



Council Overview Board
22nd July 2016

Agency staffing update

Purpose of the report: Scrutiny of Services and Budgets; and Policy Development and Review.

The report provides the Council Overview Board with an update on progress improvements to the council's agency worker arrangements, including implementation of a new framework agreement, historical and current spending and current mark up rates. The report sets out the council's approach to temporary staffing and controls being implemented for managing usage and costs of agency staff.

INTRODUCTION

1. In September 2014 an internal audit of the council's agency worker arrangements noted that significant improvement.
2. At the time of the audit there were a number of problems to be addressed both in the operation and use of the agency supply contract and to take forward re-provision of the service to coincide with the end of the contract for supply with Manpower. A Management Action Plan (MAP) was developed to address the audit recommendations and good progress has been made in addressing all of the issues identified in the MAP (more information below). Agency staffing is now provided through a contract with Adecco under an established procurement framework called MSTAR 2 which began in February 2016.
3. One of the key problems of the previous arrangements, which continued throughout the duration of the contract, was poor management information. In particular, our inability to report accurately or simply on the on the usage, tenure and costs of agency workers. This was as a result of poor configuration, usage and limited functionality of the agency recording system which led to poor data quality and a lack of adequate management information.
4. This issue has been addressed in the re-provision of services and will lead to better control and scrutiny of agency spends. The first quarterly data reports will be available for period April to June 2016 will be available for scrutiny in July 2016.

IMPROVEMENTS DELIVERED

5. A comprehensive MAP has been implemented to deliver improvements needed in agency workers provision identified in September 2014. The audit focused on critical provision of Children's social workers and IMT contractors.

i. Review of agency worker provision

6. A crucial element of the management action plan was to review the provision of agency workers, including giving consideration to the creation of an 'internal Surrey' owned temporary staff agency. Procurement and HR worked together to retender the provision of agency workers. This work was initially a large engagement campaign, to understand customer demand throughout the council, and develop strategic aims for improving supply as well as the service specification.
7. The council took into account customer feedback and lessons learnt from many years' experience of running provision to establish the new specification of services and a set of strategic aims to guide our management and use of the contract (see Annex B).
8. As part of the Orbis partnership with East Sussex, the councils jointly reviewed agency arrangements. A range of options were considered; including creating an in-house employment agency, outsourcing to a supplier under an established supply framework (the MSTAR2 framework), or creating our own framework through the Open Journal of the European Union (OJEU) – this would mean inviting agencies to bid on to our newly created framework.
9. The engagement and the cost savings forecasted led to a decision to appoint a supplier and work on an established framework (the MSTAR2 framework). This would allow a reduction in agency fees, full security of accurate audit and compliance checks for all agency workers.
10. Work was undertaken to jointly procure a new framework provision for temporary workers during 2015-16 and to Cabinet approved the contract on 22 September 2015. Adecco were awarded the contract for four years, with an option to extend year by year.
11. The operational model adopted is called a 'hybrid' model, which means Adecco will fulfil general staffing roles, but 'hard to fill' roles will be sent immediately to the supply chain to fill. This allows for us to be able to engage with a strategic supply chain to fulfil requirements in a cost effective and timely manner.
12. The strategic aims of the contract are now monitored through the quarterly strategic contract review meeting, chaired by the sponsors of the contracts across Surrey County Council and East Sussex County Council.
13. Additionally, improvements in workflow management, reporting and account management have been delivered as part of the refreshed service. The service in East Sussex was launched in November 2016 and in Surrey the new service went live on 1 February 2016.

ii. Childrens, Schools and Families

14. The MAP sought to reduce the high numbers of agency workers, increase the number of permanent staff, improve quality and reliability of locum supply; and formalise contractual arrangements.
15. An immediate priority was to address contractual issues and relationship between HR and CSF in the management of agency staffing. A series of direct supply arrangements managed in house had resulted in poor control,

poor quality locums, increasing costs and reduced resources available for permanent recruitment. Through joint working these direct supply arrangements were streamlined and improved, and have subsequently been replaced by the new provision with Adecco.

