

**Open Report on behalf of Debbie Barnes,
Executive Director Responsible for People Management**

Report to:	Value for Money Scrutiny Committee
Date:	28 February 2017
Subject:	Council Workforce Plan 2016-2017 - Agency Worker Usage Update

Summary:

The purpose of this report is to update Value for Money Committee on information regarding the use of and management of agency staffing in the Council.

As part of its workforce planning approach, the Council has proactive arrangements through a corporate contract for agency workers which is delivered through Manpower as a Managed Service provider. Agency workers are hired for short time assignments to cover peak workloads or to cover short term vacancies, with especially high usage in areas such as Legal and Social Work roles. We also use Agency Workers on a long term basis particularly in Social Work roles given the challenges of the market for permanent recruitment. There are currently 122 agency workers engaged through Manpower. There is also 'off contract' agency usage. This occurs where the needs of Hiring Managers cannot be met through the Manpower arrangements so they engage agency workers directly through other specialist agencies within timescales required. The expenditure on agency staffing with Manpower in 2016-17 is projected to be in the region of £6.5m with the highest usage being in the areas of Adults and Children's Social Care, and Legal Services.

The Council has historically had a corporate contract in place to provide Temporary Agency Staff as and when required. This covers all service areas of the Council across a range of different skill sets. The Council takes a proactive approach in both managing the demand for workers as well as the management of the contract. One example of this is that Lincolnshire has signed up to a Memorandum of Understanding in the East Midlands region, to agree pay rates for agency social workers for Children's Social Work, following evidence that agency rates were increasing significantly across the region. This type of approach is also being adopted in other regions in the country.

Additionally, there is a co-ordinated approach to workforce planning, so that the People Management Service is in a position to support Senior Managers in areas where they are experiencing specific challenges in engaging the right skills, in the right place to the required capacity. A key strategy to assist in minimising the use of agency workers has been the introduction of a number of pilot initiatives, aimed at improving attraction, recruitment and retention of key staff, including 'grow our own' approaches, which have been implemented in Children's Services, where there are national challenges in relation to recruiting social workers. These pilots have been reviewed and will continue, and will be expanded as appropriate into other key service areas into 2017 and beyond.

The wider Council Workforce Planning projects for 2017 and beyond are currently being scoped, to not only address the recruitment and retention challenges, but also ensuring the Council remains an attractive place to work both now and in the future, considering areas

such as employee engagement, employee development, job design, career progression/pathways, reviewing people management policies and procedures to ensure they are fit for purpose; addressing IT issues, offices and facilities. The biennial employee survey will be undertaken in Autumn 2017 which will assist in shaping these initiatives.

Actions Required:

Members of the Value for Money Scrutiny Committee are required to consider and comment on the contents of this report.

1. Background

The Council has historically had a corporate contract in place to provide Temporary Agency Staff as and when required. This is a generalist contract that covers all service areas of the Council across a range of different skill sets. The current provider is Manpower and this contract was due to expire on 16/02/2017. A six month extension to the contract has been agreed, to enable the re-procurement process to be conducted and for an effective implementation period. The expenditure on Manpower agency contract was £6.4 million in 2015-16 and anticipated spend £6.5 million in 2016 –17.

It is known that there are some specific problems in hiring temporary workers in the fields of legal staff and social work, both qualified and unqualified, and in some instances within the Business Support function. These hiring Managers have reported that the current 'managed service' arrangement does not suit their requirements. Spend analysis shows that Manpower are rarely able to fulfil requirements for legal staff and social workers from their own staff pool, which then creates a delay in the process as they are allowed 2 days to try to source appropriate staff before they push the requirement out to the 2nd Tier agencies. Due to these issues, hiring managers go direct to specialist agencies and as a result in the agency re-procurement process we have separated the high volume specialist areas.

The 'off contract' spend is currently an estimate, and for this reason is not included in this report. This is due to the risk that that Managers may allocate 'off contract' spend to the incorrect financial code in Agresso, so this information is not fully captured. A new single code has been set up for off contract agency spend and Managers are being reminded to use this for the new financial year. This will assist in ensuring the management information reporting is accurate. This will be further improved by developments to Agresso which will 'force' Manager such that only once single code can be used.

In order to reduce overall spend on temporary workers and address off contract spend, three actions are being taken by the Council. The first is to reduce hiring turnaround times by using specialist providers so that hiring managers can be confident in the suppliers and therefore comply with Council policy by using the corporate contract. The second is to address the use of agency workers to fill otherwise permanent vacancies on a long term basis, and the third is by managing attrition.

2. Strategic Workforce Planning

Workforce planning is managed by service areas reflecting the diversity of the different professions across the Council, with standards determined by both professional and government requirements.

Corporate provision is in place where this is logical and provides best value, e.g. provision of Workforce Data; provision of Agency Worker Procurement Framework; toolkits to support succession planning approaches; co-ordination of Apprenticeships and Early Careers.

