| Agenda Item | **3** |
|---|---|
| Report No | **RDB/4/19** |

**THE HIGHLAND COUNCIL**

**Committee:**          **Redesign Board**

**Date:**          **26 March 2019**

**Report title:**          **Redesign Review of Agency and Casual Workers: Final Report**

**Report by:**          **Trading Standards Manager (Review Team Leader)**

## 1.    Purpose/Executive Summary

1.1    A peer review of agency and casual worker arrangements was requested by the Redesign Board.  The final recommendations are reported for agreement.

## 2.    Recommendations

2.2    Board members are asked to agree to recommend to Council to agree the recommendations set out within the attached final report:

## 3.    Background

3.1    The following objectives[1] were set for the review:

- Review the current use of Agency staff including the Global contract with a view to identifying efficiencies.  This includes identifying how much has been spent on agency staff, where, when, why and in which service and function.  Consider whether extent of use was necessary and whether the Global contract has been observed correctly.

- Consider medium and longer-term options for Agency provision such as a Managed Contract and an in-house agency.

- Fully appraise the use of other (non-agency) non-permanent staff (i.e. Supply, Casual, Relief, Seasonal, Temporary and Zero Hours) across the Council and recommend improvements and efficiencies.

- Identify potential linkages with partner organisations such as Highlife Highland, NHS and neighbouring local authorities.

- Produce recommendations for future use of non-permanent staff that cover all Services and align with the Budgeting process in the long term.
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## 4.    Review process

4.1    The gathering of information for this extensive review was challenging: given that it applies to all Services and teams in the Council, it was necessary to contact a wide range of staff for their views and knowledge.  Further, a range of relevant external parties were contacted to obtain further information and help explore other ways to provide non-permanent staffing.

4.2    A number of interviews were carried out face-to-face with a sample of relevant staff from each of the Council's Services and with senior managers and Councillors.  The team also met with representatives of external bodies including Highlife Highland, UHI, other local authorities and Global Highland Ltd.  Further data were gathered from other individuals electronically through use of a questionnaire.  The team is very grateful to have received a high level of co-operation and assistance from the individuals contacted during the review.  Other crucial information has been gleaned from the Council's financial records, HR databases and from general open source online research.

4.3    Through analysis of the information and discussions at meetings of the team, a number of conclusions and recommendations have been established (see appendix 1).  It is thought that the findings and recommendations of this review chime well with other current Council initiatives on HR issues.

4.4    Given the breadth of coverage in this review, inevitably enquiries on some topics were

less detailed than others and the subsequent recommendations involve further, more detailed investigations being carried out.

4.5     The team carrying out this review are named below:

**Table 1 - Review Team**

| Name | Designation |
|---|---|
| David MacKenzie | Trading Standards Manager |
| Hannah Jones | HR Officer |
| Rachel MacDonald | Trainee Accountant |
| Rhoda Cameron | ESF Programme Administrator |
| Paul MacPherson | Trade Union Representative |
| Councillor Carolyn Caddick | Redesign Board Member |
| Councillor Callum Smith | Redesign Board Member |

The designated Head of Service for the review is Steve Walsh, Head of People and ICT.

**7.     Implications**

7.1     There will be Resource, Legal and Risk implications risks associated with implementing the recommendations, and it is recommended that these risks are actively managed through appropriate project governance as these are implemented.


Designation: Trading Standards Manager

Date: 20 March 2019

Authors:        David Mackenzie, Trading Standards Manager

# Council Redesign: Peer Review on Agency and Casual Staff

## Table of Contents

**Executive Summary**

Highland Council makes extensive use of agency and casual staff, often to good effect. However, there are a variety of circumstances – particularly with agency workers – where some practices are not in the best interests of the Council.

The exclusive contract with Global Highland Ltd for most agency staff is effective and efficient. While most managers comply with the contract, some persist in using other agencies, at higher costs. Full compliance with the contract in future is essential to ensure best value for the Council. Identified examples of bad practice can be individually addressed.

It is not just fees that make agency provision more expensive than having permanent staff in place. Significant resources are used organising and managing agency hires.

Some specialist posts – mainly in Care and Learning – are outwith the Global contract and involve other companies when recruitment is through agency. Some of these arrangements are very expensive and should be reviewed. Savings options could include renegotiating arrangements with these companies and reducing agency use in these areas through recruitment campaigns and innovative techniques.

Using Casual staff does not involve agency fees and so is often not more expensive than a permanent member of staff. The most common forms of this in the Council are the "supply" systems used by schools. These are well-established and options for savings and changes are limited by national pay agreements.

While some concrete savings can be identified by changed practices regarding agency use, it is likely that much more significant efficiencies can be made through implementing a fully integrated system for managing all vacancies whereby managers seriously consider options such as reshuffling existing staff, reducing service standards and secondments.

In order to operate an effective integrated system for managing all vacancies, the Council needs a new approach to internal secondments: an approach of approving secondments whenever it is in the best interest of the Council to do so. To bring this about involves significant new work and systems, but the rewards could make this worthwhile.

More coordination is required to ensure compliance with policies about agency use and managing vacancies. This is best done through a specific new post, but could also be achieved by a central team. It cannot be left to individual service managers.

Ambitious, "medium-term" options should be pursued further. A managed contract with an agency is likely to generate interest in the trade and should be considered. Similarly, an internal "bank" of staff may be a positive option for the future, perhaps in concert with new secondments processes, and especially if expanded to include local partner organisations.

**PART 1 – INTRODUCTION AND BACKGROUND**

Most Highland Council workers are employed on permanent employment contracts, both full-time and part-time.  However, a significant minority work under other conditions.  Probably the best known of these is the category of Agency staff.  These workers can be a convenient and valid method for the necessary filling of short-term vacancies.   In recent years, the Council has used a wide range of agencies to supply staff.  A review was carried out in 2017 which identified that significant savings could be achieved through using a single provider.  This led to a one-year contract being agreed with Global Highland Ltd, which has since been extended.  Despite these moves towards a more coordinated approach to Agency, a perception persists that the approach is inconsistent and varied across the Council and not always done in the most efficient manner.

The Council also continues to use a range of other alternative forms of enlisting staff, known colloquially as Supply, Casual, Relief, Seasonal, Temporary and Zero Hours.  These have developed out of particular localised needs and not through a Council-wide strategy.  It was not clear whether the Council is receiving full value-for-money from these arrangements.

Accordingly, the following objectives[1] were set for the review:

- Review the current use of Agency staff including the Global contract with a view to identifying efficiencies.  This includes identifying how much has been spent on agency staff, where, when, why and in which service and function.  Consider whether extent of use was necessary and whether the Global contract has been observed correctly.

- Consider medium and longer-term options for Agency provision such as a Managed Contract and an in-house agency.

- Fully appraise the use of other (non-agency) non-permanent staff (i.e. Supply, Casual, Relief, Seasonal, Temporary and Zero Hours) across the Council and recommend improvements and efficiencies.

- Identify potential linkages with partner organisations such as Highlife Highland, NHS and neighbouring local authorities.

- Produce recommendations for future use of non-permanent staff that cover all Services and align with the Budgeting process in the long term.

The gathering of information for this extensive review was challenging: given that it applies to all Services and teams in the Council, it was necessary to contact a wide range of staff for their views and knowledge.  Further, a range of relevant external parties were contacted to obtain further information and help explore other ways to provide non-permanent staffing.

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[1] Note that payment of overtime through "Sal 6" forms was not part of this review.

A number of interviews were carried out face-to-face with a sample of relevant staff from each of the Council's Services and with senior managers and Councillors. The team also met with representatives of external bodies including Highlife Highland, UHI, other local authorities and Global Highland Ltd. Further data were gathered from other individuals electronically through use of a questionnaire. The team is very grateful to have received a high level of co-operation and assistance from the individuals contacted during the review.

Other crucial information has been gleaned from the Council's financial records, HR databases and from general open source online research.

Through analysis of the information and discussions at meetings of the team, a number of conclusions and recommendations have been established. It is thought that the findings and recommendations of this review chime well with other current Council initiatives on HR issues.

Given the breadth of coverage in this review, inevitably enquiries on some topics were less detailed than others and the subsequent recommendations involve further, more detailed investigations being carried out.

The team carrying out this review are named below:

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| Name | Designation |
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| David MacKenzie | Trading Standards Manager |
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The designated Head of Service for the review is Steve Walsh, Head of People and ICT.

