1. DETAILS OF RECOMMENDATIONS

Cabinet are asked to:

1. Note the current position on the use of non-permanent staff across the Council.
2. Note the specific reasons for the particularly high usage in five areas (adult safeguarding, social care & health; children’s safeguarding & specialist services; housing; ICT; and strategic planning. economic development & regeneration) and the prospects for reducing these in the short-term.
3. Endorse the resolution of the Overview and Scrutiny Committee of 13th April 2016 that the principle of “permanent is best” needs to be retained, but agree to continue with a corporate target of 6% rather than moving to different divisional targets, while recognising that at times this target is very difficult to achieve.
4. Endorse the resolution of the Overview and Scrutiny Committee that future reporting of non-permanent staff roles should include:
   - analysis of where the use of permanent staff creates quality issues
   - a breakdown of different categories of non-permanent staff that reflect differing costs and employment conditions.

If the recommendations are adopted, how will residents benefit?

<table>
<thead>
<tr>
<th>Benefits to residents and reasons why they will benefit, link to Values</th>
<th>Dates by which they can expect to notice a difference</th>
</tr>
</thead>
</table>

1
2. REPORT SUMMARY

2.1 In common with all medium and large employers the London Borough of Hounslow relies on staff employed on a variety of contractual arrangements. This mix includes agency workers and contractors and for several years now the Council has set a maximum rate for non-permanent staffing as a corporate target. This has been done as over-use of non permanent staff could present risks to the quality of our services and reduces the number of permanent employment opportunities which the Council can offer.

2.2 The target for 2015/16 was 6%, but this has not been met. A report to the Overview & Scrutiny Committee based on figures available at 29th March showed usage at 13.4%.

2.3 This report shows the latest figures, some comparator costs and the different reasons for the varying levels in different divisions. Much of the increase is short-term, but some (particularly in Adult Safeguarding, Social Care & Health) is not and is going to need new approaches if we are to get usage levels down by any meaningful amount.

2.4 We do know, however, that when we look at how other London boroughs are coping with the same challenges in broadly the same environment, our usage rates of non permanent staff compare very well. We think the annual corporate target is a very important part of our success in keeping rates lower than elsewhere, if not as low as we would all like. The target ensures that concerted efforts are made continually by staff across the Council to limit the use of non permanent staff.

2.5 In light of this Cabinet is asked to agree to retain the corporate target of 6% for 2016/17. This report makes it clear that meeting this target is going to be extremely challenging, but it is critical not to lose our sharp focus on reducing non-permanent staff levels from their current position.

3. THE CURRENT POSITION

3.1 The latest statistics show usage of non permanent staff across the Council to be 14.1%.

3.2 Usage levels across the three Directorates are different, as are usage levels across Divisions:

<table>
<thead>
<tr>
<th>Directorate</th>
<th>Non permanent staff %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive's</td>
<td>7.4</td>
</tr>
<tr>
<td>Regeneration, Economic Development &amp; Environment</td>
<td>3.2</td>
</tr>
<tr>
<td>Children's, Adults &amp; Housing</td>
<td>15.7</td>
</tr>
<tr>
<td>Overall</td>
<td>14.1</td>
</tr>
<tr>
<td>Directorate</td>
<td>Divisions</td>
</tr>
<tr>
<td>-------------</td>
<td>-------------------------------------------------------</td>
</tr>
<tr>
<td>CAS</td>
<td>Adult Safeguarding Social Care &amp; Health</td>
</tr>
<tr>
<td>CAS</td>
<td>Children's Safeguarding &amp; Specialist Services</td>
</tr>
<tr>
<td>CAS</td>
<td>Education &amp; Early Intervention</td>
</tr>
<tr>
<td>CAS</td>
<td>Hounslow Housing</td>
</tr>
<tr>
<td>CAS</td>
<td>Joint Commissioning</td>
</tr>
<tr>
<td>CED</td>
<td>Business Development</td>
</tr>
<tr>
<td>CED</td>
<td>Customer Relations, Communication and Engagement</td>
</tr>
<tr>
<td>CED</td>
<td>Elections</td>
</tr>
<tr>
<td>CED</td>
<td>Finance and Corporate Services</td>
</tr>
<tr>
<td>CED</td>
<td>ICT</td>
</tr>
<tr>
<td>CED</td>
<td>Supply Chain</td>
</tr>
<tr>
<td>CED</td>
<td>Transformation &amp; HR</td>
</tr>
<tr>
<td>REDE</td>
<td>Public Health &amp; Leisure</td>
</tr>
<tr>
<td>REDE</td>
<td>Community Safety Environment &amp; Regulatory Services</td>
</tr>
<tr>
<td>REDE</td>
<td>Strategic Planning, Regeneration &amp; Economic Development</td>
</tr>
<tr>
<td><strong>Overall</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Adult Safeguarding Social Care & Health**