16. There has been significant work from HR and Childrens services to work with neighbouring Local Authorities to ensure we retain permanent staff and reduce the dependency on the agency workers. In 2015/16 Surrey signed up to a Memorandum of Cooperation (MoC) between local authorities in the South East of England. The MoC includes a number of provisions designed to address the over reliance on locum works, including:
 - a cap on pay rates for locum social workers, up to and including team managers, across the local authorities signed to the agreement;
 - a joint commitment to prevent permanent staff to resign their post and moving to another Local Authority signed with the MoC as a locum.
17. Further action has been taken to improve the attraction and selection of social workers, including better communication of the benefits package, new financial incentives (retention and start up payments), increasing the supply and capacity to recruit newly qualified social workers and actively seeking 'conversion' of locums to permanent positions.
18. The working relationship between HR and CSF has strengthened and the work between the recruitment team and the service is strong and meant that 53 social workers were appointed to permanent positions during 2015/16. There remains a retention issue with 56 social workers leaving in the same period.
19. Additionally, the Childrens Improvement Board are presented with the recruitment and retention dashboard, which is providing oversight on locum employment, and a necessary focus on improving retention of social workers.

iii. IMT

20. IMT were given an action plan to reduce the cost of agency workers, by taking them on as fixed term contracts, as their pay rates were high and their contracts were for long periods. There was work done to reduce the number of agency workers and look to alternate solutions for project support.
21. As a result of this, IMT have provided a senior manager as a workforce lead for agency workers, they have access to the full reporting suite and engage heavily with HR to reduce the cost of agency workers, they also request their managers to provide a business case for agency workers who are projected to earn more than £50k within 12 months.
22. From March 31 2016, a large number of agency workers were released which is demonstrated through by an IMT agency spend reduced from £108,122 in May 2015 to £49,743 in May 2016.

iv. ASC

23. Other high usage areas include unqualified care staff working in Adult Social Care. Usage of agency workers has declined over the past four years. This is due to agency staff agreeing to permanent contracts (including bank contracts), homes being aware that for a high level of service, having continuity of care is important, so they try to use agency workers as a last

resort. As Older Peoples homes close throughout the county, this has an effect on the number of possible posts.

v. Highways

24. Historically, Highways have used contractors through their contract with Kier, this has allowed them to use contractors for a short or long period, paying a high fee to Kier for this (12.5% of the pay rate). As a result of the engagement throughout the retender, this spend outside of the Manpower contract was identified and a significant cost saving was identified. This group of temporary agency staff are now being transferred from the Kier contract to the Adecco contract, which is projected to make a saving of approximately £600,000 over 12 months. All new contractors are being sourced through the Adecco contract.

IMPROVED UNDERSTANDING AND REPORTING

25. There is currently no policy in place that guides the use of agency workers. There are expectations that agency workers are used as a temporary or measure of last resort. However, it is clear the tenure of some locum appointments are over extended. There are rules regarding the procurement and use of specialist consultants that are monitored by officers in procurement.

26. The Continuous Improvement Board has commissioned a project from Human Resources to analyse the use of flexible working arrangements, i.e. locums, bank, additional hours, across the organisation. This is will be used to establish guidance and policy on the use of agency staff. The project is due to be completed by October 2016.

27. As part of the new arrangements we have already taken steps to improve controls on agency spend, including the withdrawal of automatic approval of agency timesheets and the practice of creating long term open orders. We are establishing quarterly workforce information reports for service workforce leads to manage the reliance on these workers and ensure The first set of reports will cover the first quarter of operation of the new contract. As part of the People Strategy refresh for 2016/17, officers will be commission high-level workforce plans and 'hire plans' to help achieve a sustainable workforce.

HISTORICAL USEAGE AND COST OF AGENCY WORKERS

28. We have been unable to extract from the data provided by our previous provided for the information requested by Council Overview Board, i.e. the headcount, pay rate and agency fee over the last three years. The following table shows the spend on agency staffing from financial records.

		2012/13	2013/14	2014/15	2015/16
ASC	Unq	£2,471,035	£2,357,414	£1,269,950	£1,209,415
	QSW	£1,256,000	£1,200,000	£1,312,384	£2,559,503
CSF	Unq	£2,085,009	£1,816,147	£868,357	£1,212,180
	QSW	£3,081,560	£3,145,020	£3,407,457	£3,850,160
CEO		£505,782	£227,314	£105,627	£520,831
BS		£3,449,928	£3,066,328	£3,332,610	£3,565,433
CC		£489,501	£1,065,779	£377,954	£269,667

EI	£1,097,155	£930,381	£562,133	£530,649
TOTAL	£13,930,188	£13,808,533	£11,236,472	£13,717,838

29. The new provision provides for better information on agency spend that will allow monitoring of the information requested by COB. See extract from February 2016 agency report below.