The strategic workforce data set is being developed to inform priority actions, and the analysis is assisting us to inform future demand for resources, as well as the set of actions required to develop and build the workforce to meet the required demand. The current defined hard to recruit and/or retain groups are:

- Social Care
- Lawyers
- Procurement
- Engineers
- Planners

These roles have either been difficult for us to recruit in the external market and/or there are wider issues across the UK with these skill sets. Some of the roles also prove problematic from a retention point of view which destabilises teams and can lead to increased agency spend.

A summary of the actions being taken to develop and build the workforce to meet the required demand includes:

Succession Planning Pilot in Children's Services Social Work

As referenced in the Workforce Plan report at the November meeting, work is continuing in Children's Services to develop staff retention approaches through the introduction of succession planning, supported by "Grow Your Own" development programmes like "Bridging the Gap" created in partnership with Serco. The first iteration of the succession planning work in FAST teams saw 14 people identified for this programme to develop staff for Advanced Practitioner vacancies.

In 2017, this approach will be considered by other service areas of the Council, where hard to recruit and/or retain posts have been identified.

Talent Management & Succession Planning/Early Careers Offer

In light of the challenges identified in the recruitment and retention of young people, a renewed emphasis and investment will be in place, ensuring active management and central co-ordination of a more integrated 'early careers offer.' This will ensure career pathways so that opportunities across the Council can be marketed and talent for critical roles in the future be recruited, developed, mentored and retained. This renewed emphasis and investment will formally identify pathways for people to enter employment into the Council through 'Grow Your Own' schemes.

It is planned that the opportunities presented by the new government Apprenticeship

Reforms being introduced from April 2017, will be maximised by drawing down funding for training programmes for apprenticeship posts, (including higher level apprenticeships), to develop the critical skills needed by the Council in the hard to recruit and retain areas. Service areas are currently identifying their priorities for 2017 -18.

The co-ordination of 'early careers' pathways will need to be carefully planned including how care leavers apprenticeships, traineeships, summer placements and internships can feed into higher level apprenticeship programmes and any future graduate schemes.

Business Support and People Management are working in collaboration to explore the opportunities to link existing and new initiatives for Early Careers into co-ordinated career pathways that encourage retention and progression towards higher level qualifications and roles. The current work on Apprenticeship Reforms will inform some of the thinking on this but other areas include:

- Work Experience Placements
- Care Leaver Support – Leaving Care Team
- Internships
- Traineeships
- Summer Placements
- Bring your son/daughter to work day
- Buddy Systems for new starters
- Career Mentoring
- Links to Education Partners & schools
- Internal NVQ and Apprenticeship provider centres

Attraction, Recruitment and Retention

As previously reported, actions are being taken to review, modernise and improve the Serco Recruitment Service. The outcome will be to deliver a more candidate focussed, pro-active, modern recruitment service, including the development and delivery of recruitment strategies and targeted campaigns for critical posts.

Given the culture of the Council and the public sector ethos that unites employees across the public sector, ensuring the right fit of candidates for roles in the Council is key to reducing attrition. The redesign should see the development of robust competency, selection/ assessment materials and the use of testing where applicable and beneficial. Fundamental changes and key enhancements to the recruitment system (U4R) are being planned including the ability to simplify the application process, track candidates going through the application process, enabling better candidate contact and overall experience for applicants. Associated Management Information will also be improved.

The recruitment of key specialist Recruiters to the Serco team is also planned to ensure a Centre of Excellence for the Council as detailed in the contractual schedules and set to launch 3rd April 2017.

Snap surveys are being undertaken in some key hard to recruit and/or retain areas to inform advertising and recruitment process for current vacancies as well as use of LinkedIn and consideration of a staff employee referral scheme.

The greater use of market pay data will be a feature of the new recruitment service provision, so that Managers and HR can determine whether there is a business case for market supplements to be paid, either to recruit or retain to these posts. In advance of the setting up of this service, a review of retention payments has already commenced in relation to Children's Social Workers, in light of similar payments being offered by other

Councils. There is also scope to review the existing Market Supplements Policy to provide greater flexibility to address exceptional challenges.

3. Conclusion

The range of workforce planning initiatives will be co-ordinated by the strategic People Management Team, working with Senior Managers and the Workforce Leads in Service Areas. The initiatives will be evaluated throughout 2017 -18 to determine whether they are assisting Managers to build and develop the workforce required to meet the required demand. This will also include an evaluation of the impact on agency usage. The progress and outcomes of the projects and initiatives in the Council Workforce Plan are reported and reviewed by the Corporate Management Board on a quarterly basis.

4. Consultation

a) Have Risks and Impact Analysis been carried out??

N/A

b) Risks and Impact Analysis

N/A

5. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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