**PART 2 - AGENCY**

"Agency" workers are provided by specialist companies to fill short-term vacancies at employers such as The Highland Council. The worker is employed by the agency, but is under the line management control of the Council while working for it. Often, these arrangements will be put into place at very short notice, providing a convenient option for the Council to maintain services. The fee paid by the Council includes the wage that is paid to the worker, plus the profit element for the agency. It is usually more expensive per day

for the Council to use an agency worker than it would be to have a permanent employee in the post.  See [Appendix 8](#) for a selection of financial information regarding agency use. [2]

The Council has long made use of agency staff, often to good effect.  As the current policy states:

> "Agency workers can be a quick, effective and legitimate way of covering temporary staffing issues where it's not possible, necessary or appropriate to recruit an employee."

At the same time, the Council's policies make it clear that agency staff should only be used after other, less expensive, options have been considered and rejected.  If agency is deemed necessary, managers must use Global Highland Ltd as the Council has an exclusive contract with that company.  Only if Global is unable to supply a worker, should other agencies be contacted.

This review sought to find out what is happening in practice across the Council.  How extensive is agency use?  Is it being used appropriately and per Council policies?  Is there scope for efficiencies or other savings?  A significant amount of information was obtained through desk-top sources but it was also necessary to speak to Council employees who are involved in hiring agency.  Accordingly, interviews were carried out across a wide cross-section of Council services and teams.

The total spend for agency has been a substantial figure for several years, hovering around £3million p.a. from 2014/15 onwards.  The projected full year figure for 2018/19 is expected to be around the same as the previous year.  There is no identifiable overall upward or downward trend in the last five years.  A gradual reduction in use in most services (covered by the Global contract) has been cancelled out by an increasing reliance on agency by the specialist fields that are outwith the Global contract, mainly teachers and social care staff.

**Table 2 – Agency Spend**

|  | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
|---|---|---|---|---|---|
| Within current Global contract | £2,732,370 | £2,915,493 | £2,439,074 | £2,551,641 | £2,001,761* (£1,834,948) |
| Outwith Global contract | £270,201 | £353,223 | £509,063 | £903,356 | £1,451,704* (£1,330,729) |
| TOTAL | £3,002,571 | £3,268,716 | £2,948,137 | £3,454,997 | £3,453,465* (£3,165,677) |

* estimated pro-rata figures (actual figures till end February 2019 in brackets)

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[2] For example, Sheet 1 in Appendix 8 for a comparison of Global Highland prices compared to permanent employees.

In addition to the cash costs of hiring through an agency, there is the substantial resource cost in staff time making arrangements and carrying out related administration. This varies considerably from case to case. There are instances where a quick phone call to the agency can lead to a worker who has substantial experience of the role and so can commence work with little further arrangements. However, often there are significant additional time costs before an agency worker can start: there may be detailed discussions with the agency; assessment of needs and vacancy-handling by manager and others; form-filling and other administration including record-keeping and payments; updating computer records; health and safety briefing and issuing of protective equipment; training and instruction on the tasks involved.

Given the myriad of different situations, it is very difficult to calculate a total figure for this across the Council, but it is thought very likely to be well into six figures. One team is estimated to spend around £132 per hire on agency administration, totalling £44,000 in staff time over a year in that team alone (see Appendix 2 for a breakdown of these calculations). It is clear that any direct cash savings from reducing agency use will be supplemented by significant extra savings in administration time.

The agency contract with Global Highland has been positive, reducing both the time and cash costs of agency use. However, significant use of other agencies persists, incurring higher charges than under the Global contract. While there are situations where this is unavoidable due to the inability of Global to cover some posts[3], on many occasions other agencies have been used apparently without justification. Had Global been used in all possible situations the estimated saving to the Council is £61,000 p.a. (£30k from the General Fund and £31k from the Housing Revenue Account). The cost difference between Global and the other agencies is stark, see Table 3 for details.

**Table 3 – Agency Margins**

| SPEND BY SUPPLIER | Average per month 2018/19 | Average % margin charged |
|---|---|---|
| Blue Arrow Ltd | £316.04 | 21.20% |
| C and P Recruitment | £8,384.13 | 18.14% |
| Castle View Personnel Ltd | £108.47 | 18.14% |
| Driver Hire Inverness | £1,743.37 | 30.00% |
| Global Highland Ltd | £119,528 | 6.50% |
| Hays Specialist Recruitment Ltd | £30,091 | 20.32% |
| Highland Driving Agency Ltd | £5,872.73 | 18.14% |
| Search Consultancy Ltd | £768.98 | 12.70% |

Global's margin is just 6%, significantly less than Hays' 20%, Blue Arrow's 21% and Driver Hire's 30%. See sheet 5 in Appendix 8 for full details.

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[3] For example, teachers and social workers.

The team met with Global Highland Ltd and its representatives also seemed happy with the contract, although they were aware of instances of Council managers engaging other agencies when they should have gone to Global. They were clear that they are not at present active in several specialist fields of work – in particular teaching and social work – and that these are outwith the scope of the current contract. However, they are open to developing this in future and do not rule out the possibility of including such posts in a future contract. Further replacement of Global for other agencies would bring additional savings. It is thought unlikely that margins any less than those charged by Global would be commercially viable.

Given its positive contribution to the Council, the Global contract should be rigorously enforced and consideration given to an extension of the scope of the contract in future.

It is clear that a wide range of types of post are covered by agency workers. All Services are affected but heaviest use is by the bigger budget operations of Community Services, Development & Infrastructure and Care & Learning.

The review found that managers and other staff involved in recruiting temporary agency staff understand the "on-the-ground" needs of their services and how to utilise agency options to provide these. However, many do not seem to be aware of the detail of the Council policies and procedures for agency use, which emphasise that it should be a "last resort". In a number of cases, agency workers appear to have been recruited with little or no consideration of other options. The three recent real-life Council case studies below demonstrate the varied circumstances in which this can occur.

**Case Study 1**

One team providing a blue collar service in one geographical area has over 20 posts permanently staffed by agency workers, with the figure sometimes nearer 30. The team is reliant on agency staff to provide a service. It is acknowledged that there are some difficulties filling vacancies in this area, but it is thought very unlikely that it is necessary to have such a high number of agency staff. Many of the individuals work throughout the year on this basis and there appears to be significant scope for more permanent recruitment. It seems to be the case that it is so much part of the normal practice for this team to have such a heavy agency presence, that the basic question "do we need to use agency" is not being asked. Every working day of the year in this team, at least 20 sets of agency fees are being paid. If these posts were filled by permanent staff the saving to the Council could be £23,000 p.a. on agency fees alone.

**Case Study 2**

A specialised professional services team struggles to recruit to vacancies in some parts of the Highlands. One office of this team is entirely staffed using agency at an *additional* cost to the Council of £153,000 p.a. due to agency staff being used instead of permanent

employees. Across the Council, the additional cost is £396,000 p.a. While it is clearly the case that there are recruitment challenges in these areas, these very substantial extra costs point to this being a situation ripe for further consideration and innovative solutions. The extra agency and staff costs are substantially higher than the margins of Global and there may be room for renegotiation of these even if the agency provision continues.

**Case Study 3**

An officer in a specialist role is about to go on maternity leave. With an underspend in the total budget, the manager decides to recruit an agency worker to cover the maternity leave. This costs the Council over £40,000. Although providing a statutory function, it is not clear that the team involved need to fill this temporary vacancy at all to meet minimum statutory requirements.

**Approved Use of Agencies other than Global**

While the Global contract gives good value for the jobs covered, it is not clear whether the best deal has been achieved regarding more specialist providers. If a vacancy requiring agency staff is of a type covered by the Global contract then clearly Global should be used (other than in the most exceptional and rare circumstances). The 6% margin charged by Global does seem to be very good value for money.

There is scope for a fresh look at all other agency providers with a view to renegotiating all arrangements. It may be beneficial to the Council to form contracts with them to ensure consistent and ongoing beneficial terms. It has already been estimated that savings of 10% may be possible from a renegotiated deal with a teaching agency.[4]

At present, Global do not seek to provide teachers so they are always recruited using other agencies. Most agency teachers are recruited for the whole school year and so, although they are more expensive per day than permanent staff, they are actually less expensive per year due to their not receiving holiday pay. For example, a teacher from Timeplan agency costs £37,260 for the full year while a typical permanent teacher costs around £47,000.