Feb-16	Total headcount	Average per hour (£)		Weekly total (£)	
		Pay rate	Agency fee	Pay rate	Agency fee
CSF - Qualified	96	£30.0	£3.2	£14,400	£1,512.0
CSF	54	£10.0	£2.5	£2,700	£675.0
ASC - Qualified	32	£26.0	£3.2	£4,160	£504.0
ASC	45	£9.0	£1.5	£2,025	£337.5
BS	19	£12.0	£1.9	£1,140	£176.7
CC	2	£7.5	£1.7	£75	£17.0
EI	10	£22.5	£2.5	£1,125	£125.0
CEO	1	£18.0	£3.0	£90	£15.0
TOTAL	259	£135.0	£19.4	£25,715.0	£3,362.2

30. COB requested information to compare the costs of agency workers against permanent staff, this is included at Annex C; there is a range of examples.
31. The new agency worker provision model, supplied by Adecco, provides cost saving in agency fees charged to the council. Based on the 2014/15 usage data, the management fees charged to the council are estimated to reduce from £1.07m to £840,000 per annum; providing a saving of £231,000 for the first year of the contract. During the first quarter, management information showed a saving of £112,043.

Recommendations

32. A further report should be brought to COB for review at the end of quarter two to review officers progress developing agency worker arrangements.

Next steps

33. Officers will:
- Finalise and distribute first quarter reports on agency working – these reports will contain the total spend by the service for the quarter, broken down by rate to the worker and agency fee; workers who have been in post for more than 6 months; and the hourly pay rate to the workers – this report will be available from July 2016;
 - Agree plans to achieve appropriate use of agency workers with service workforce leads – complete by 2016/17;
 - We will also be publishing guidance on use of agency workers and asking directors to agree to plans to achieve appropriate use of agency workers, which will be shared with Council Overview Board at a future meeting – complete by October 2016; and

- Alongside this there will be increased scrutiny of agency workers usage through the improved reporting capability of the new provider – ongoing.

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Sources/background papers:

Management action plan

Para Ref	Recommendation	Priority Rating	Management Action Proposed	Timescale for Action	Update on Progress @ 31 May 2016	Officer Responsible
5.1.10	SCC should ensure that that there are robust plans in place for a rapid implementation of the new MSTAR contract signed with Manpower in August 2014. These plans should include careful monitoring of the Panel Vendors' response to rate reductions and the new routes to market that procurement are establishing.	High Priority	Implementation plans have been agreed with Manpower on the MSTAR contract.	August 2014	ACTION COMPLETED MSTAR contract was signed and in place from 1 st August 2014. The new rates were applied from the 4 th September 2014.	Laura Langstaff
			Manpower has written to all Panel Vendors to confirm new rates under the new contract. Where exceptions happen, Manpower will gain confirmation from SCC on the appropriate course of action	September 2014	ACTION COMPLETED	Ken Akers

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			The overall effectiveness of the MSTAR contract will be reviewed at quarterly supplier meetings.	Quarterly until early 2015	ACTION COMPLETED Action is standing agenda item at supplier meetings.	Ken Akers
5.1.11	<p>Procurement, HR and other interested parties should continue to develop innovative options for an alternative to a framework contract solution to the recruitment of agency staff.</p> <p>In particular, further consideration should be given to the options for SCC to: (a) creating more specialist agency staff supply contracts where Services are able to</p>	High Priority	Identify and agree the problem areas through the Relationship Managers, Procurement and Manpower and Service Coordinators.	October 2014	<p>ACTION COMPLETED Four options were identified and appraised:</p> <ol style="list-style-type: none"> 1. Set up trading company for agency recruitment 2. Set up joint Surrey /East Sussex framework 3. Call off established MSTAR2 framework 4. Hybrid Solution <p>The model selected was option 3</p> <p>Timeline : March – Specification completed Apr-June: Procurement process July/Aug – mobilise</p>	Laura Langstaff, / Ken Akers / Kevin Peers

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	take on the necessary overheads for contract management.		Utilise operations meetings and strategy meetings to identify the project team to resource this.	December 2014	The project team to resource this has been identified. Sponsors: Carmel and Leatham Project team Ken, Indiana, Dean, Raji, Ruth and Lana	
5.1.11	(b) consider cost effective and innovative options for the future supply of agency staff taking into account any potential for wider regional collaboration and/or opportunities to generate income	High Priority	Consider bringing in an additional resource to manage the options analysis.	Mid October 2014	ACTION COMPLETED Surrey CC and East Sussex CC are working together to jointly procure the supply of agency staff. The contract will be in place by Oct 2015	Laura Langstaff, / Ken Akers / Kevin Peers
			Have contract in place for directly sourced temporary CSF Social Workers. (Amy / Keith)	December 2014	ACTION COMPLETED – Developed and launched a new Social Worker locum process for Children’s services which builds in the off-contract process. Meetings with Direct supplier agencies have taken place. – Procurement sent direct supply contract to send to agencies to sign.	
			Options and costs paper	March 2015	ACTION COMPLETED Included as part of the above review.	

