
**Manchester City Council
Report for Information**

Report to: Human Resources Subgroup – 17 March 2015
Subject: Agency Usage Update
Report of: Strategic Director (Reform)

Summary

Following the meeting of Finance Scrutiny Committee on 15 January 2015, this note provides the Finance Scrutiny Committee – HR Sub Group with a further update on the usage of agency resource across the organisation.

Recommendations

The Finance Scrutiny Committee – HR Sub Group is asked to note the content of this report.

Wards Affected:

All

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Background documents (available for public inspection):

Report to Finance Scrutiny Committee, 15 January 2015:
Overview Report - Item for Information - Agency Usage Update

1. Introduction & Background

- 1.1 Agency staff are used across the organisation for a range of reasons:
- For short term cover across a range of roles where it is not appropriate to establish a permanent structured role, or the time scale is too short to deploy an **m people** placement.
 - Where there is a requirement for a specific skill set for a defined period, for example very specialist ICT skills to deliver a specific project
 - Where there is a need to maintain minimum staffing levels (mainly in roles related to safeguarding) and there is not the ability to release capacity internally to provide cover.
- 1.2 All agency requests are subject to approval arrangements through the relevant Directorate Resourcing Panel (DRP), with agency placements over a month subject to approval through the Corporate Vacancy Panel, chaired by the Deputy Chief Executive (People). A separate report is included in today's agenda which sets out details of internal movement aligned to the principles of **m people** which highlights the extent of internal movement across the organisation since 2011. This has provided significant support in reducing the need to engage agency resources.
- 1.3 There is an ongoing long term commitment to limit the use of agency to those circumstances where cover is required that cannot be made available internally or where a specialist skill is needed for a short term period and it would not be economical to make an appointment to a structured position. During times of organisational change the prudent use of agency is sometimes required as a tool to enable services to transition into new ways of working. Such short term use of agency to provide essential cover enables employees to be released in a managed way to secure new roles within the organisation in a timely manner. A recent example of this was the implementation of the new Early Years delivery model, where agency staff were used to provide short term backfill for Council employees to enable effective service transition. This enabled the workforce to be effectively moved to new roles and ensured continuation of service provision and a smooth transition for both staff into new roles and the service into its new operating model.
- 1.4 A note was provided to Finance Scrutiny Committee for their meeting on 15 January 2015. This note outlined trends and analysis of agency usage since 2012/13, focusing primarily on the reasons for the agency spend. Further information was requested by Members in relation to:
- Further detail on maternity cover, particularly in relation to whether reported information included paternity cover and whether the name should be changed;
 - A breakdown of the £5m spend on agency staff covering vacancies;
 - Whether there are options for speeding up the overall recruitment process.
- 1.5 This report provides Members with a further update in respect of agency usage, with particular focus on the areas requested by the Finance Scrutiny Committee.