Accordingly, savings would be realised by the increased use of agency teachers to fill vacancies instead of new permanent staff. Agency teachers make up 1% of Highland teaching staff and increasing agency use would actually save the Council money. However, it is recognised that this is very unlikely to be a desirable approach to take (schools need a foundation of permanent, experienced teachers), and may be at odds in principle with the focus of this review, which is to reduce agency use.

In addition to looking at the intra-Highland Council experience, the review also looked at external experiences. One element of this was a questionnaire sent to all local authorities,

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[4] In the Redesign Peer Review on Education Spend

which elicited seven replies[5]. Each of the other local authorities who replied had similar approaches to Highland on agency use. The one significant difference that stood out was the use by several of a "ranked solution"[6] approach to selecting agencies for specific hires. This approach was considered very carefully in recent years in Highland and rejected in favour of the single contract with Global, which has proved more suitable to the needs of the Highlands.

Although those other Councils' experiences and approaches do not suggest that a radically different system should be considered for Highland, some points of detail could inform improvements to revised Highland policies on agency. One example is the use of social media in East Lothian Council to tackle hard-to-fill vacancies. Another is Aberdeenshire's emphasis on the alternatives to agency use, prominent among them the option of a "recruitment campaign" to permanently recruit, using social media, business connection websites like Linkedin and developing service information through microsites. On completion of the review, the team will hand over all this gathered information to HR.

**Managed Agency**

The more radical option of a managed agency contract was also considered during the review. This is a contract where the agency company commits to providing a worker in all circumstances requested by the client. If the contractor is unable to directly supply a worker for a post, they would sub-contract with another agency that could. While some of the matters investigated in this review could lead to immediate implementation of new approaches, this is a more medium-term option.

None of the external public organisations contacted by the project team has a managed contract for agency. There was no apparent appetite for it among these organisations and little could be learned from their views and experiences. Global has considered whether this approach may be suitable for some of their smaller, private sector clients. The matter was discussed with Global[7] by the review team and, while it was acknowledged on both sides that the size and scope of the Council would make any managed agency contract a challenging objective to achieve, there was interest from Global in the idea and they thought it was likely that other agencies may be similarly interested.

The main advantage of a managed contract for the Council would its straightforwardness. Any Council manager or supervisor looking to fill a vacancy using agency would go to the one contracted agency: full stop. Time spent arranging and administering agency hires would be significantly reduced.

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[5] Replies were received from Aberdeen City, Aberdeenshire, Argyll and Bute, Dundee, East Lothian, Fife, South Ayrshire.

[6] This is an approach where a number of agency suppliers are used and are ranked in a standard framework.

[7] Note that this discussion was completely informal and on the basis of a "blue-skies thinking" approach. The representatives of both Global and the Council were not speaking officially for their organisations and the discussion is not connected in any way to ongoing or future procurement or contractual obligations.

The main potential downsides would be cost and unpredictability of success. Would Global (or any other agency that won the contract) really be able to deliver in all circumstances? In any event, the arrangements required and financial security measures necessary on the part of the agency would ramp up the cost, potentially outweighing the benefits overall. As Global pointed out, there also could be hostility among the agency businesses and between them and the Council. This could threaten the success of a managed contract if it resulted in any unwillingness by other agencies to act as sub-contractors.

In short, a managed contract has clear attractions and just because it is unusual – and has equally clear challenges – it should not be ruled out. During future agency contract deliberations, the possibility of a managed contract should be closely considered and a feasibility study carried out into it as an option.

**General Conclusions Surrounding Agency Use**

This Review found that different problematic situations surrounding agency may need different solutions. For example, whereas some excessive agency use is due to under-recruiting of permanent staff and may be resolved by more such recruitment, other over-use scenarios are caused by sickness cover and may need other resolutions such as reshuffling staff or better attendance management. The Council has detailed and well-established policies and guidance on attendance management[8] and proper and widespread implementation of these are fundamental to the appropriate use of agency staff. Better attendance management leads to fewer absences that may be covered by agency provision.

Council managers have recently attended compulsory training on attendance management and this can be followed up by a concerted effort to ensure all Council managers – especially those who use agency – are aware of the Attendance Management policy and procedures and are implementing these in practice. It may be appropriate to consider the introduction of specific monitoring for compliance. This must include school managers.[9]

Another broad conclusion is that it is clear from the wide range of interviews and assessments undertaken that the devolution of agency hiring to individual managers has led to an inconsistent approach across different services and areas, despite the same rules and policies applying. Only 10% of managers interviewed were aware of the Council's flowchart[10] on agency use, which should be consulted before any agency hiring. More central coordination would ensure greater consistency, compliance with Council policies and less money spent.

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[8] Attendance Management Policies

[9] Note that it has already been agreed by the Council as part of the budget setting that there will be "Revision of all staffing allocations to schools and a targeted approach to management of absence", with a target saving of £3.5million, see here.

[10] Flowchart

A culture persists amongst many managers whereby they feel that their paramount financial obligation is to not exceed their total budget figure, rather than fully justifying all spend.  So, for example, a manager with an underspend in one budget head (e.g. equipment) uses that money to finance an agency worker, without first considering whether there are other less expensive options such as reshuffling staff, reducing service or seeking a permanent appointment.  This issue goes well beyond the boundaries of this review but it does explain much of the over-spend on agency.  Tackling an established mindset is a significant challenge, but if this can be changed, considerable efficiencies and better managerial practice would follow.

Therefore, it is thought that a concerted effort should be made to communicate to all Council managers and budget holders that each individual spend on tackling vacancies must be justified in its own right and not just be assessed in terms of remaining budget levels, or the likelihood of securing extra funding.

Another theme from the information considered by the review team was that it is not clear that any of the agencies other than Global are being used on the best financial terms available to the Council.  Indeed on several occasions (see above), it appears that the costs to the Council are excessive, even within the terms of the use of agency being appropriate in principle in those circumstances.  If a target of 10% savings is achieved on all non-Global agency contracting, this could achieve total savings of up to £100,000.[11]

These findings point to a need for all ongoing individual agency contracts and arrangements across all Council services to be fully reviewed.

In short, some savings can be made from more consistent and appropriate use of agency staff, e.g. using Global or recruiting permanent staff to posts that are regularly filled by agency workers.  However, what about the other options that managers should consider to tackle vacancies such as: better attendance management; greater use of "reshuffling" staff and duties; reducing service standards; redeploying staff from within the Council?  These are outlined in current Council guidance that appears to be little read or used by managers, especially those who regularly hire agency staff.  Better implementation of these actions may be a source of much greater savings in the medium and longer term.

**PART 3 - CASUAL**

For non-agency non-permanent staff, although a range of terms are in informal use (e.g. "seasonal", "zero-hours", "relief", "supply", "bank"), in practice this category is restricted in Highland Council to Casual workers.  Appendix 3 contains a full list of casual contracts for year to March 2019.  This is not the number of employees as several individuals are included

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[11] Note that while the total spend on agency has remained similar for several years, the spend on (approved) non-Global agency has varied so it is difficult to pin down what 10% would mean in cash terms, see Table 2.

more than once (e.g. supply teachers), but it gives a clear indication of the breadth and depth of utilisation of casual workers by the Council. Table 4 shows the use per service.

**Table 4 Number of casual and supply contracts per service**

| Row Labels | Count of Casual Contracts |
|---|---|
| Chief Executive's Office | 16 |
| Care and Learning | 3472 |
| Corporate Resources | 27 |
| Community Services | 94 |
| Development and Infrastructure | 591 |
| **Grand Total** | **4200** |

From these tables, it is clear that heaviest use is in Care and Learning and particularly in schools. Well over 70% of the casual contracts are for school supply: teachers, pupil support assistants ("PSAs") and early years practitioners. These are considered in more detail below. The majority of the remainder are for posts where some use of casual staff is well-established over time, e.g. cleaners.

In most of these casual appointments, a necessary short-term gap is filled by a capable worker who is paid at the same rate (or lower) than an equivalent full-time employee. Although there may be some scope for recruiting a few more permanent staff in some of these areas, there are no savings that would result from that. Managers and staff working in these areas report that the casual system is effective and often the only way to fill a required gap.

**Supply Provision in Schools**

**Teachers**

The Council makes extensive use of casual "supply" teachers to fill vacancies and absences.