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5.2.6	Childrens Services should produce aspirational targets for the phased replacement of some of the long term locums in Children Services with permanent staff, along with a set of measures designed over a period of time to stimulate such change.	Medium Priority	Develop a strategic approach to workforce supply and retention which would deliver a sustained reduction in locums and achieve the right balance between flexible, employed and trainee skills.	October 2014 to outline strategic approach and aims	<p>ACTION IN PROGRESS Regional conversations are taking place with thirteen Local Authorities (including Surrey) to move towards agreeing a Memorandum of Cooperation for Managing the demand and supply of Children's Social workers. This includes protocols around pay, recruitment, referencing and the standards of performance.</p> <p>Since 2010, Children's Services and Human Resources have implemented a recruitment and retention strategy for social workers. A sum of £772k has been invested in establishing the 'social work academy' in North East Surrey for development and retention of newly qualified social workers. We have implemented the social work career grade; investing a further £1.8M in pay progression; accompanied by a clearly defined training programme for professional staff development. Alongside this, the Social Work Task Force has taken established more flexible locum recruitment and initiatives, such as the Locum Lunch,</p>	Gill Rogers / Kevin Peers

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					to transition locums to permanent staffing.	
			Project started with Service and HR	Ongoing – to be reviewed regularly	<p>ACTION IN PROGRESS</p> <p>A recruitment project is currently in progress with the following aims:</p> <ul style="list-style-type: none"> - Improve the website and advertising to ensure we are promoting Surrey and the roles within Surrey effectively and in line with other competing organisations. Work has started on the front page of our recruitment site and now reflects a 'cleaner' look. Work is continuing to improve the language and 'feel' of the web pages. - Improve the recruitment process for both permanent and locum Social Workers to ensure it is personalised and responsive, without unnecessary delays. <p>Work continues with new Recruitment and Retention adviser to encourage move from temp to perm</p>	

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5.2.6	Childrens Services should produce aspirational targets for the phased replacement of some of the long term locums in Children Services with permanent staff, along with a set of measures designed over a period of time to stimulate such change.(cont'd)		Make sure that there are appropriate management arrangements in place for locum staff, including target setting, performance management and professional supervision.	March 2015 progress towards reduction in locum numbers began, and on-going monitoring established.	ACTION COMPLETED A policy has now been agreed and communicated detailing the commitment Surrey will make to its locum Social Workers to ensure they receive the basic training and development (including supervision) required to deliver the role. This recognises the key role locum Social Workers play in our workforce moving forward but does not detract from the need to move to a higher proportion of permanent Social Workers.	Gill Rogers/Kevin Peers
			Continue offering 'locum lunch' to target and communicate clear opportunities and to explain the approach of becoming permanent to encourage long standing locums to join the permanent workforce.	Locum lunches held regularly	ACTION ONGOING Locum lunches held regularly Long serving locums reviewed at monthly directorate meetings as the report is now included in the monthly dashboard.	

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			Introduce total reward benefit illustrations to allow cost comparison between locums and permanent staff.	By April 2015.	ACTION COMPLETED Planned total reward statements to demonstrate the financial equivalent of benefits such as annual leave, training and development, flexible benefits and pension schemes. Research is being carried out to support this scheme's cost and benefit.	
5.2.6	Childrens Services should produce aspirational targets for the phased replacement of some of the long term locums in Children Services with permanent staff, along with a set of measures designed over a period of time to stimulate such change.(cont'd)		Improve the process for applying for and being selected for a permanent social worker using the SCC website.	Ongoing – to be reviewed in October 2014.	ACTION IN PROGRESS – NEEDS AN UPDATE Anyone applying for a Social Worker role can now apply by attaching their CV rather than by completing an application form. This is aimed at making the process faster and easier for potential applicants. The 'employee experience' is the first strand of the Recruitment Project., which is underway and being reported on 20 th October. This will provide a full account of communication, process and stages which an applicant will have to go through before being offered a SW role within Surrey.	Gill Rogers/Kevin Peers
5.3.3	HR and Manpower should continue to work together to meet some	Medium Priority	Strengthen operational management of the	Already in place and will be monitored	ACTION COMPLETED & MONITORING CONTINUES Operational management	Ken Akers