2. Agency Usage

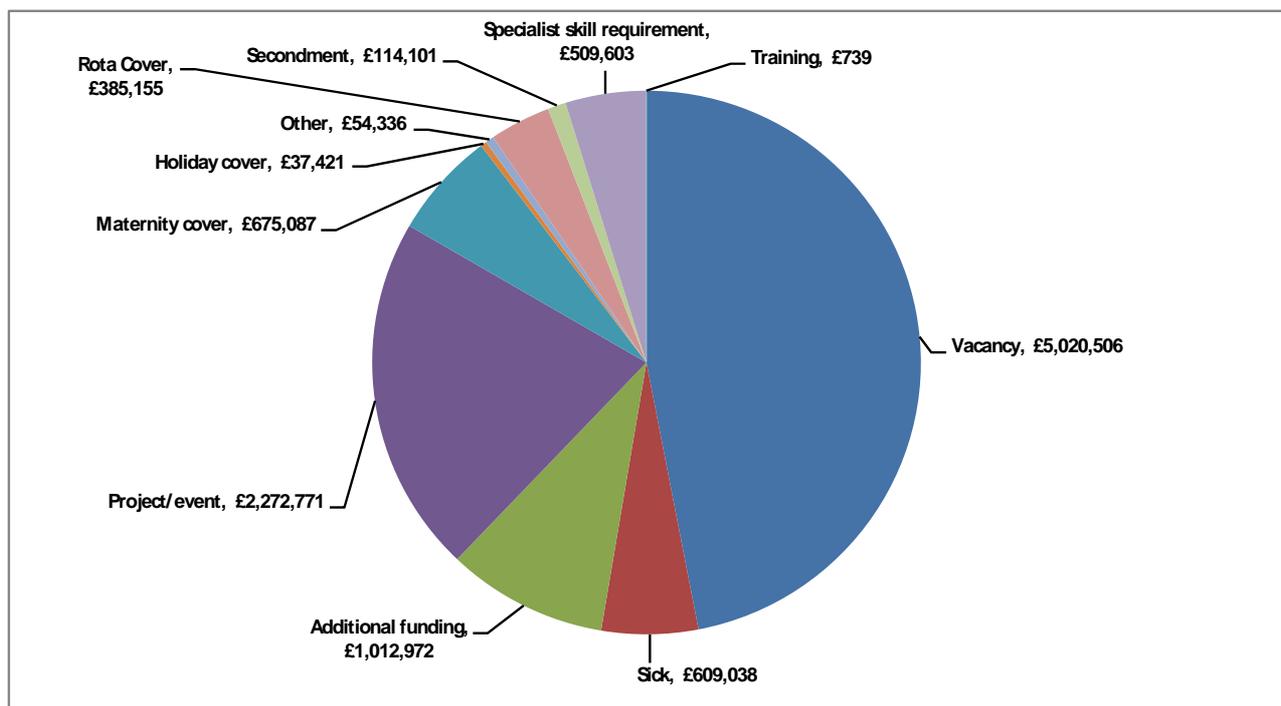
2.1 Overall, annual agency spend dropped across the organisation between 2008/09 and 2012/13, from £17.014m to £10.520m. It decreased by a further 4.4% between 2012/13 and 2013/14. Table 1 below shows spend in these two years, alongside spend to date in 2014/15.

Table 1: Agency Spend for 2012/13, 2013/14 and 2014/15 (to November)

Financial Year	Spend on agency resource
2012/13	£10,520,445
2013/14	£10,052,181
2014/15 (to November) ¹	£7,426,500

2.2 Over the twelve month period from December 2013 to November 2014, total spend on agency across the organisation was £10.408m. This is broken down by reason in Graph 1 below.

Graph 1: Agency Spend across MCC December 2013 – November 2014 and associated reasons



2.3 It should be noted that while there is an initial outlay to the organisation, some agency spend, particularly relating to projects or events, is income generating

¹ As measures relating to agency spend are based on invoice notifications received from suppliers, figures for the most recent two months cannot be considered fully accurate given the time lag in invoice submission. It is expected that approximately 95% of invoice notifications relating to November will have been received by February. Therefore the figures for November are considered approximately 95% accurate and are therefore used within the information within this report.

and related to the provision of additional resources to deliver specific projects. This is also the case where agency staff are engaged to cover structured roles, within income generating services.

- 2.4 Members of the Finance Scrutiny Committee requested that an analysis be conducted of the c. £5m spend on agency covering vacancies over this twelve month period. A request was also made for further information in relation to maternity cover via agency.

3. Analysis of Agency Spend for Vacancy Cover

- 3.1 Agency cover for established vacancies accounted for £5.020M (47%) of spend over the 12 month period to November 2014. Of this, £3.715M (74%) was spent in front line care services such as Children’s and Adults’ Safeguarding, Homelessness and Supported Accommodation. Table 1 below outlines the vacant caring roles with the highest spend on agency cover over the period analysed.

