

APPROVAL TO PROCURE CONTRACTS FOR TEMPORARY AGENCY STAFF

COMMENTS FROM THE OVERVIEW AND SCRUTINY MANAGEMENT BOARD

At its meeting on 26 May 2022, the Overview and Scrutiny Management Board considered the report and unanimously agreed to support the recommendations to the Executive.

In response to questions from members of the Board, the following points were confirmed:

- The £5m agency spend included all the associated costs such as holiday pay entitlements. However, travel expenses were separate which was the same for employees of the Council. As agency staff were employed by the agency, pension costs would sit with the agency and not the Council.
- The attraction and retention framework allowed for payments of up to 15% on top of the basic salary for social workers to try to make the pay offer more attractive. It was recognised that public sector pay had fallen in real terms since 2010. Pay was a major factor in attracting and retaining staff and the increase in cost of living could increase the risk of losing more staff to agencies due to higher pay offers. However, other factors were also important in attracting and retaining staff and adjustments such as condensed working hours and more flexibility around where staff worked from were being explored. The emphasis in the People Strategy was to be an employer of choice and a good place to work, where employees could thrive.
- In relation to the adult social care reforms, there was concern nationally as to whether the new system could be fully staffed. It had been estimated that there could be a shortage of approximately 4000 social workers across the country which would be needed to enable these reforms to progress. The Chairman of the Adults and Community Wellbeing Scrutiny Committee requested that the Committee be kept informed if the number of agency social workers for adult social care escalated so that the Committee could support officers with identifying a solution.
- As of 26 April 2022, there were 666 staff employed across the social care qualified and unqualified posts within Adult Care and Children's Services and 80 agency workers. In Legal Services, there was eight agency workers compared to 61 employed members of staff.
- There were processes in place to 'grow our own' within the Council. There had been 13 social worker apprentices taken on in 2021 and another 13 were in the process of being recruited for 2022. A number of trainee lawyers had also been taken on in 2021 and 2022.

The Board recognised the work being done to attract and retain staff but felt that more needed to be done to reduce the £5m spend on agency staff. The Board requested that further information be brought to a future meeting on the Attraction and Retention Framework and setting out proposals to help reduce the agency spend, including increasing the number of 'grow our own'.

This page is intentionally left blank

Agenda Item 6

EXECUTIVE DECISION – 7 JUNE 2022

DELIVERY OF HR ADMINISTRATION, PAYROLL, EXCHEQUER, ADULT CARE FINANCE AND THE CUSTOMER SERVICE CENTRE (CSC)

COMMENTS FROM THE OVERVIEW AND SCRUTINY MANAGEMENT BOARD

At its meeting on 26 May 2022, the Overview and Scrutiny Management Board considered the report and unanimously agreed to support the recommendations to the Executive.

In response to questions from members of the Board, the following points were confirmed:

Overview

- The Customer Service Centre (CSC) was very structured and currently had over twenty different streams of activity going into it. There were two hubs within the CSC, one for complex social care queries and one for standardised transactional activity, and it was anticipated that this model of delivery would continue. There were regular meetings between the service areas and the CSC agents to make sure that the scripts used to deliver the answers to contacts received were up to date. The CSC was already externalised and functioning effectively with a high level of knowledge of the organisation. It was anticipated that this would continue under the new contract.
- It was currently not an option to be able to offer the contracts to local businesses without going through a tender exercise, because the contracts were above the threshold where a tender was required. However, the staff at the CSC were locally based and it was expected that this would continue with a local base in Lincoln possibly accommodated in one of the Council's buildings.

HR Administration and Payroll

- The location of the staff in Lincoln would make it easier to TUPE staff across to Hoople because the services would also continue to be based in Lincoln. It was proposed to start early engagement with the staff within six weeks of the decision being made. There would be an opportunity for hybrid working for the staff as some of the work could be done remotely. By using Hoople, it could recruit staff from Herefordshire or Lincoln which would not be an option if the service was in-sourced.
- In 2015, only two staff had TUPE'd across from Mouchel to Serco due to Mouchel retaining its business with schools, and consequently retaining staff to provide those services to schools. Serco would not continue its delivery of services to schools when the current contract expired in March 2024 and therefore staff were in a different position compared to 2015. Work was ongoing to mitigate the risk of staff not transferring to Hoople.
- Hoople had a very low turnover rate and a good track record on TUPE. It had committed to having a significant senior leadership presence in Lincoln to show commitment to the new model.