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	of the specific concerns of Childrens Services on Manpower's performance, but particularly with regard to the quality and relevance of CV sent to managers and on the functionality of Manpower's system which lead to so many requests for the cancelation of orders.		<p>contract.</p> <p>Managers to raise issues through the issue log and for issues log to be regularly reviewed and checked for appropriateness of response.</p> <p>Strengthen the process of feeding back to managers about expectations</p>	<p>on ongoing basis</p> <p>To be reviewed at operational meetings.</p>	<p>arrangements, the contract KPI's, ways of measurement and production of evidence are being reviewed. Ken Akers will be attending a sample of monthly meetings to understand how effectively issues are identified and addressed by Manpower and SCC leads.</p> <p>In future, Surrey CC Relationship Managers will contribute to strategic meetings with Manpower contract managers and panel vendor representatives. This will help to focus on issues of quality of locums; making sure providers understand our needs and our culture; and contributing to improved performance management.</p>	
5.4.7	Where Childrens Services need further flexibility on procurement arrangements, they should ensure that they use the procedures within SCC Procurement Standing Orders to request such	Medium Priority	CSF will comply with SCC procurement rules. Where there are emergencies with the risk of major service failure, CSF will follow emergency waiver procedures to ensure sufficient	December 2014	<p>ACTION COMPLETED</p> <p>A waiver application has been developed and approved for those appointments made off contract and is linked with the creation of the new contract for directly sourced locum social workers.</p> <p>Where Children's Services are unable to identify suitable locum staff</p>	Gill Rogers/Kevin Peers/Keith Coleman

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	flexibility and also ensure that there is adequate planning and coordination with other departments on how changes are to be implemented		skills are sourced to manage service delivery risks at short notice.		within the existing contract; Procurement and HR will support them with flexible arrangements, whilst ensuring a robust process is in place that complies with SCC Standing Orders.	
5.4.12	SCC should monitor the impact of the Memorandum of Co-operation on Social Workers and ensure it participates when appropriate.	Medium Priority	Attended recent conference on the MoC. Will continue to consider in the light of decisions taken by LBs and SE7 CCs.	To consider more formally by October 2015.	SCC have signed up to the 2nd phase of the MoC (1st April 2016 start date). Implementation includes communications and monitoring of impact.	Gill Rogers
5.4.13	Childrens Services should ensure the implementation of management arrangements to fully address its commitments (e.g. for supervision and practitioner development) in its new 'Locums Policy'.	Medium Priority	As part of our workforce reform, we will ensure that the locum policy is fit for the future (particularly with regards to proper supervision) and aim to ensure that policy is properly embedded.	December 2015	A clear commitment has been given to ensuring what we are doing is fit for the future, including proper supervision. This will formally be captured as part of our work to refresh our Children's Workforce Strategy and embedded to ensure proper management oversight as part of our Leadership & Management development improvement plans and our QA framework. Locums are also provided access to the essential training required and that they have access to the appropriate support and guidance.	Kevin Peers

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5.4.14	Childrens Services should now agree targets for the reduction in the numbers of locum and agency social workers with HR.	Medium Priority	Agreed. We will aim to achieve year on year reductions in agency/locums particularly in management/supervisory roles with a view to having no long term agency/locum staff in management/supervisory roles within two years. This will be linked to the Workforce workstream within the Children's Improvement Plan.	Ongoing	<p>In order to help us ensure stability for our children and their families, and for our social work teams, work has been taking place to recruit as many good quality, permanent social work staff as possible in order to reduce our reliance on locums. Once we are able to fill these positions permanently we will be able to reduce the number of locums in use.</p> <p>Analysis of recent recruitment is that it continues to be newly qualified and inexperienced social workers we attract rather than experienced social workers, which is a national issue. The recruitment to the expanded ASYE Academy has been a success and "growing our own" by training unqualified workers is progressing well. We continue to recruit to replace workers who leave, however the overall vacancy rate is unchanged.</p> <p>With an increase in workload of about 40% since 2012 Agency Social Workers make a valuable contribution to keeping children safe in Surrey and we want the best agency to work alongside our directly</p>	Kevin Peers