3.3 Usage of non permanent staff within our Adult Safeguarding, Social Care & Health division is running particularly high at 22%. This is not an area where we can afford to carry vacancies for even very short periods without jeopardising the quality of the services we provide to some of our most vulnerable residents. This means that, even in normal times, this division would struggle to meet a target of 6% non permanent staff.

3.4 However, there are two key factors behind our current high usage of non permanent staff. We are recovering from a difficult two years in adult social care during which time we have addressed a whole range of practice and performance issues, some of which have required significant changes to our structure and people. On top of this, in a market where good people have a choice of employers and the reputations of local authorities are well-understood by professionals, we have not been people’s first choice of employer. We have evidence from our recent staff survey and a just-completed peer review that we are coming through this now and as morale continues to lift and word of mouth spreads, we should see a positive impact on our ability to recruit permanent staff.

3.5 But at the same time we – like all London boroughs -- have been finding it increasingly difficult to recruit to specialist and senior roles in adult social care. For example, during the first two quarters of 2015/16 five adverts for Team Managers resulted in just two offers of employment and two adverts for Deputy Team Managers resulted in no offers. We have concluded that we
need to reconsider the salaries we offer for a number of roles in adult social care, although this needs to be done in the context of us being one of the lowest-funded London boroughs and the ongoing programme of savings needed to meet cuts to our Government grant.

3.6 We are currently undertaking a full review of our total budget for adult social care and as part of this we are reviewing how our salaries compare to those offered elsewhere and what steps we might take to make us a more attractive employer in this area. In the meantime, we will continue to try and fill vacancies as they arise, but wherever necessary will continue to employ the best non permanent staff we can to keep our services running and our residents safe. We are therefore very unlikely to see any material fall in the level of non permanent staff in this division in the next few months.

Children’s Safeguarding & Specialist Services

3.7 Children’s social care is another area where we cannot afford to carry vacancies for even very short periods without jeopardising the quality of the services we provide which means again that, even in normal times, this division would use in excess of 6% non permanent staff. Although recruitment is extremely challenging, partly because many previously permanent social workers in London and elsewhere are switching into the interim market, we have managed to continue to operate with a much lower rate of interim staff than in adult social care. In fact the vacancy rate among social workers and the rate of agency workers in children’s social care are both included in a London-wide benchmarking programme monitored across almost all London boroughs and the latest data available (Q2 2015/16) demonstrates that we rank in the top 25% of all London councils on both these measures.

3.8 The market for professionals in children’s social care is as difficult as in adults. However, we are managing at the moment to cap our usage of non permanent staff at a more reasonable rate of 16.8% because our children’s social care teams have a good reputation. This is partly because we have worked hard over several years to ensure that the issues which matter most to social workers are addressed and that it is as easy as possible for them to do their very difficult jobs. We have ensured, for example, that caseload levels remain reasonable, supervision is high quality, the right training opportunities are available and that support teams right across the Council are working to make a constructive difference to staff in these key roles. We are determined to stay focussed on these and other issues to maintain our good record of retaining and developing staff, even as recruitment becomes even more challenging.

Education & Early Intervention

3.9 Over the last few months we have been consulting on significant changes to our Children’s Centres and as a result we have deliberately not filled posts permanently as they have fallen vacant, but instead secured the services of non permanent staff. Following Cabinet approval to the proposed changes, the necessary restructure is now underway. As a result we expect to see a reduction from 8% non permanent staff in this division to a level within the 6% target by the autumn.
Housing

3.10 Our usage of non permanent staff within our Hounslow Housing division is running particularly high at 20%. This too is the result of deliberate decisions to use non permanent staff to cover vacancies in teams undergoing restructure. Two significant restructures are now concluding – that of Residents Services and of Property Services.

3.11 The restructuring of Residents Services will be complete by July by which time we should have an almost full complement of permanent staff. We inherited a high number of vacant posts in Property Services when the team transferred back to the Council last year. We filled these temporarily to carry out essential works for tenants and leaseholders and have continued to do this through our subsequent restructure of the team and the simultaneous discussions about the long-term home for Property Services – likely now to be Lampton 360. We will not now appoint any permanent staff into Property Services until the decision about transferring the team to Lampton 360 is made. That will then give the Lampton 360 team the flexibility to make any further required changes to the team structure before making new permanent appointments on Lampton 360 terms and conditions and returning to a level of non permanent staff in line with the Council’s own target.