The process to become a supply teacher is as follows:

1. A qualified teacher wishing to be placed on the supply list applies through myjobscotland.
2. Pre-recruitment checks are carried out: registration with the General Teaching Council, PVG check, calling references and medical questionnaire.
3. If checks are all satisfactory, the teacher is added to the supply list.
4. The teacher's details are added to a computer database which can be accessed by head teachers to enable them to contact the supply teacher directly when required.

A head teacher is free to choose from the list and make direct arrangements with a supply teacher, as long as they are on the list and have been through the system. Each head

teacher has a budget for supply teachers, as part of the devolved school management system.  They may wish to interview the teacher, although in many cases the teacher will be known already and an interview unnecessary.   A total of 615 teachers are currently[12] on the supply list (288 secondary and 327 primary).

There are two levels of payment for a supply teacher, as per the national Scottish Negotiating Committee for Teachers (SNCT) agreement[13]:

- Those employed for two days or fewer, who receive an hourly rate and 10% uplift for correction etc., in a package that reflects the limited level of commitment necessary for a very short assignment.
- Those employed for more than two days, who are treated as "returning to teaching" and are placed "on the same salary point on the current Main Grade Scale as he/she occupied immediately prior to leaving employment as a teacher".

Many supply teachers are experienced professionals who are placed near or at the top of the teachers' salary scale, which ranges from £22k to £36k.

Supply is intended to cover short and unexpected absences such as short-term sickness. Longer and more predictable absences (e.g. maternity leave) should be covered by other solutions such as temporary contracts.

A number of innovations have been introduced in recent years seeking to make the system more efficient.  Some of these are incorporated into the system.  Others were discontinued as they did not bring the desired improvements.  One was a move to a "permanent supply model" where supply teachers were permanently attached to "Associated School Groups" but this was insufficiently flexible and has been discontinued.  Another was to centralise supply administration but again this did not meet needs and was not deemed to be the most efficient method.

Two possible savings opportunities that were considered by this review on supply were:

- Pay supply teachers at the bottom of the pay scale for carrying out supply, especially for short periods.  This seemed fair, as it reflects the difference in required commitment levels to that school of a full-time teacher and a supply teacher covering a short gap.  However, the SNCT agreement is binding on the Council and so this option is not available.
- Select less experienced teachers for recruitment as supply in order for them to be paid at the lower rates.  However, this is not desirable as it could cause significant difficulties for schools, especially in remote areas, by restricting the supply options. Furthermore it is probably unlawful as it would discriminate against older, more experienced teachers.

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[12] Correct at 5 March 2019
[13] SNCT agreement

**Non-teaching supply**

This follows a broadly similar process to supply teaching: e.g. candidates apply for supply Pupil Support Assistant (PSA) positions through myjobscotland and appropriate checks are carried out before they are entered on the list. The main differences are that in practice most supply PSAs are interviewed before appointment and they are not subject to the SNCT agreement. This means that many supply PSAs are placed on the bottom of the HC4 scale. Some with relevant specific skills or qualifications (e.g. to assist a pupil with particularly challenging or unusual needs) will be placed higher. Similar provisions apply for other non-teaching supply posts such as Early Years Practitioners, school clerical and out of school clubs staff.

**Conclusions for school supply**

The review found that no obvious, direct savings could be identified in the school supply system of the type identified for agency in relation to fees and higher margins (and so higher fees) from non-approved agencies. Permanent recruitment to posts is not less expensive than supply use and in some cases costs more. The systems for teaching and non-teaching supply are well-established and generally well-regarded.

However, another theme from the Agency part of the review *could* apply to Supply. This is the need for managers to carefully consider other options before recruiting at all, including attendance management, reshuffling of staff and re-prioritisation of service (see page 10).

**Other Supply Options**

More radical options such as an internal "bank" for all services have attractions and are worthy of more detailed investigation and evaluation. The discussion of an enhanced secondment system in Part 4 and Appendix 7 looks at the intra-Highland Council side of this idea. What about including other organisations? This is another ambitious and medium-term option but one worthy of further consideration.

Only one of the external organisations contacted expressed any interest in the joint-supply idea, but it is a body with real potential to be able to work with the Council in this way. This was Highlife Highland (HLH), which uses an internal "bank" instead of agency and reports that it works well generally, although there are some gaps in administrative fields. HLH saw real potential in a shared bank, where the Council was strong in providing office workers and HLH strong in providing workers with more practical or manual work experience. It may be that such an agreement would look asymmetrical, with a danger that the much larger Council was contributing more than it was receiving in return. However, the keen interest from a very close partner body makes this a possibility that should not be ignored.

**PART 4 – CONCLUSIONS**

A firm conclusion of the review team was that the Council's use of agency workers was inconsistent and in need of more coordination and monitoring. Several good policies and guidance notes are already in place, but are being implemented by managers and supervisors in very different ways, and in many cases incorrectly. The only way to tackle this is through greater central control, as outlined in the recommendations below.

The findings of the review point to the need for a rigorous process to be created to control agency use across the Council. This should be based on current policies but must have additional processes to ensure consistency, compliance and deliver the required outcomes in practice. To be effective, the new processes and procedures must be tied in with vacancy monitoring to ensure very senior backing and control. All agency hires must be monitored and guidance given to managers and supervisors. Consideration should be given to extending this role to casual worker hires.

How can this be achieved? Authority and responsibility to monitor and enforce the Council's policies on agency ("a last resort") must be given to a person or small group of people. This brings clarity and "ownership" to the role. It is thought that the best way to do this is to enshrine these responsibilities in one specialised post, with appropriate support from management.

Accordingly, a new post of "Agency Coordinator" could be created to be the main facilitator of the new processes. This post would best be situated in the central HR team, and receive support and guidance from HR management. Alternatively, the new role could be carried out collectively by a reconstituted HR team, perhaps under a Talent Manager.[14]

Appendices 5 and 7 provide some suggestions for content for the proposed new processes. However, more work is required to complete these in their final form. Appendix 5 has a draft job description and person specification for the proposed new post.

Some savings and improvements in practice can be achieved from more consistent and appropriate use of agency staff, e.g. using Global or recruiting permanent staff to posts that are regularly filled by agency workers. However, it is likely that more significant savings and improvements can be achieved through using cost-free alternatives, such as: better attendance management; greater use of "reshuffling" staff and duties; reducing service standards; redeploying staff from within the Council. Managers should already be thinking in these terms but the findings of this review suggest that too often they jump to the option of filling the position, often using agency.

Therefore, a fully comprehensive process is required which tackles all vacancies properly by forcing managers to consider all the options, in the right order. This will still result in some

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[14] The Council has agreed to appoint a Talent Manager through the Change Fund.

agency use in some circumstances.  But it is likely that in many others, an alternative solution can be found.  The basic recommendation is laid out below, with more detailed exposition in Appendix 6.

The use of agency and casual staff should be included in a new integrated system for all vacancies based on the following hierarchy to tackle vacancies (where managers must consider all options starting at 1 and proceeding in order):

1. Ensure that attendance management procedures are fully implemented.
2. Reshuffle existing staff and duties
3. Reduction/reprioritisation of service to reflect reduced resources
4. Secondment from within the Council
5. Temporary filling of post
6. Permanent filling of post
7. Hire staff through casual or supply
8. Hire agency staff using Global
9. Hire using agency other than Global

The system brings together many existing policies and procedures and there are different methods of bringing this into operation.

It is likely that existing policies on these matters are satisfactory, but would benefit from additional guidance for managers that clearly described their obligations, as illustrated in the 1 to 9 list above and further explored in Appendix 6.

The options described in the above hierarchy can all be implemented immediately, using current systems, with the exception of no. 4, Secondments.  While the Council does have procedures and accepted practices for internal secondments, these are limited. Secondment posts must undergo the full vacancy monitoring process and may be rejected. Once authorised, even when the recruiting manager and the candidate are both keen to implement the secondment, the candidate's substantive manager has an effective "veto" on it taking place.  As budgets get tighter, that manager is increasingly likely to use the veto.  As it stands, this system adds little to the proposed "9-stage process" for tackling vacancies and could be replaced by a system more likely to enable secondments to happen.

To improve the flow of secondments across the Council, an ambitious and wide-ranging system should be set up for internal secondments, with the implementation of a new process which enables secondments whenever it is the best interests of the Council's goals.

