered in certain instances as structures realign. In addition, the volatility of the Social Care recruitment market means that agency workers will continue to need to be procured to ensure that the Council meets its statutory responsibilities. However, the perm to agency ratio is currently an average of 84% permanent to 16% agency across qualified Social Care roles.
- 3.7 The agency contract is instrumental in managing the agency recruitment staffing needs of the Council. The contract helps to fill critical posts urgently and the cap on rates, via the London Councils' Memorandum of Understanding, is attempting to stabilise the social care market although this continues to be problematic due to the high levels of demand and insufficient levels of supply.
- 3.8 Agency workers are funded directly from individual department's staffing budgets, with the bulk of the total spend relating to direct payment of workers. Table 1 below gives details of the overall spend over the past three years, which can be seen to be an average of £11.6m.

**Table 1**

	<b>Total Excl VAT</b>
2018/19	14.1m
2019/20	11.1m
2020/21	9.6m
<b>Grand Total</b>	<b>34.8m</b>

- 3.9 During 20/21, the median spend on agency workers across the London Boroughs was £21.7m with Bromley showing the 5<sup>th</sup> lowest spend.
- 3.10 Based on the average spend so far this year, it is anticipated that the level of spend for 2021/22 could be in the region of £10.5m although demand does fluctuate from year to year.

- 3.11 Details of the top agency earners can be found in part 2 but members should note that 68% of these are in Children and Adult Services, consistent with the spread with agency workers across the Council.
- 3.12 Recruiting to roles on a permanent basis is a priority in order to create a stable workforce particularly across the Children's and Adult's service functions.
- 3.13 The Recruitment and Retention Board was established in January 2017, chaired by the Director of HR & Customer Services. A work plan has been established to address current issues of staffing and consider initiatives to attract staff to Bromley. As well as recruitment and retention initiatives the board looks at workforce development issues to ensure staff receive the best training and development and have opportunities to progress in different roles across the service. Targets have also been set for the recruitment of qualified permanent staff.
- 3.14 The introduction and use of LinkedIn to aid permanent recruitment, which was introduced in September 2020, allows for a more pro-active approach to recruitment as well as advertising roles to a wider audience. The performance of this will be monitored but it's too early to report on at this stage.
- 3.15 Our Exit Survey platform and our new "On Boarder" survey will hopefully provide better data/information which will enable us to understand the drivers for staff turnover and help us to identify measures to reduce/mitigate the loss of staff. We are also looking at a number of other initiatives to help retain staff and these have been formulated into an action plan monitored by the Recruitment and retention Board.
- 3.16 The spend on agency workers is monitored and proportionate in a climate of national shortage. Much work continues to be undertaken by the Council to reduce the reliance and ultimate spend on agency staff in the future.

#### **4. IMPACT ON VULNERABLE ADULTS AND CHILDREN**

- 4.1 The use of agency workers, mainly as a stop gap pending permanent recruitment of qualified/experienced staff, in children's and adult's services is key to the work of the department and the Council's ambition for children and young people in the borough. The Recruitment and Retention board, chaired by the Director of HR & Customer Services, continues to monitor the balance between perm and agency qualified staff which stands at approximately 84% permanent compared to 16% agency.

#### **5. POLICY IMPLICATIONS**

- 5.1 As the Council continues with its Transforming Bromley agenda, the need for flexibility in staffing resources will continue to be a key driver.
- 5.2 The Covid-19 crisis has further shown the need for flexibility to help with additional and fluctuating workloads.
- 5.3 It is hoped that the reliance of agency staff for both Children's and Adult's Social Care will diminish over time as the workforce becomes more stabilised. The Council's Apprenticeship Scheme is also anticipated to reduce the need to engage agency workers through Matrix particularly for Administrative type roles where these are deemed necessary to fill.

#### **6. FINANCIAL IMPLICATIONS**

- 6.1 The main financial considerations are contained within the body of the report and the part 2 addendum to this report.

6.2 The cost of agency staff set out above and in Part 2 is funded from within services' existing employee revenue budgets.

## 7. PERSONNEL IMPLICATIONS

7.1 There are no direct personnel implications arising from the report mainly because the Council, irrespective of how agency workers are procured, is not the employer of agency staff. However in some landmark employment law cases individual agency staff have successfully argued employment status due to their working relationship with the end user client.

7.2 The Agency Workers' Regulations 2010 (AWR) impose significant duties and obligations on hirers (end users) of agency staff as well as the employment agencies. In a nutshell, the aim of the AWR is to ensure that agency workers receive equal treatment in respect of some aspects of employment. The regulations were effective from 1 October 2011.

7.3 There are two main rights available to agency staff, namely

a) Day one rights giving agency staff the right to communal facilities e.g. canteen, car parking facilities, etc. and the right to vacancy information;

b) Week 12 rights i.e. the right to the same basic pay and terms and conditions of service as directly employed staff.

7.4 Consequently hirers turn to recruitment agencies and in particular Neural Vendor or Managed Service providers to provide the solution to work within the AWR, as an alternative to dealing directly with employment agencies – thus minimising all the risks associated with hiring agency staff.

7.5 This arrangement complements the current Special Recruitment Measures agreed by Chief Officers to ensure that employment opportunities are ring fenced to redundant/displaced staff first before agency staff, in line with the Council's legal obligation to minimise compulsorily redundancies and will also mitigate the employment risks associated with engagement of non-standardised workers.

## 8. LEGAL IMPLICATIONS

8.1 There are no specific legal implications arising from the report.

<b>Non-Applicable Sections:</b>	<b>Procurement Implications</b>
Background Documents: (Access via Contact Officer)	[Title of document and date]