Table 1: Agency Spend by Role Type in Front Line Services December 2013 – November 2014

Role Type	Spend
Support Worker Role	£ 2,088,535
Social Work Role (Children & Adults)	£ 1,388,539
Business Support Role	£ 181,611
Other	£ 34,197
Facilities Role	£ 22,034
Total	£ 3,714,916

- 3.2 The vast majority of spend on agency covering vacancies in front line care services (94%) was in relation to front line roles such as social workers and support worker roles. These workers provide essential cover in these key services to ensure the delivery of support to vulnerable residents. In some cases, this cover is essential to ensure statutory minimum staffing levels are in place. Of the remaining spend:

- The £181.6k spend on agency cover for vacant business support roles primarily relates to specialist minute takers in support of the independent safeguarding boards for both children and adults which are difficult to source internally due to the required skill set and often being required at short notice and for short durations. It should be noted that costs in relation to independent safeguarding boards are not entirely carried by the Council, but are split between a range of partnership agencies.
- The £34k spend on “other” relates to specialist assessment or advice roles within Homelessness.
- The £22k spend on facilities roles relates to interim support for the withdrawal of Early Years services.

- 3.3 The remaining £1.306M spend across December 2013 – November 2014 on agency workers used to cover vacancies (26%) is broken down in Table 2 below.

Table 2: Agency Spend by Role Type in Other Services December 2013 – November 2014

Role Type	Spend
Interim Senior Management Roles	£ 371,600
ICT Roles	£ 341,334
Business Support Roles	£ 175,684
Facilities Roles	£ 114,196
Customer Service Roles	£ 108,223
Other	£ 97,579
Project Management Roles	£ 96,975
Total	£ 1,305,591

- 3.4 26.5% of the spend outlined in table 2 above (£371,600) was on three interim senior management roles. These were the Interim Strategic Director of Adults Social Services (engaged from August 2013 prior to his engagement on a time-limited contract in September 2014), the Interim Strategic Area Manager for Waste and Recycling (engaged between April 2014 and December 2014), and the Interim Strategic Lead for Learning Disability (engaged from August 2013, with this role scheduled to continue until August 2015). These roles were essential to ensure delivery of key corporate priorities.
- 3.5 In addition, 24.3% of the spend outlined in table 2, (equivalent to 6.8% of total agency spend on vacancies), related to specialist ICT resource. In addition, the £97k spend on Project Management roles primarily related to roles within ICT which have been engaged to support the delivery of technological development projects. It should be noted that, while targeted work and upskilling may reduce the need to engage agency support to cover ICT vacancies, the nature of this industry and the need to bring in very specialist and niche skills for short periods to deliver key critical projects is a deliberate and appropriate element of the model for this Service.
- 3.6 Of the remaining spend on agency staff covering vacancies:
- The £175.7k spend on cover for business support vacancies is across the organisation, although £50.2k of this spend was in Manchester Adult Education Service, for which funding was provided by the Skills Funding Agency. £72.8k of the spend was within the City Solicitor's division and relates to audio typing skills requirements which are not available within the internal workforce, although it is worth noting that in recent months a review of business support skills requirements within Legal Services has resulted in an increase in vacancies being filled through *m people*.

- The £114k spend on facilities is a mixture of short term engagement of bar staff for income generating events and for ad hoc cleaning staff. Both of these areas are traded services and therefore generate income for the organisation, with the income generated in excess of the costs of the agency provision.
 - £92.5k of the £108k spend on customer services was primarily related to the Customer Service Centre. A strategy is already in place for withdrawal of agency staff covering vacancies, and replacement with permanent staff, which will support a reduction in spend in this area over the coming months. The remaining £15.7k was in relation to Visitor Assistants within Manchester City Galleries.
 - The £97.6k spend categorised as “other” relates to a number of roles with specialist qualification requirements, specifically relating to solicitors and building surveyors. These roles have been identified as critical to the organisation in the future, and succession planning and staff training plans are being developed by the services.
- 3.7 The Council has a continued commitment to training and developing staff at all levels of the organisation. Directorate Workforce Development Groups are in place to identify skills gaps and develop strategies to resolve these with intelligence on agency usage across the organisation utilised to guide and support this work.

