

Council Overview Board
5 November 2015

Agency workers

Purpose of the report: This report provides for scrutiny of agency worker arrangements and spend.

The report highlights for the Board's consideration the service areas where there is highest spend on agency workers and the reasons for using agency workers to meet staffing demands in these areas. Also included is information on new agency supply arrangements that are being established following retender of the service.

Introduction

1. This report is for Scrutiny Board information and provides an overview of the usage of agency workers in Surrey County Council; how this meets the organisational needs and how we are developing agency worker arrangements to meet future demands.

Issues and analysis

Key areas of agency usage and spend

2. Agency workers are a part of our evolving workforce; they bring skills and expertise which are needed in the short and longer term. They provide support to cover vacancies during recruitment, sickness and annual leave; where skills are scarce; where short term resources are needed for short term projects or peaks in demand; and to maintain flexibility in staffing during times of change and transition where permanent recruitment would be unhelpful.
3. Surrey currently engages around 250 agency workers throughout the county who provide us with a short term cover for 'established' vacant posts whether time limited or permanent. In general agency worker appointments are less than 12 months; however, we have some agency workers who have been engaged in excess of five years. Typically, these longer appointments occur where there are skills shortages and risks associated with having vacant roles.
4. The Council spend on agency workers reduced significantly in 2009-10 from £16M to £12M in 2010-11 (see Table 1). At this time a 'master vendor' contract was implemented which provided for single point of billing and payment for agency workers. Since 2010-11, spend has

increased steadily to a peak of £14M in 2012-13 and 2013-14 and has fallen to £11M in 2014-15.

Table 1: Historical analysis of agency spend

Service	Roles	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
ASC	UCW	n/a	2,493,800	2,720,000	2,471,035	2,357,414	1,269,950
ASC	QCW	n/a	1,596,200	1,600,000	1,256,000	1,200,000	1,312,384
CSF	UCW	n/a	1,374,000	2,010,000	2,085,009	1,816,147	868,357
CSF	QCW	n/a	2,956,000	2,850,000	3,081,560	3,145,020	3,407,457
CEO	Misc	n/a	120,000	290,000	505,782	227,314	105,627
BS	Misc	n/a	2,440,000	2,600,000	3,449,928	3,066,328	3,332,610
C&C	Misc	n/a	500,000	510,000	489,501	1,065,779	377,954
E&I	Misc	n/a	320,000	550,000	1,097,155	930,381	562,133
Totals		16,287,000	11,800,000	13,130,000	13,930,188	13,808,533	11,236,472

Notes:

1. UCW = unqualified care worker (e.g. Care Assistant)
 2. QCW = qualified care worker (e.g. Social Worker/Occupational Therapist)
5. Spend on agency workers is concentrated in some groups of roles which can be attributed to market and organisational factors. During the 2014-15 financial year there are five major areas of usage in terms of volume of agency workers and spend which are indicative of a continuing trend (see Table 2).

Table 2: Analysis of key areas of usage of agency workers

Service	Role	Issues
CSF	QCW (SW & EP)	High volume, high unit cost
IMT	Specialist or project	Low volume, high unit cost
Countywide	Administration	High volume, low unit cost
ASC	UCW	High volume, low unit cost
ASC	QCW (AMHP, SW, OT)	Low volume, high unit cost

Notes:

1. Based on an analysis of Manpower data in October 2014 for 2014-15;
2. AMHP = Approved Mental Health Practitioner, SW = Social Worker, OT = Occupational Therapist

Qualified Care Workers in CSF

6. There is a national shortage of qualified and experienced child protection social workers and educational psychologists. In CSF, locum social workers form a critical part of the workforce. We have around 80 locums currently working in CSF as Senior Social Worker, Assistant Team Manager or Team Manager. Locum social workers enjoy higher rates of pay and flexibility around working times than permanently employed staff. In high risk areas such as child protection locums can exert high bargaining power.
7. Annual salary rates are as much as **£22,000** more for a locum social worker; compared to the permanent equivalent. Typical salary costs are:

- Surrey midpoint permanent salary for a Senior Social Worker including on costs = £39,500 + 20% on costs: **TOTAL £47,400**;
- Surrey Locum Salary for a Senior Social Worker (£32ph + £4.84 (agency fee) x 7.2hours x 260 yearly working days): **TOTAL £68,965**.