- Discussions had taken place and information had been shared with the trade unions but it was too early in the process for formal consultation. The trade unions were broadly supportive of the proposals.
- There was no awareness of any agencies in Lincolnshire which specialised in public sector payroll as it was a niche market. As a result, it was felt unlikely that payroll staff would leave to join an agency to seek better pay.
- Assurance was provided that an alternative Fire and Rescue payroll provider would be able to provide the necessary support to Hoople for the Fire and Rescue payroll. Engagement would take place from the outset and arrangements would be put in place so that advice would be given throughout mobilisation and the operational period as and when necessary.
- There was no option to commission another fire service authority to provide the fire and rescue payroll as none of them use Business World for their payroll. In order to use another fire service authority, there would be a need to redesign services and staff would be fragmented between Hoople and the fire service authority which could affect the number of staff who would want to TUPE across. As part of Business World redesign, the fire and rescue payroll had been built in and no issues had been identified so far through the three parallel payroll runs which had been undertaken. The Board requested further information on the payroll error rate between fire and rescue staff and other staff.
- There would be a significant increase in the payroll workload for Hoople but as Hoople was a bigger organisation with around 500 staff, and was very stable with a good financial record, it was considered that Hoople would be able to deliver this. Due diligence would be undertaken around these areas.
- The legal agreement would not be negotiated with Hoople until a decision had been taken. The cost of that arrangement would depend on the level of risk placed on Hoople. Higher risks would lead to higher costs as Hoople would include some contingency into the cost arrangements.
- Due to the number of service changes, it would be possible to start to phase the implementation arrangements in 2023 rather than implement all the new contracts in March 2024. This would be subject to discussions with Serco, Hoople and other providers and as yet there was no plan to do this.

Customer Service Centre (CSC) and Transformation Commissioning

- Through the market engagement, nine organisations were interested in providing the CSC services to the Council. A sufficient number of these had social care experience and one-to-one discussions had been taking place with some of these providers to explain the Council's approach. The telephony platform being considered by the Council was a web-based tool and some of the providers had indicated that it was usual for them to use the client telephony system.
- In response to concerns raised about the impact of the upcoming adult social care reforms and whether the adult social care element of the CSC and adult care finance should be brought together to form a separate customer service centre, it was noted that due to economies of scale it made more sense to have a single customer service centre. The importance of social care had been recognised and a pre-qualification process would be part of the procurement to ensure that the providers engaged with had that experience. There would continue to be close communications

between the CSC and the finance and other Council service teams and from experience, the CSC had been provided with the right engagement from service areas which had enabled the agents to manage the calls that come into the CSC.

- The current telephony system would not provide the Council with the platform needed to implement digital technology. A new solution had been identified which would provide a much better service and would be integrated into Microsoft Teams which would create wider efficiencies across the Council.

Adult Care Finance and Exchequer Services

- Due to the changes and complexities in the adult care pathway, it had been identified that the most efficient way of delivering adult care finance services was to deliver it as one organisation. The work was currently split between CSC staff and Council staff which was causing delays for the customer and debt for the Council due to the time taken to complete financial assessments. The average wait for financial assessments had reduced from 26 weeks in 2018 to four weeks in 2022. By bringing the service in-house, it was anticipated that the wait would reduce even further. From 10 June 2022, an end-to-end process review of the full pathway would be undertaken to prepare for the reforms due to come into effect in 2023.
- The main challenges with in-sourcing adult care finance would be being ready in time for the implementation of the reforms by October 2023, and communication with the anticipated 20,000 customers and giving clear and consistent messages to help them receive the care they want and understand their finances.

Budget and Key Project Risks

- A six to nine month transition timeframe was being proposed for the handover of the CSC. As there was no transformation work being proposed, the transition only involved moving the operation of the service from one provider to another, and the Council would be providing the telephony service.

This page is intentionally left blank