

Bath & North East Somerset Council		
MEETING/ DECISION MAKER:	Resources Policy Development & Scrutiny Panel	
MEETING/ DECISION DATE:	27th July 2016	EXECUTIVE FORWARD PLAN REFERENCE:
TITLE:	Use of Consultants & Agency Staff – Update on Task & Finish Group	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Appendix 1: Opportunities to control and reduce overall spend on Temporary Workforce		

1 THE ISSUE

- 1.1 Officers were requested to update the Panel on the use of Consultants and Agency staff. A number of questions were asked by the Panel held on 16th March 2015 and an update was requested following the May 2015 elections.
- 1.2 The Head of Strategic Procurement & Commissioning has been working with Councillor Barratt to look at issues he raised at the meeting, in particular around the discrepancy in Agency staff spend reported to the Panel compared with the data published by 'Bath Hacked'
- 1.3 The Head of Strategic Procurement & Commissioning has undertaken a further review of the use of agency staff via the Council's neutral vendor arrangement.

2 RECOMMENDATION

- 2.1 The Panel is asked to note the report.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 The use of agency staff forms an important part of workforce planning. In 2015/16 the Council spent £3.8m on agency staff via the neutral vendor contract.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 The Council must comply with the Agency Worker Regulations in using Agency workers.

5 THE REPORT

5.1 At the Panel meeting held on the 16th March 2015 Councillor Barratt was concerned that there was a large discrepancy between the information published by 'Bath Hacked' and the information provided to the Panel.

5.2 The Head of Strategic Procurement & Commissioning has worked with Councillor Barratt to review and reconcile the information. The key issues identified were:-

- a) 'Bath Hacked' data covered more than one year's data therefore we were not comparing like with like.
- b) There were a number of coding errors incorrectly describing suppliers as providing agency staff when this was not the case. For example there are payments relating to rail electrification, park maintenance, legal expenses, school escorts and reimbursement of salaries to other Council's that have been incorrectly coded.
- c) Whilst there was an element of "off contract" agency spend (i.e. not via the Council's neutral vendor contract) it amounted to approximately 7% of spend in both 2013/14 and 2014/15. This is not unreasonable as there will always be specialist requirements that cannot be met through our normal contractual arrangements.

5.3 Finance staff and service areas have been given further guidance to improve coding of expenditure, but it should be noted that the coding may have already been corrected.

5.4 A further review of agency staff expenditure has been undertaken with the assistance of the Head of Human Resources and Organisational Development, Comensura (The Council's Neutral Vendor) and Councillor Barratt to ensure we are obtaining best value from the arrangement.

5.5 The conclusion is the arrangement works well but there are a number of actions we can take to improve management of agency workers and challenge whether they are required:-

- a) Review legacy and long term assignments
- b) Establish new extension controls for individual assignments
- c) Conversion of agency workers to permanent/fixed term contracts
- d) Increase scrutiny and challenge of usage
- e) Greater understanding of market conditions

5.6 **Appendix 1** provides a detailed analysis of spend via the neutral vendor arrangements and includes some best practices that we are considering adopting.

5.7 A detailed breakdown of information has been shared with Divisional Directors to allow them to review agency spend relating to their service areas.

5.8 Strategic Procurement and HR are working with the Place Recruitment Group to examine some of the practical considerations around the implementation of some of the actions. This will take into account the following caveats:-

- a) Some expenditure will be linked to specific capital projects with no revenue savings available to the Council
- b) There are national shortages of qualified staff in certain areas that cannot be resolved with quick fixes. The Council has specific projects to recruit engineers and qualified social workers

5.9 In addition to the review of agency staff a further review the use of consultants and specialist professional services is currently being carried out.

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Background papers	<i>None</i>
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