This is a challenging prospect and it is not immediately clear how the key judgement (i.e. does it serve the Council better for the candidate to be seconded or stay in their substantive post) would be made, and by whom.  However, the rewards could be very significant: efficient re-allocations of staff around the Council, with associated savings from not externally recruiting (permanent or agency); real opportunities for personal and

professional development for employees.  See [Appendix 7](#) for a list of principles to be applied to achieve this proposed new approach to internal secondments.

In the same way that agency use must be coordinated and monitored, the same applies to any new integrated process for all vacancies.  It may be that the role of the proposed "Agency Coordinator" can be extended to include monitoring of vacancies more generally. Alternatively, this may be too much for one post and require a team within HR to cover.  In any event, the policy must be "enforced" through set mechanisms which are ultimately the responsibility of very senior staff or Members, such as the Resources Governance Board.

The "9-stage process" for vacancies is this review's main recommendation for improved practice in the future and it is anticipated that it can produce real benefits.  But further initiatives are required to supplement and enable the proposed new process.  One of these is a fresh look at recruitment, particularly with regard to the sort of posts which have seen regular, repeated, expensive agency provision[15] after failures to recruit permanent staff.

A concerted pan-Highland campaign could be launched to attempt to recruit to "hard to fill" posts using innovative techniques, e.g. use of social media and other networks described in East Lothian and Aberdeenshire Council policies; recruitment of trainees alongside agency.

Outward-looking campaigns must be supplemented by internal "campaigns", in particular to improve managers' understanding of good management of vacancies of all kinds.  While this review proposes a significant increase in coordination – and therefore an effective reduction in the "power" of managers regarding agency hiring – it is still essential that managers understand the rationale and requirements of the new approach, and play their part in implementation.  They must be educated and assisted to do so.

To facilitate this, training could be developed, aimed at all Council managers, which covers the new integrated approach to handling all vacancies and the coordinated approach to agency and supply recommended by this review.

Finally, there is the issue of specific, current examples of apparently unsatisfactory practice. Some of these are alluded to in this report, but the specific teams are not identified.  The review team holds the detailed information about these cases and there should be an output from the review which reacts to the problems that were uncovered.

Specific problems identified during the project could be referred by the Board to HR to take up with the services involved.  This will include for example seeking to recruit permanently where agency staff are continually used, or improved use of attendance management processes.

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[15] See, for example, Case Study 2 on page 6.

## PART 5 - RECOMMENDATIONS

### "Quick Wins" (suitable for short-term implementation)

|   | Recommendation | Action by |
|---|---|---|
| 1 | Global contract should be rigorously enforced and consideration given to an extension of the scope of the contract in future. | Head of People & ICT, Procurement, supported by all service directors. |
| 2 | A full review should be carried out of all ongoing individual agency contracts and arrangements. This should include taking a commercial approach and consideration of all options that could reduce costs for the Council. | Head of People & ICT, Procurement. |
| 3 | The findings of the review point to the need for a rigorous process for control of agency use across the Council. A process to monitor and control the use of agency needs to be instigated. The recruitment controls process provides a useful template to use, with peer review at its core, with the Resources Governance Board as a sensible governing body. All agency hires must be monitored and guidance given to managers and supervisors. | Head of People & ICT, supported by service directors |
| 4 | A new post of "Agency Coordinator" should be created to assist the main facilitator of consistent agency use. This post would best be situated in the central HR team, and receive support and guidance from HR management. The new role should report to the Talent Manager (change fund post). | Head of People & ICT |
| 5 | Specific problems identified during the project to be referred by the Board to HR to take up with the services involved. This will include for example seeking to recruit permanently where agency staff are continually used, or improved use of attendance management processes. | Head of People & ICT |
| 6 | The use of agency and casual staff to be included in a new integrated system for tackling all vacancies, based on the following hierarchy to tackle vacancies (where managers must consider all options starting at 1 and proceeding in order):<br>1. Ensure that attendance management procedures are fully implemented.<br>2. Reshuffle existing staff and duties<br>3. Reduction/reprioritisation to reflect reduced resources<br>4. Secondment from within the Council<br>5. Temporary filling of post<br>6. Permanent filling of post<br>7. Hire staff through casual or supply<br>8. Hire agency staff using Global<br>9. Hire using agency other than Global | Head of People & ICT |

| | | |
|---|---|---|
| | Additional guidance should be produced for managers which clearly describes their obligations, in terms of the "1 to 9" hierarchy described in this report. | |
| 7 | Recent training on attendance management should be followed up by further information to managers to remind them of their obligations and consideration given to monitoring compliance of managers with the attendance management policies. This ties in with ongoing work by Attendance Support Officers. | Head of People & ICT |

**Suitable for Medium-term Implementation**

| | Recommendation | Action by |
|---|---|---|
| 8 | During future agency contract deliberations, the possibility of a managed contract should be closely considered and a feasibility study carried out into it as an option. | Head of People & ICT, Procurement. |
| 9 | To improve the flow of secondments across the Council, an ambitious and wide-ranging system should be set up for internal secondments, with the implementation of a new process which enables secondments within the Council whenever this is the best interests of the Council's goals. This is consistent with the Councils Workforce Planning Strategy when Transition is one of the 4 priority workstreams. This could include the option of extending these arrangements to outside bodies, in particular Highlife Highland. | Head of People & ICT |
| 10 | As part of the Workforce Planning theme to provide management training, a module should be incorporated which covers the new integrated approach to tackling all vacancies and the coordinated approach to agency and supply recommended by this review. The training should include face-to-face sessions, supplemented by online materials. | Head of People & ICT |
| 11 | A concerted pan-Highland campaign to be launched to attempt to recruit to "hard to fill" posts using innovative techniques, the Talent Attraction Manager post should focus on social media and other networks as described in East Lothian and Aberdeenshire Council policies; recruitment of trainees alongside agency for an appropriate period. Focus should be placed upon the Council's MA scheme to develop our own. | Head of People & ICT |

**List of Appendices**

1. Scope of Review

2. Examples of Resources used in contracting agency workers

3. List of Casual Contracts (2018/19 YTD)

4. Coordination of Agency Use

5. Job Description and Person Specification for Proposed Agency Coordinator post

6. Expanded Hierarchy for Resource Management

7. A New Approach to Secondments

8. Financial Information

**Appendix 1 – Scope of Review**

**Redesign Board:  Review of use of Agency and Casual Staff**

**Background**

Most Highland Council workers are employed on permanent employment contracts, both full-time and part-time.  However, a significant minority are working under other conditions.  Probably the best known of these is the category of Agency staff, but there are a number of others.

Agency workers can be a quick, effective and legitimate way of covering temporary staffing issues where it is not possible, necessary or appropriate to recruit an employee.  In recent years, the Council has used a wide range of agencies to supply agency staff.  A review was carried out in 2017 which identified that significant savings could be achieved through using a single provider.  This led to a one-year contract being agreed with Global Highland Ltd, which has since been extended.  Recent years have seen a Council spend of over £2.5M per year on agency staff.  Table 1 shows the breakdown per Service.

**Table 1: Agency Workers Spend 2015 to 2017**

| Spend by Directorate | 2015/16 | 2016/17 | Total |
|---|---|---|---|
| Care & Learning | £37,401.33 | £115,303.49 | £152,704.82 |
| Chief Executive's Office | £6,100.56 | £2,722.99 | £8,823.55 |
| Common Good Funds | £23,241.67 | £22,116.49 | £45,358.16 |
| Community Services | £1,381,800.63 | £1,292,171.36 | £2,673,971.99 |
| Corporate Development | £249,813.08 | £248,146.26 | £497,959.34 |
| Development and Infrastructure | £1,032,314.87 | £927,276.17 | £1,959,591.04 |
| Finance | £79,959.61 | £77,801.03 | £157,760.64 |
| **Grand Totals** | **£2,810,631.75** | **£2,685,537.79** | **£5,496,169.54** |

The Council also continues to use a range of other alternative forms of enlisting staff, known as Supply, Casual, Relief, Seasonal, Temporary and Zero Hours.  Some of these are closely related and all have had their place in the past.  These have developed out of particular localised needs and not through a Council-wide strategy.  It is not clear whether the Council is receiving full value-for-money from these arrangements.

The Council has procedures and guidelines for the use of agency staff which emphasise the need to restrict this approach to where it is necessary and effective.  It is not clear that these are being followed in all cases.  For example, some agency workers appear to be employed on a long-term basis and it may be more efficient for the Council to employ them on a permanent contract.