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					<p>employed workforce until we are able fill those posts with good quality, permanent social workers.</p> <p>Recent work has included strategies to encourage as many of our existing locums as possible to convert to permanent positions. This has included providing our managers with the tools to have 'conversion conversations' with their locum staff and a number have already been successful. We also have a locum workshop planned for 16.5.16 which will provide us with useful data about what may be the barriers to locums converting to permanent contracts and to outline our Surrey offer if they do.</p>	
5.4.15	Childrens Services should ensure that there is a clearly documented, IR35 compliant rationale for all Limited Company locums.	Medium Priority	Further research to be undertaken by HR on this corporate risk. MSTAR2 contract will help procure more agency staff via umbrella companies, which are IR35 compliant.	December 2015	As of 1.2.16 the previous agency contract with Manpower and other providers was replaced by a Framework agreement with Adecco. As part of that contract IR35 compliancy issues sit with them. Changes in HMRC rules mean that IR35 rules will be enforced from April 2017 and we will be working with Adecco, our agency provider to ensure compliance.	Ken Akers

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5.5.5	Manpower should be asked to substantially reduce its mark-up on any hard to recruit staff that Children Services introduced to them.	Low Priority	Service to identify relevant staff and volumes.	December 2014	ACTION NO LONGER APPLIES Recommendation no longer applies as MSTAR fees do not change whether candidate is a Manpower worker or from another agency supplied via Manpower.	Ken Akers / Ian Banner/
			Procurement and HR to meet with Manpower to establish whether an alternative charging mechanism can be added to the existing procurement terms.	December 2014	ACTION COMPLETED Recommendation no longer applies as MSTAR fees do not change whether candidate is a Manpower worker or from another agency supplied via Manpower .	Ken Akers / Keith Coleman
5.6.9	Where agency staff are working at more than one site, the management of their total working week should be the formal responsibility of Manpower and one nominated SCC Manager. Manpower's	Low Priority	ASC and CSF Service Coordinators are monitoring the hours on a monthly basis and liaising with managers and Manpower. If a person working at more than one site	Monthly from August 2014	ACTION COMPLETED Service Coordinators will be continuing to monitor this on a monthly basis. HR has reiterated the importance of this and further monitoring will take place at the quarterly operational meetings.	

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	performance on ensuring that staff do not reasonably exceed a normal working week		breaches the weekly limit, then we ask a manager to take a lead role in making sure there is no repeat of this. Local manager to take the lead in making sure hours limits are managed.			
5.6.9	Where agency staff are working at more than one site, the management of their total working week should be the formal responsibility of Manpower and one nominated SCC Manager. Manpower's performance on ensuring that staff do not reasonably exceed a normal working week (continued)		<p>Manpower also instructs all their workers not to work above 48 hours/week.</p> <p>We will review the hours regularly at our operational/service coordinators meetings.</p> <p>Establish if individuals are given the option to opt out of WTD and if so, where is this information held /</p>		<p>ACTIONS COMPLETED</p> <p>Manpower will monitor all care workers that exceed 40 hours per week to ensure compliance</p> <p>This is a standard agenda item at the quarterly operational management meeting with service coordinators.</p> <p>All workers are given the option to opt out and this information is held on the individual's record available for audit if necessary.</p>	<p>Manpower – ADECCO has now taken this over.</p> <p>Ken Akers</p> <p>Manpower</p>

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			shared.			
5.8.16	<p>IMT should look at possible means of identifying possible IMT self-employed contractors that it can then refer on to Manpower, who can then work for SCC or even its partners at a much reduced mark-up. This may mean adopting novel approaches such as:</p> <ul style="list-style-type: none"> • offering a finder's fee to SCC IMT staff and existing agency staff; • using someone in IMT part time to act as a recruitment executive; • maintaining a joint register of potential agency staff with Surrey Partners, particularly the Boroughs and 	Low Priority	<p>Alternative options for resourcing flexible IMT capacity with a range of skills needs to be discussed with HR, procurement and the IMT programme manager.</p> <p>The IMT programme manager will be the senior lead for recruitment. However a more junior member of staff may support them in this capacity.</p> <p>Maintaining records of trusted contractors and agency staff used by us and partners would be helpful.</p>	New IMT Programme Manager not likely to be appointed until end of September, with subsequent start date depending on notice, likely to start this work in January 2015.	<p>ACTION COMPLETED</p> <p>IMT's review of temporary workers is complete. The result is:</p> <ol style="list-style-type: none"> 1) The vast majority of workers previously engaged for business as usual work have now been replaced by permanent staff. 2) Temporary workers required for discrete projects continue to engaged via Manpower 3) Longer term projects are reviewed to identify whether individual temporary workers are needed or work should be aggregated and put out to tender. <p>The IMT programme manager was appointed in November 2014 and is accountable for the controls in place for the engagement of temporary workers.</p> <p>It should be noted that the recommendation no longer applies as MSTAR fees do not change whether candidate is a Manpower</p>	Paul Brocklehurst