8. Surrey's pay rates are in line with neighbouring counties as shown in Table 3.

Table 3: Typical hourly pay rates for QSW locums

Local Authority	QSW (less than two years)	QSW (two years or more)	Senior QSW	QSW as a team leader/ manager
Hampshire	24	30	34	n/a
West Sussex	26	32	34	40
East Sussex	28	30	33	38
Berkshire	28	32	35	42
London	29	33	34	40
Kent	26	30	33	42

Source: Manpower

9. Working closely with permanent recruitment and delivering the Council's recruitment strategy will continue to help the search for permanent children's social workers. A Memorandum of Cooperation has been recommended by London Boroughs and East of England; this will cap locum hourly pay rates to decrease competition between local authorities, and also to share references to improve the quality of the locum workforce. This is something currently being looked at with CSF management and Human Resources together. Our reward strategy focuses on attracting and developing these workers.
10. Educational Psychologists, remain a small but essential part of the agency workforce. These highly qualified individuals must complete a doctorate before they can practice meaning they tend to start their career later in life. The profession is dominated by female workers and there is a trend towards more part time and flexible working arrangements. Therefore locums can demand shorter hours and higher pay than Surrey currently offer on the Soulbury pay scale (national scale for Educational Psychologists).

Specialist or project roles in IMT

11. IMT have traditionally used of used consultants as agency workers in technical and short term project roles. The rate of pay for a 'Technical Lead' surpasses our grades, so we are able to bring specialists in, but some remain for longer than a 12 week posting. This is an area in which more support is needed to ensure services are utilising the right staff for the correct time. There is still demand for high paid technical specialists, which is why the number of workers is low and the spend is high. Human Resources and IMT have worked together to decrease this and look at fixed term contracts where possible to help manage costs.

Qualified Care Workers in Adult Social Care

12. Again, there is evidence of a national shortage of experienced Social Workers, Approved Mental Health Practitioners and Occupational Therapists in Adult Social Care. Recruitment is very competitive and Surrey has been working on dedicated recruitment campaigns to address this shortage. These staff also command rates of pay similar to those of Qualified Social Workers in Children, Schools and Families and have bargaining power associated with high risk areas. Our reward strategy will place greater emphasis on career development and pay progression for these staff

Unqualified care workers in Adult Social Care

13. There are higher volumes of bank and agency workers used in unqualified care roles in ASC. This follows a period of uncertainty regarding the future of residential services where temporary staffing arrangements have been favoured over permanent recruitment. Agency staffing will remain important during the closure programme for older people residential services and whilst future options for residential care for people with learning disability are considered.

Administrative staff in countywide teams

14. Admin staff make up a large percentage of total volume of the agency workers, some transition to permanent, if they are covering a permanent post, generally they are recruited to cover leave (including maternity), permanent positions and sickness. Some administrative staff covering sickness may remain for a longer period of time than others.

Identifying learning and improving agency staffing arrangements

15. We have been operating a master vendor contract for over six years and this learning has been taken into the contract management arrangements and review of the agency contract during 2015. Firstly, there is specialist contract management, both at a strategic and operational level. This has seen services better engaged; making sure agency spend is made through the contract and focussing on improving quality of services and getting senior management involvement in resolution of issues.
16. We have also developed our contract to better suit customer needs and the supply challenges for different agency workers. The procurement exercise we have recently completed mirrored this and we are introducing a contract which provides more scope to keep and form good contacts with a range of suppliers, in hard to fill areas and a improved audit performance management arrangements for the lead provider.
17. We have used this learning to set out our strategic aims for the new agency supply contract, which are as follows:

- **Workforce development**
Joint workforce planning, maximising use of innovation, collaboration and thought leadership to ensure timely access to talent on a local and regional basis that aligns with permanent recruitment needs.
- **Access to talent**
Having a strong relationship between managers and suppliers, this includes managers speaking with agencies directly, to develop bespoke recruitment processes that suit service demands and deliver high quality candidates, especially for specialist roles.
- **Quality and reliability**
Partnership approach to performance management and robust issues management to improve effectiveness.
- **Customer service**
Supply and governance arrangements that set clear standards of customer care and monitor this throughout the contract to produce excellent customer service from the agency to Surrey, partners and candidates.
- **Flexibility and simplicity**
Having processes and supporting software that deliver excellent results to ensure managers have less administration and save time can respond to change in demands.
- **Cost saving**
Continuing downwards pressure on support costs and mark up rates to achieve the most cost effective solution without compromise to quality of service.

Understanding feedback from agency workers

18. We find it difficult to understand feedback from agency works about their experience of working for Surrey. We are developing means to capture agency workers feedback; this is something we are taking forward into the new contract from the start.

Recommendations

19. It is recommended that Scrutiny Board continues to monitor and contribute to the development and implementation of new agency arrangements and in particular:
 - i) How the implementation of recruitment and retention programmes helps to reduce reliance on agency workers;
 - ii) How the implementation of the reward strategy helps to reduce reliance on agency workers;
 - iii) How the new supply arrangements improve the management and experience of agency workers and service using these arrangements.

Next steps

20. Surrey will begin implementation of new contract arrangements in October 2015 and the new contract will be in place by end of February 2016.

Report contact: Ken Akers, Strategic Relationship Manager, HR

Contact details: ken.akers@surreycc.gov.uk; 07792 511083

Sources/background papers:

Manpower benchmarking data 2015

Manpower reports from CMS

SCC SAP data