**Objectives of the Review**

- Review the current use of Agency staff including the Global contract with a view to identifying efficiencies.  This includes identifying how much has been spent on agency staff, where, when, why and in which service and function.  Consider whether extent of use was necessary and whether the Global contract has been observed correctly.

- Consider medium and longer-term options for Agency provision such as a Managed Contract and an in-house agency.
- Fully appraise the use of other (non-agency) non-permanent staff (i.e. Supply, Casual, Relief, Seasonal, Temporary and Zero Hours) across the Council and recommend improvements and efficiencies.
- Identify potential linkages with partner organisations such as Highlife Highland, NHS and neighbouring local authorities.
- Produce recommendations for future use of non-permanent staff that cover all Services and align with the Budgeting process in the long term.

**Out of Scope**

The activities of staff working for a third-party under a clearly-defined contract which is paid by the Council as a whole contract (and there is no direct employment relationship between the Council and the worker). However, where an individual is loosely termed a "consultant" or similar but is in reality one of the non-permanent Council workers described above, this will be included.

Also excluded is any appraisal of agency use in arms-length bodies like High Life Highland, in terms of assessing it and making recommendations. However, agency use in these bodies may be considered in terms of any lessons that can be learned (good or bad) to inform Highland Council's ongoing agency use.

**Methods that will be used to undertake this review**

1. Desk-top analysis of existing information: current practices, spends across Services, contract arrangements, HR details.
2. Meetings with staff, managers and Members
3. Other Stakeholder engagement, e.g. with Employment Agency companies
4. Assessment of practices within other local authorities and local partner organisations
5. Consideration of the Council Redesign 10 Options for Service Delivery

**Head of Service**

This review cuts across the work of all Council Services and virtually all Heads of Service. Given that the central issues are centred on HR considerations, Steve Walsh (Head of People and ICT) is the identified Head of Service for this project.

**Team**

| Name | Designation |
|---|---|
| David MacKenzie | Trading Standards Manager |
| Rhoda Cameron | ESF Programme Administrator |
| Rachel MacDonald | Trainee Accountant |
| Hannah Jones | HR Officer |
| Paul MacPherson | Trade Union Representative |
| Councillor Carolyn Caddick | Redesign Board Member |
| Councillor Callum Smith | Redesign Board Member |

**Appendix 2 – Examples of Resources used in contracting agency workers**

**Tasks involved in contracting agency workers**

| Task | Time |
|---|---|
| Identify need for cover | 30 minutes |
| Consider and explore alternative cover options | 1 hour |
| Request approval from senior manager to appoint agency cover | 15 minutes |
| Contact Global | 15 minutes |
| Contact other agencies if needed | 30 minutes |
| Complete order form | 30 minutes |
| Selection process | 2 hours |
| Administration | 1 hour |
| Induction | 1 hour |
| Training | 2 hours |
| Review meeting with agency worker(s) | 30 minutes |
| **Total** | **9.5 hours** |
| | |

**Costs involved in contracting agency workers**

**Foreperson HC06 - £13.98 per hour**

| | |
|---|---|
| 9.5 hours x £13.98 = **£132.81**per agency worker | |
| Approximately 10 agency workers per month | **£1,328.10 per month** |
| x 12 months | **£15,937.20 per year** |

**Manager HC09 - £19.92 per hour**

| | |
|---|---|
| 9.5 hours x £19.92 = **£189.24** per agency worker | |
| Approximately 3 agency workers per month | **£567.72 per month** |
| x 12 months | **£6,812.64 per year** |

**Example of service with long-term dependency on agency workers**

| | |
|---|---|
| 9.5 hours x £13.98 = **£132.81**per agency worker | |
| Up to 28 agency workers per month | **£3,718.68 per month** |
| x 12 months | **£44,624.16 per year** |

**Appendix 3 – List of Casual Contracts (2018/19 YTD)**

| Post | CEX | CL | CR | CS | DI | Grand Total |
|---|---|---|---|---|---|---|
| Administrative Assistant 1 | | 1 | | | | 1 |
| Administrative Assistant 2 | | 4 | | | | 4 |
| Assistant Janitor | | 8 | | | | 8 |
| Assistant Registrar | | | 20 | | | 20 |
| Assistant Residence Officer | | 1 | | | | 1 |
| Attendant/Driver | | 1 | | | | 1 |
| Breakfast Auxiliary | | 34 | | | | 34 |
| Caretaker/Steward | 1 | 3 | | | 21 | 25 |
| Chargehand Electrician | | | | 1 | | 1 |
| Chargehand Joiner | | | | 1 | | 1 |
| Chargehand Painter | | | | 1 | | 1 |
| Chief Invigilator | | 9 | | | | 9 |
| Children's Services Worker 1 | | 2 | | | | 2 |
| Cleaning Operative 1 | | | | | 198 | 198 |
| Cleaning Operative 1 (Casual) | | | | | 46 | 46 |
| Cleaning Operative 1 (Residence) | | | | | 2 | 2 |
| Cleaning Operative 2 | | | | | 152 | 152 |
| Cleaning Operative 2 (Casual) | | | | | 37 | 37 |
| Clerical Assistant 1 | | 6 | 2 | | | 8 |
| Clerical Assistant 2 | | 11 | 3 | | | 14 |
| Clerical Assistant 2 (Schools) | | 86 | | | | 86 |
| Community Early Years Practitioner | | 2 | | | | 2 |
| Community Payback Supervisor | | 1 | | | | 1 |
| Community Works Operative 3 (Other) | | | | 1 | | 1 |
| Community Works Operative 3 (Waste) | | | | 8 | | 8 |
| Community Works Operative 4 | | | | 8 | | 8 |
| Community Works Operative 4 (LGV) | | | | 18 | | 18 |
| Community Works Operative 4 (Other) | | | | 11 | | 11 |
| Community Works Operative 5 (Other) | | | | 1 | | 1 |
| Cook 1 | | | | | 50 | 50 |
| Cook 1 (Casual) | | | | | 24 | 24 |
| Cook 1 (Residence) | | | | | 1 | 1 |
| Cook 2 | | | | | 10 | 10 |
| Cook 2 (Casual) | | | | | 2 | 2 |
| Cook 3 | | | | | 16 | 16 |
| Cook 3 (Casual) | | | | | 4 | 4 |
| Cook 4 | | | | | 6 | 6 |
| Crossing Patroller | | 26 | | | | 26 |
| Day Care Officer | | 1 | | | | 1 |
| Dining Room Supervisor | | 12 | | | 6 | 18 |
| Driver 1 | | 4 | | | | 4 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Early Years Practitioner 1 | | 1 | | | | 1 |
| Early Years Practitioner 1 (Unqualified) | | 221 | | | | 221 |
| Early Years Practitioner 2 (Qualified) | | 84 | | | | 84 |
| Emergency Standby Coordinator | | 3 | | | | 3 |
| Escort 1 | | 103 | | | | 103 |
| Facilities Assistant 2 | | | | | 2 | 2 |
| Facilities Management Assistant | | | | | 13 | 13 |
| Facilities Officer | | | | | 1 | 1 |
| Ferry Foreman | | | | 2 | | 2 |
| Foreperson 2 | | | | 26 | | 26 |
| Gaelic Language Assistant Tutor | | 14 | | | | 14 |
| Gaelic Language Tutor | | 38 | | | | 38 |
| Gatekeeper | | | | 1 | | 1 |
| General Auxiliary 1 | | 39 | | | | 39 |
| Head Janitor | | 1 | | | | 1 |
| Houseparent | | 12 | | | | 12 |
| Independent Chair of Highland Adult Committee | | 1 | | | | 1 |
| Instructor (Visually Impaired) | | 1 | | | | 1 |
| Invigilator | | 145 | | | | 145 |
| Leader in Charge | | 3 | | | | 3 |
| Leisure Assistant (Dry) - HC C&L | | 3 | | | | 3 |
| Leisure Assistant (Wet) - HC C&L | | 4 | | | | 4 |
| Mechanic Foreperson | | | | 12 | | 12 |
| Music Instructor | | 12 | | | | 12 |
| Organist | | | | 1 | | 1 |
| Out of School Care Assistant 1 | | 28 | | | | 28 |
| Out of School Care Assistant 2 | | 7 | | | | 7 |
| Out of School Care Auxiliary | | 78 | | | | 78 |
| Permanent Panel Worker | 5 | | | | | 5 |
| Playground Supervisor | | 65 | | | | 65 |
| Principal Teacher (Secondary) | | 1 | | | | 1 |
| Pupil Support Assistant 1 | | 491 | | | | 491 |
| Pupil Support Assistant 2 | | 40 | | | | 40 |
| Residence Manager | | 1 | | | | 1 |
| Residence Officer | | 1 | | | | 1 |
| School Technician | | 2 | | | | 2 |
| Scribe | | 29 | | | | 29 |
| Service Point Assistant | | | 2 | | | 2 |
| Sign Language Tutor | | 1 | | | | 1 |
| Social Care Worker 1 | | 5 | | | | 5 |
| Social Care Worker 2 | | 134 | | | | 134 |
| Social Worker (35) | | 2 | | | | 2 |
| Sole Janitor | | 10 | | | | 10 |
| Speech & Language Therapy Services Band6 | | 5 | | | | 5 |
| Speech & Language Therapy Services Band7 | | 1 | | | | 1 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Stores Controller | | | | 1 | | 1 |
| Support Worker (Early Learning & Childcare) | | 14 | | | | 14 |
| Supply Teacher | | 999 | | | | 999 |
| Supply Teacher less than 5 days | | 603 | | | | 603 |
| Support Worker | | 45 | | | | 45 |
| Support Worker (Oral Hygiene) | | 6 | | | | 6 |
| Teacher (Primary) | | 4 | | | | 4 |
| Unpaid Work Supervisor | | 1 | | | | 1 |
| Waiter/Waitress | 10 | | | | | 10 |
| Waste Management Officer (Operations) | | | | 1 | | 1 |
| Weekend Supervisor | | 2 | | | | 2 |
| **Grand Total** | **16** | **3472** | **27** | **94** | **591** | **4200** |