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	Districts.				worker or from another agency supplied via Manpower	
5.8.17	IMT should ensure that it does not go off contract to secure agency staff in a way that breaches SCC procurement rules.	Medium Priority	<p>IMT will comply with SCC procurement rules. Where there are emergencies with the risk of major IMT service/infrastructure failures, IMT will follow emergency waiver procedures to ensure sufficient skills are sourced to manage service delivery risks at short notice.</p> <p>The IT Programme Manager will review contractor placements to ensure resourcing is forecasted and planned.</p>	Immediate.	<p>ACTION COMPLETED</p> <p>The IMT programme manager was appointed in November 2014 and is accountable for the controls in place for the engagement of temporary workers.</p> <p>Procurement and IMT have put in place an appropriate contracting model which provides the flexibility needed to ensure no breaches occur.</p> <p>IMT SMT weekly meetings now include the scrutiny of contract resources (as per 5.8.21).</p>	Paul Brocklehurst
5.8.18	IMT Management and Procurement should give further	Low Priority	Agreed.	Quarterly meetings	<p>ACTION COMPLETED</p> <p>Procurement and IMT have put in</p>	Paul Brocklehurst / Keith

Para Ref	Recommendation	Priority Rating	Management Action Proposed	Timescale for Action	Update on Progress @ 31 May 2016	Officer Responsible
	consideration to the basis of the agency supplier mark-ups being paid on Manpower agency staff, and where mark ups could be negotiated down further based on the value and duration of the booking.				place an appropriate contracting model which provides the flexibility needed to ensure no breaches occur.	Coleman/ HR
5.8.19	IMT management should give further, wide ranging consideration to where IMT support and specialist work typically provided from IMT contractors could be aggregated and put out to tender on a flexible basis.	Low Priority	The new IMT programme manager in conjunction with IMT SMT will be responsible for identifying projects in the pipeline that could be resourced as a tendered project rather than through individual contractors whilst still ensuring best value. However the reality of the labour market for IMT contractors may mean this is not	New IMT programme manager not likely to be appointed until end of September, with subsequent start date depending on notice, likely to start this work in January 2015. In the interim to be considered by IMT SMT.	<p>ACTION COMPLETED</p> <p>The IMT programme manager was appointed in November 2014 and is accountable for the controls in place for the engagement of temporary workers.</p> <ul style="list-style-type: none"> Temporary workers required for discrete projects continue to engaged via Manpower <p>Longer term projects are reviewed to identify whether individual temporary workers are needed or work should be aggregated and put out to tender.</p>	Paul Brocklehurst

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			always an attractive approach to individuals with the necessary skills.			
5.8.20	IMT and Procurement to give further consideration as to the suitability of the MSTAR contract for IMT needs and whether alternative contractual arrangements would provide a better solution.	Low Priority	Options appraisal above will considering the needs of the services Alternative options for resourcing flexible IMT capacity with a range of skills needs to be discussed with Procurement and the IMT Programme Manager	31 March 2015	ACTION COMPLETED The IMT programme manager was appointed in November 2014 and is accountable for the controls in place for the engagement of temporary workers. <ul style="list-style-type: none"> Temporary workers required for discrete projects continue to engaged via Manpower Longer term projects are reviewed to identify whether individual temporary workers are needed or work should be aggregated and put out to tender.	Paul Brocklehurst / Keith Coleman
5.8.21	The need for all IMT agency roles and the associated cost (and separately the agency mark-up) should be reviewed by the IMT Senior Management Team every three months.	Medium Priority	Agreed - for SMT agenda supported by regular reporting from manpower/HR	To start September 2014	ACTION COMPLETED WITH ONGOING MONITORING From September 2014. A baseline report of all existing IMT contractors has been prepared and is reviewed quarterly. IMT SMT weekly meetings now	Paul Brocklehurst