ICT

3.12 ICT’s current usage rate of 16.9% is due in part to the retention of some project support posts which are over and above establishment posts and in part to appointing non permanent staff to key roles to which we have been unable to recruit permanently.

3.13 We still have some non permanent staff completing the Desktop Refresh Programme and ensuring continuity with all the work we have done so far. It is anticipated that this work will be completed by end July. We have been unable to recruit the required number of technical project managers to deliver the now-approved ICT roadmaps in key areas such as children’s services, adults’ services, housing and technical infrastructure. After a number of unsuccessful attempts we have hired non permanent staff to start the key programmes of work which comprise much vital and urgent development work on which services are relying. Our work to recruit permanently to these positions continues.

3.14 We have also had repeated problems recruiting permanently to our Service Desk posts, although we have managed to source good non permanent staff at a very competitive rates. Again, our work to recruit permanently to these roles continues.

Strategic Planning, Economic Development & Regeneration

3.15 Usage of non-permanent staff in this team is running at 13.8%. As part of the savings programme approved by Council in February we have been asked both to delete some jobs in this area and to try and secure alternative funding
for some of the remaining roles. Until we are more certain of the ongoing funding of this team in its entirety we are using some good non permanent staff to provide us the flexibility we need. The Corporate Property team are also included under this heading. Again we have been using some interim staff in this team pending confirmation of an ongoing budget for this team. This was confirmed at the February meeting of Borough Council which means we are now consulting on the future structure of this team before replacing non permanent staff with permanent appointments.

4. BENCHMARKING OUR PERFORMANCE

4.1 London Councils routinely benchmarks the usage of and expenditure on agency workers across all London boroughs. At the last survey (at which point our usage rate was 8.9% and our expenditure £7.57m) this Council was the fifth lowest of all London boroughs on both measures. The median usage rate at the time was just over 15% which is above our current increased rate. We have already referred earlier in this paper to our good performance in children’s social care when compared to other councils in London.

5. FINANCIAL DETAILS

a) Financial Impact On The Budget (Mandatory)
The cost of employing non permanent staff has to be met from within agreed staffing budgets. It is important to note that although a number of non permanent staff (notably senior posts and hard-to-fill technical roles) attract a premium in terms of the cost to the employer, the costs of significant numbers of agency workers are broadly comparable to the costs of directly employed staff. Agency workers do not have associated on-costs including employers’ pension contributions and do not incur costs such as long-term sickness absence and enhanced holiday entitlements. We use Comensura as our neutral vendor supplier for the large majority of non-permanent staff and the majority of these are employed on pre-agreed rates which compare reasonably well with our own employees. The table below gives details of comparable costs for 2 areas with large numbers of non-permanent staff.

<table>
<thead>
<tr>
<th>Post</th>
<th>Non Permanent</th>
<th>Permanent inclusive of on-costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Worker</td>
<td>£56066</td>
<td>£41767 - £49972</td>
</tr>
<tr>
<td>Care Worker</td>
<td>£24373</td>
<td>£24799 - £26220</td>
</tr>
</tbody>
</table>

In addition to the above, permanent staff would also receive holiday pay and sick pay.

b) Financial Background (optional)
None.

c) Comments of the Director, Finance and Corporate Services
The cost of employing non permanent staff must be met from approved budgets.

6. LEGAL DETAILS/COMMENTS OF THE HEAD OF GOVERNANCE
The Head of Governance has no further comments.
7. VALUE FOR MONEY
   Not applicable

8. SUSTAINABILITY IMPACT APPRAISAL
   Not applicable

9. RISK MANAGEMENT
   Not applicable.

10. LINKS TO COUNCIL PRIORITIES
    A stable, qualified and committed workforce is key to delivering our priorities.

11. EQUALITIES, HUMAN RIGHTS AND COMMUNITY COHESION
    Not applicable

12. STAFFING/WORKFORCE AND ACCOMMODATION IMPLICATIONS
    Not applicable

13. PROPERTY AND ASSETS
    Not applicable

14. ANY OTHER IMPLICATIONS
    Not applicable

15. CONSULTATION
    Not applicable

16. TIMETABLE FOR IMPLEMENTATION
    Not applicable

17. APPENDICES
    None

18. Background Information
    None

REPORT ENDS