**Appendix 4 – Coordination of Agency Use**

The Council already has detailed policies and procedures for agency use.  For the implementation of this review's proposals, much of this material can be retained, supplemented by new provisions for coordination and monitoring.

The current documents are listed here.

The additional provisions required are as follows:

- The Agency Coordinator to oversee and monitor all agency hires.  Where it is not feasible for this to happen in advance of the hire taking place (e.g. essential early morning cover for unexpected absence), the Coordinator must be informed as soon as possible.
- The Coordinator must check every agency hire retrospectively and discuss any problems with the managers involved.
- The electronic process for approving payment to an agency for a particular hire should be pre-authorised by the recruiting manager, with final authorisation by the Coordinator.
- The Coordinator has the role of monitoring and analysing all agency use and must have access to all files to enable him/her to do this effectively.
- The Coordinator should be tasked with producing cyclical reports (perhaps quarterly) and monitoring analysis for the Resources Governance Board through the Talent Manager to consider and take any action that may be necessary in terms of teams or services that are not complying with the policies.
- Consideration should be given to conducting a process excellence review to streamline all processes linked to agency hiring and monitoring.

**Appendix 5 – Job Description and Person Specification for Proposed Agency Coordinator**

**THE HIGHLAND COUNCIL**
**JOB DESCRIPTION**
**POST REF:**

**Service:**  Corporate Resources    **Section:**    People & ICT

**Job Title:**  Agency Co-ordinator/Recruitment Support Officer

**Grade and Salary:**  HC06 (tbc)

**Location:**  tbc

**Responsible to:**  Elaine Barrie, HR Manager

**Job Purpose:**
- To advise managers on the application of recruitment and selection policies and procedures and local and national conditions of service.

**Key Duties and Responsibilities:**

- Advise managers on recruitment and selection policies and practices
- Assist in the application and monitoring of vacancy management
- Advise and assist in the application and monitoring of temporary employees and agency workers
- Monitor the usage of agency workers and compliance with the recruitment agency contract
- Assist on reviewing agency contracts and arrangements
- Ensure the appropriate use of agency workers by coaching managers to consider resourcing options
- Provide information and advice on national and local conditions of service and assist managers to apply these to meet Service needs
- Advise on restructuring projects and assist managers to develop organisational structures that do not depend on temporary cover arrangements
- Develop and deliver training on the use of agency workers
- Advise on innovative recruitment strategies to promote hard-to-fill vacancies
- Provide information to Service Directors on areas of improvement and of concern
- Refer specific issues or areas of concern to HR

- Respond to service queries and direct managers to web-based information and services

**Other Duties:** The post holder may be required to undertake any other duties appropriate to the level of the post.

**THE HIGHLAND COUNCIL**

**PERSON SPECIFICATION**

**Service:** Corporate Resources

**Job Title:** Recruitment Support Officer

**Location:** Inverness

### Essential Attributes

In order to be able to carry out the duties of this post effectively and safely, candidates will be able to provide evidence of the following:

1. Experience of delivering HR and/or effective recruitment services.

2. An HNC level qualification in business, administration or other relevant discipline (or equivalent practical experience).

3. An up to date understanding of the practical applications of employment law and best practice.

4. Working skills in the use of computer packages including Excel, Word, PowerPoint and Outlook.

5. Good communication skills both oral and written with the ability to plan and prioritise a programme of work and meet deadlines.

6. Good team working skills and the ability to persuade and influence colleagues.

7. The ability to undertake research, gather information and analyse information.

## Appendix 6 – Expanded Hierarchy for Resource Management

The Redesign Peer Review on Agency and Casual Staff proposes a fully integrated approach to all vacancies which ensures that the correct decision is made, giving value-for money to the Council. What follows is a skeleton of a procedure to govern this process in future. More detail is required to produce a full procedure.

When faced with a vacancy of any kind, a manager must consider the full range of options available to him/her. There is in effect a "hierarchy" of possibilities, ranging from proper management of staff absence through to using agency workers. To ensure that the most efficient choice is made, the options should be considered in a particular order, as follows:

1. Attendance management
2. Reshuffle existing staff and duties
3. Reduction/reprioritisation of service to reflect reduced resources
4. Secondment from within the Council
5. Temporary filling of post
6. Permanent filling of post
7. Hire staff through casual or supply
8. Hire agency staff using Global
9. Hire using agency other than Global

**1 Consider attendance management**

Is the vacancy caused by long-term sick or similar absences which could be addressed by application of the Council's attendance management policies? See here.

Examples of action include:

| Problem | Possible Action |
|---------|-----------------|
| Repeated short-term sickness absences which are considered to be genuine. | Attendance review meetings; set targets for attendance; consider occupational health (OH) referral. |
| Longer term sickness of employee | OH referral; consider any reasonable adjustments to work practices; consider continued fitness for post. |
| Sickness absences that are suspected to be non-genuine | Consider using disciplinary procedures |

Even if there are attendance management procedures that should be pursued, these take time and it is likely that these would be pursued in combination with one of the other vacancy handling options below. For example, work could be temporarily reallocated (no.2) while an absent member of staff was assisted back to work, or an agency worker could be used (no.8) in an essential service until attendance management was successful in significantly reducing an employee's absences.

**2 Reshuffle/reallocate**

Is it possible to reshuffle duties within a team and reallocate some tasks and still provide an acceptable service without filling the vacancy?

Although often a challenging prospect, this has been achieved in a range of services across the Council. This option will not always be fully cost-free: a temporary "acting-up" arrangement will involve some extra costs.

**Example 1 – Postponement of activities and reallocation of work**

An HR Officer goes on maternity leave, indicating that she will return after 10 months. Two development projects take up 70% of her workload, while the remaining 30% is reactive work responding to Council managers' queries. Her line manager decides to postpone the two development projects until she returns (these are seen as critical for the medium term but not urgent) and redistributes the 30% reactive work to a total of six other staff members, each of whom eliminate small parts of their workload to accommodate the extra duties. These extra duties are commensurate with their substantive posts so no need for "acting-up" payments.

**Example 2 – Utilising "Acting-up"**

An Administrative Assistant is on sick leave, which continues for six months. While he is absent, a Senior Clerical Assistant "acts up" and covers some of the duties (while continuing to spend most of her time on existing duties). Other tasks of the Admin Assistant are "referred up" to his manager (Team Leader). The work of the team is covered at a very small extra cost of the extra payments to the person acting up (difference of top of Senior Clerical grade and bottom of Admin Assistant grade), who gets some experience and professional development from the acting-up.

