

Finance and Resources Committee

10.00am, Thursday, 12 August 2021

Award of a Contract for the Provision of Temporary Agency Staff, Permanent, Fixed-Term Contract and Short-Term Supply Resources – Coalition Addendum Update

Executive/routine Wards Council Commitments	Executive All
---------------------------------------------------	------------------

1. Recommendations

- 1.1 The Committee is recommended to:
- 1.2 Note a further reduction of £1.7m in agency spend during 2020/21. This reduction means agency spend has reduced by £4m (18.5%) over the last two financial years.
- 1.3 Refer this report to the Edinburgh Integration Joint Board to consider what steps, if any, can be taken to reduce agency worker spend by the Edinburgh Health and Social Care Partnership.
- 1.4 Note that an Officer Working Group jointly led by the Head of Human Resources and Head of Place Management was established to provide further scrutiny on agency spend, amongst other workforce costs.
- 1.5 Note that the Council's Strategic Workforce Plan 2021-2024, as approved by the Policy and Sustainability Committee, commits to a number of workforce actions including the development of more detailed and operational Divisional workforce plans for specific areas which will include the management and controlled utilisation of flexible workforce (agency workers, casual workers and overtime).

Stephen S. Moir
Executive Director of Corporate Services

Contact: Katy Miller, Service Director: Human Resources,
Human Resources Division, Corporate Services Directorate
E-mail: katy.miller@edinburgh.gov.uk Tel: 0131 469 5522

Award of a Contract for the Provision of Temporary Agency Staff, Permanent, Fixed-Term Contract and Short-Term Supply Resources – Coalition Addendum Update

2. Executive Summary

- 2.1 On 21 January 2021, the Finance and Resources Committee approved a report on the Award of a Contract for the Provision of Temporary Agency Staff, Permanent, Fixed-Term Contract and Short-Term Supply Resources.
- 2.2 A Coalition Addendum was approved requesting a report from the Executive Director of Resources, in three cycles, on the opportunities and additional measures that can be introduced to further reduce agency worker spend by the Council.
- 2.3 As noted by the Committee, the Council continues to reduce its reliance on agency colleagues and in addition to the savings previously highlighted a further reduction of £1.7m has been achieved in 2020/21 and means agency spend has reduced by £4m (18.5%) in the last two financial years.
- 2.4 To note that agency spend is not additional budget expenditure but is spend contained within Council approved Directorate or Divisional budgets.
- 2.5 This report outlines how the Council continue to scrutinise and wherever possible reduce agency spend.

3. Background

- 3.1 At its meeting on 21 January 2021 the committee approved a Coalition Addendum which:
 - 1) further notes that positive progress has been made in reducing agency worker spend by £2.7 million in the 2019/20 financial year;
 - 2) agrees to request that the Executive Director of Resources provides a report to the Finance and Resources Committee, in 3 cycles, on the opportunities and additional measures that can be introduced to further reduce agency worker spend by the Council; and,

3) agrees to request a report from the Executive Director of Resources, in 2 cycles, providing an update on the Council's security team and the use of agency workers in this area.

- 3.2 The purpose of this report is to address point two of the Addendum. Point three of the addendum has already been discharged, with a previous report to Committee.

4. Main report

Progress on Reducing Agency Spend

- 4.1 The Council spent circa £17.7m on agency workers in 2020/21, this is equivalent to approximately 3.8% of the Council's total pay bill for 2020/21.
- 4.2 Over the two financial years increased scrutiny and challenge by Chief Officers across the Council has resulted in a 18.5% reduction in agency spend. This reduction equates to £4m savings when comparing to a £21.7m agency spend in 2018/19.
- 4.3 Approximately 89% of the agency spend is through two external partners, Pertemps Recruitment Partnership Limited (Pertemps) and ASA Recruitment (ASA).

Further Scrutiny of Agency Spend

- 4.4 Approximately £7m (40%) of agency spend in 2020/21 was on behalf of the Edinburgh Health and Social Care Partnership. It is recommended that this report is therefore referred to the Edinburgh Integration Joint Board (EIJB) to consider what additional steps, if any, can be taken at the current time to reduce agency spend across the Partnership.
- 4.5 Outwith the EIJB, the vast majority of agency spend across the Council is planned as part of approved resourcing models e.g. for Waste and Cleansing, Facilities Management, or Customer Contact and Transactions. Such resourcing models enable the flexibility required to meet increased demands during peak periods e.g. Edinburgh Festivals or the Council Tax annual billing cycle.
- 4.6 An Officer Working Group jointly led by the Head of Place Management and Head of Human Resources was established to provide further scrutiny on agency spend. In addition, the short-term operational impact of Covid 19 has resulted in an increase in the number of agency workers across Facilities Management and Waste and Cleansing to ensure they are operating in line with Scottish Government guidelines.
- 4.7 The Council and Pertemps, as part of the new agency worker contract approved at Committee in January 2021, will continue to review any long-term agency workers currently on assignment with the Council.
- 4.8 The Committee is asked to note that where a reduction in agency headcount is agreed, it is likely that some, if not all, of the agency spend will be replaced with an increase in headcount for the Council's core workforce. For example, to reduce the

agency spend in Waste and Cleansing and Facilities Management the Council has commenced a recruitment campaign for permanent and fixed term colleagues.

- 4.9 Further, the use of a flexible workforce is essential in running a large complex organisation such as the Council, however, the Committee is asked to note that each Executive Director will review the use of their flexible workforce (agency, casual and overtime), ensuring, wherever possible, the Council provides security of employment to colleagues through a fixed term or permanent contract.

5. Next Steps

- 5.1 If approved, the report will also be referred to the EIJB to consider what additional steps, if any, can be taken at the current time to reduce agency spend.
- 5.2 The Officer Working Group will continue to scrutinise agency spend throughout the 2021/22 financial year.
- 5.3 Reporting on spend across the flexible workforce will continue to be reported to this Committee on a regular basis, through the Workforce Dashboard and the Annual Workforce Controls report to Committee.

6. Financial impact

- 6.1 There are no additional financial costs associated with this paper.

7. Stakeholder/Community Impact

- 7.1 Not applicable.

8. Background reading/external references

- 8.1 [Award of a Contract for the Provision of Temporary Agency Staff, Permanent, Fixed Term Contract and Short-Term Supply Resources - 21 January 2021](#)
- 8.2 [Security Services, Use of Agency Workers - 4 March 2021](#)

9. Appendices

- 9.1 Not applicable.