4. Maternity Leave

- 4.1 Over the twelve month period analysed, £675k was spent on agency staff covering the maternity leave of permanent staff. The majority of this spend (82.79%) was to cover roles within the Directorate for Children & Families, with 68.23% purely to cover children’s safeguarding and social work roles. Many of these roles, which are difficult to fill internally due to qualification requirements, require continuous resourcing to maintain statutory minimum staffing levels and ensure access to services for vulnerable residents.
- 4.2 The figures categorised as “maternity” do not currently include paternity leave cover. However, it is worth noting that across the financial year 2013-14, only 38 Council employees elected to take paid paternity leave, for an average of 10 days each (the statutory maximum) in comparison to 237 individuals who entered a period of maternity leave. The length of time for which individuals taking paternity leave are absent is generally managed in the same way as annual leave. However, given the upcoming changes to the law in respect of shared parental leave from April 2015, it is recognised that there may be an increase in both the numbers of individuals sharing parental leave and the length of time for which leave is taken. From this point, agency usage for these reasons will be classified as “Parental Leave”. A separate report has been drafted to set out proposals in relation to these changes which will be submitted to the Personnel Committee for their consideration.

5. Resourcing Efficiency

- 5.1 Initial work to examine options in relation to the efficiency of the resourcing process was undertaken in 2014. This identified options to make the process more user friendly whilst retaining the governance and assurance needed to ensure the best use of the Council's resources and adherence to the principles of **m people**. A separate report "Progress update on the 2014 Time Limited Voluntary Early Retirement & Voluntary Severance Scheme & Overview of **m people** Monitoring Information" provides an overview of key metrics outlining the success of the **m people** approach to internal resourcing.
- 5.2 As part of the new HROD service model, an integrated function is being established to support the end-to-end resourcing process in partnership with the Shared Service Centre, and the conclusion of this work will be a key first task for this new function. Work is already underway to improve resourcing processes through the use of the intranet using a methodology which is designed to automate workflow, reduce both blockages and make the process more efficient.
- 5.3 While it is possible to streamline the resourcing process through improved technology, processes and guidance, a key element of process improvement relates to behaviour change. An analysis has been undertaken of the 92 resource requests active between 16 November and 15 December 2014 covering internal, external and agency resourcing processes which were outstanding for 2 months or more. Of these, 65 requests (70.7%) had been outstanding as a result of either no management activity following approval, or no management activity following an initial contact (e.g. provision of **m people** baseline for internal vacancies, or of applications for external vacancies). On average, these 65 requests had been outstanding for 19 weeks, during which period there was no activity to progress from managers following approval. The remaining 27 requests were the subject of sustained dialogue with service managers.
- 5.4 It is therefore clear that significant work is needed to improve managers' engagement with the resourcing process. This will be supported by both the process and structural changes noted above and the continuation of work focused on workforce behaviour change.

6. Conclusion

- 6.1 The organisation remains committed to **m people** and the development and deployment of the Council's existing workforce to meet the needs of the City. There remains a corresponding focus on ensuring judicious use of agency staff where there is a clear rationale to do so. There will always be an element of agency resourcing required to meet both the requirements of retaining minimum staffing levels and to resourcing special projects and events. There will also be ongoing requirements for agency resources to support the transition of services as new delivery models are implemented and permanent employees are moved around the organisation.
- 6.2 The new HROD operating model will be in place from 1 April 2015, and will continue to provide both support and challenge to managers, Directorate

Resourcing Panels and the Corporate Resourcing Panel in relation to resourcing across the internal workforce as well as external and agency appointments.