Para Ref	Recommendation	Priority Rating	Management Action Proposed	Timescale for Action	Update on Progress @ 31 May 2016	Officer Responsible
					include the scrutiny of contract resources.	
5.9.6	HR should raise for discussion, whether there is a need and a means by which the target for the percentage of agencies that pass Safeguarding inspections conducted by Manpower is increased.	Medium Priority	Agreed. HR will raise with Manpower at next strategic meeting in Autumn	End November 2014	ACTION COMPLETED Item raised with Manpower and agreed. The target for safeguarding inspection will be 100 per cent compliance.	Ken Akers / Indiana Pearce
5.9.12	Further consideration should be given to means of improving the percentage of orders filled for ASC and Childrens Services bookings.	Medium Priority	We will seek clarity around how the data is achieved so that we are satisfied that the reported rate of fulfilled orders is accurate. Where we are dissatisfied by the fill rate we will consider the options available to us prepared in the options paper.	Ongoing and will be monitored at the Operational/Service Coordinators meeting	ACTION COMPLETED Reviewed on an ongoing basis The method of recording and showing compliance with key performance indicators will be reviewed with senior Manpower leads to provide reassurance about reporting and identify action areas.	Adecco and HR Operational team / Service Managers
5.9.13	Improvements in the recording of the reasons for cancelled bookings should be	Low Priority	Manpower delivery team has been instructed not to choose the	From middle of August 2014, and then ongoing.	ACTION COMPLETED Improvements have been established and implemented. This is now being monitored on a monthly basis with	Ken Akers

Para Ref	Recommendation	Priority Rating	Management Action Proposed	Timescale for Action	Update on Progress @ 31 May 2016	Officer Responsible
	sought so that Manpower and SCC practice can be considered and improved where necessary.		<p>“cancelled” category even if the manager does not state the reason for cancellation.</p> <p>There will also be a separate category used for the orders which are cancelled by MP so it is clear which ones are cancelled by MP and which ones by our managers.</p>		clearer explanations for cancellations provided.	
5.9.14	Services should look to further develop their long-stop contingency arrangements for out of hours orders. This may involve giving greater consideration to the requirements of the service when considering leave requests around bank holidays.	Low Priority	We will review roster patterns and review the practice of leave approval.	31 March 2015	<p>ACTION COMPLETE</p> <p>This has been a significant issue in function delivery for ASC and a workforce planning discussion is arranged with Service Delivery to address this, which will include arrangements for permanent and locum staff.</p>	Phillipa Alisiroglu / Ken Akers
5.9.15	HR should continue to monitor which managers are failing to	Medium Priority	Agreed. We have been doing this together with	Ongoing until the figures reach below	<p>ACTION COMPLETED</p> <p>This is a standing item on quarterly meetings with service</p>	Ken Akers

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	manually authorise timesheets for agency staff and consider what escalation to Service management is appropriate.		Service Coordinators and the figures are decreasing.	10% on regular basis.	coordinators. Coordinators are monitoring this and a reduction has been seen. Currently seeing a 15% auto approval rate compared to spend.	
5.9.18	The monitoring arrangements for the new MSTAR contract and other routes to market need to be supported with effective measurements of the value for money being achieved.	Medium Priority	Discuss the new KPIs at the next Quarterly Strategy meeting with MP in October.	End November 2014	ACTION COMPLETED New KPI's introduced March 2015.	Ken Akers / Keith Coleman

Strategic aims for agency worker supplier

- **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.

ANNEX C

Comparative analysis of an agency worker vs a permanent worker

Childrens, Schools and Families

	Job title	Annual		Cost per annum	Agency cost comparison
		Pay rate	Mark up		
Agency	CSF Residential care worker	£19,610	£7,918.56	£27,529	£1,386
Permanent	CSF Residential care worker	£20,424	£5,718.72	£26,143	
Agency	Qualified senior social worker	£53,213	£18,595.08	£71,808	£21,119
Permanent	Qualified senior social worker	£39,601	£11,088.14	£50,689	

Adult Social Care

	Job title	Annual		Cost per annum	Agency cost comparison
		Pay rate	Mark up		
Agency	Residential care worker	£18,697	£8,426.00	£27,123	£942
Permanent	Residential care worker	£20,424	£5,757.12	£26,181	
Agency	Qualified senior social worker	£47,376	£18,595.08	£65,971	£19,967
Permanent	Qualified senior social worker	£35,941	£10,063.34	£46,004	

Business Services- IMT

	Job title	Annual		Cost per annum	Agency cost comparison
		Pay rate	Mark up		
Agency	Asset Strategy Manager	£105,750	£37,325.52	£143,076	£77,859
Permanent	Asset Strategy Manager	£51,857	£13,360.08	£65,217	
Agency	Business Analyst	£30,456	£25,667.64	£56,124	£18,586
Permanent	Business Analyst	£29,327	£8,211.56	£37,539	

CEO's office

	Job title	Annual		Cost per annum	Agency cost comparison
		Pay rate	Mark up		

Agency	Lead Auditor	£50,760	£16,141.68	£66,902	£6,670
Permanent	Lead Auditor	£45,059	£15,172.52	£60,232	

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