**3 Reduction in service**

No Council manager wants to see a reduction in the standards of the service being provided. However, challenging financial circumstances mean that over-provision can no longer be afforded. Managers facing vacancies that cannot be handled solely through absence management and "reshuffling" must ask themselves a series of questions:

- Are there any "non-statutory" duties that can be stopped?
- Are there any service standards that can be lowered while still meeting statutory requirements?
- Can timescales be altered to allow work to be done over a longer period with fewer staff resources, while still meeting statutory requirements?

**Example 1 – Reduced standards**

A small team deals with processing registrations for specified local activities. The registrations are turned around in three weeks, a timescale that is written into the team's workplan. One member of staff is to go into hospital for an operation and faces a recovery period of several months when he will be off work. The manager identifies that there is no statutory requirement to turn the process around in three weeks so she changes the target to four weeks and the team achieve this during the

period when the staff member is off.  On his return, the four-week period is retained and valuable staff time is freed up to carry out other statutory duties.

**Example 2 – Ending non-statutory duties**

The Council's Trading Standards team loses staff to early retirement during a voluntary redundancy round.  A full review of its functions reveals that the team is carrying out the non-statutory function of giving consumer advice.  The decision is taken to cease from providing the non-statutory services and duties are successfully re-allocated among the remaining staff.

**Example 3 – Class Sizes**

A school has 32 primary 6 pupils and 31 primary 7 pupils, which is similar to most years for this school.  This is typically covered by three classes: a straight p6; a straight p7; a composite p6/7 class, each with just over 20 pupils.  A teacher retires at the end of the previous session.  Instead of recruiting a new teacher and organising three p6 and 7 classes, the school has two classes: a 32-pupil p6 and a 31-pupil p7, covered by the remaining staff.  These class sizes are larger than in previous years at this school but are still within statutory maximum of 33 pupils for that age group.  Local parents and children receive the service that they are entitled to by law.

**4 Secondment**

If a vacancy cannot be handled using 1-3 above, the manager should consider whether a secondment from within the Council is possible.  A new secondment system, enabled by a database of information about individuals who may be interested in a secondment, has been proposed.  There already exists a pool of workers for redeployment who have been displaced by restructures etc.

**Example 1** – AM is a facilities officer who previously worked in the armed forces and for several years specialised in Health and Safety at depots.  A vacancy arises in the Council's internal Health and Safety team at a time when they are very busy due to a Government initiative on the safety of public buildings.  Through the Council's Secondment information system, AM expresses interest in the position and the H&S Manager agrees to appoint her.  It is determined to be in the Council's best interest for AM to take up the Health & Safety post for two years.

**Example 2** – DB is a roadworker with some experience working in administration, good computer skills and very good inter-personal skills.  During an interview, DB impresses a Business Support Manager who has a vacancy for a clerical assistant post.  It is determined to be in the Council's best interest for DB to take up the clerical assistant post on a permanent basis.

There is of course a "knock-on effect" of using secondment as a solution for a vacancy: it will create a new vacancy which must then be handled under the "9-step process" described here.  So the managers responsible for the facilities officer and roadworker posts must consider reshuffling, reduction in service, secondment, etc.

**5 Temporary filling of the post**

If a post must be filled and there is no appropriate secondment option, then temporary filling of the post should be considered.  It may be that the necessity for the post will change over time.

**Example**

An officer responsible for distribution of a nationally-funded grant system leaves her post. The Council has a clear statutory duty to allocate and administer the grants and no one in the team has the required skills to carry out the functions of the post. The manager tries to identify a secondment but no one is suitable. The grants have been confirmed for the following 18 months but there is no certainty that the funds will be available after that. The post is filled by recruitment to a temporary contract for 18 months, with a view to the possibility of this being extended if the grant system continues beyond that time period.

**6 Permanent filling of post**

If a vacancy must be filled and secondment and temporary recruitment are both rejected as unsuitable, then the post should be advertised for permanent recruitment.

**Example**

A stores controller is off sick and his duties are being temporarily covered by other team members. Unexpectedly he resigns from the Council. An assessment is carried out, and it is determined that the post must be filled as reallocation/reshuffling is not sustainable for anything other than a short period and the tasks of the post are essential to the service. The secondment option is attempted but there is no one with the necessary skills who wants to take up the post. There is no indication that the situation vis a vis the stores controller post will change in the foreseeable future so a temporary solution is rejected and the post advertised for permanent appointment. In the meantime, the duties continue to be reallocated to other staff on a short-term "emergency" basis.

**7 Supply/Casual**

It may be suitable to use supply or casual staff to fill a vacancy. At present, there are very well-established procedures for using supply in a relatively limited range of posts, e.g. teachers, pupil support and cleaners. These may be extended to other posts in future, particularly if the proposed "secondments database" is operational.

**Example**

A teacher is off sick, likely to be only a few days. The school needs to cover the teacher's classes and it is immediately obvious that options 1 to 6 above are not suitable. The head teacher consults the supply list and recruits a teacher to cover the sickness absence.

**8 Agency through Global**

If a manager has exhausted all the processes described in 1 to 7 above, (s)he can consider contracting agency cover through Global.

**Example**

A street cleaning team is well attendance-managed and has very few sickness absences and very limited agency use. During the busy summer period, a flu bug hits the team and several workers are off sick. The supervisor is able to quickly determine that the absences must be covered to provide

this essential service in the normal way and all options other than agency are not suitable. He phones Global to arrange cover and completes the paperwork in full afterwards.

**9 Agency other than Global**

The current Global contract excludes a small number of very specialised roles such as teachers and social workers. If a manager has a vacancy that genuinely cannot be tackled by 1 to 7 and Global are unable to provide anyone, then other agencies can be considered.

**Example**

An Environmental Health Officer (EHO) retires and the manager involved organises a temporary reallocation of duties in that area. Then there is an outbreak of disease in farm animals in that area, requiring intensive involvement from Environmental Health. The manager is able to redeploy some staff from other areas but struggles to cover the statutory requirements involved. Permanent recruitment will take several weeks and the extra resources are required at short notice. Global is unable to help so the manager recruits an EHO from a specialist agency to cover the vacancy until a permanent recruitment can be made. Anticipating that permanent recruitment may be difficult, the manager seeks help from HR in using innovative recruitment techniques to attract candidates.

**Appendix 7 – A New Approach to Secondments**

The Redesign Peer Review on Agency and Casual Staff proposes an integrated system for managing all vacancies with a new enhanced internal secondments process. The following are the basic principles recommended to underpin a new approach to secondments.

1. All managers should consider the option of an internal secondment before filling a vacancy through temporary or permanent external recruitment, or through casual or agency staff.

2. The secondment process must operate so that the best interests of the Council are served: i.e. the decision whether to second a member of staff should be taken on the basis of whether it furthers the Council's goals better for them to move or stay in their substantive post.

3. It is recognised that the assessment in (2) above will at times be difficult. Considerations include: how central to Council needs are both posts during the period of secondment; can replacements be easily found; the wants/needs of the employee; possible future benefits to the Council (e.g. professional development of employee); views of the substantive and recruiting managers.

4. While the views of the substantive and recruiting managers must be taken into account, neither should have the sole authority to make the final decision. It is anticipated that in many cases, a consensus will be reached between them, but in cases where they cannot decide, there must be a mechanism for a neutral, third-party decision. The "default position" should NOT be to refuse the secondment (as in effect is the current position, with the substantive manager having a veto).

5. There should be a "talent database", listing individuals who have expressed an interest in being considered for secondments and volunteered to have their relevant information uploaded, perhaps in the form of a self-completed standard format CV.

6. It may be suitable for some integration of this database with supply and casual staff lists.

7. Data protection and privacy must be carefully managed: levels of access for managers and others must be tightly controlled.

8. Secondment must be a fully constituent part of an integrated vacancy handling process.

**List of Spreadsheets**

1. Extra cost of agency compared to permanent employee for a wide range of posts
2. Full Analysis of Agency Spend: 2015/16 to 2018/19 (to February)
3. Global Price List 2018/19
4. Summary of Global Spend to August 2018
5. Savings if only Global Used

| Global Agency vs THC Hourly Rate 201! | Full Agency Analysis 1516-1819 Feb.xlsx | Global_Pricing_List_v 1.6__from_01.04.20: | Summary of Global Spend from Nov 2017 | Average Saving if only Global was used |
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# Note: Spreadsheets are attached to this PDF - click on the paper clip attachment tab on the left-hand-side.