



North Devon Council

Report Date: Monday, 25 September 2023

Topic: Review of Authority's spend on Agency Staff

Report by: Jon Triggs, Director of Resources and Deputy Chief Executive and Nikki Gordon, Head of Organisational Development

1. INTRODUCTION

1.1. Governance Committee of June 2023 resolved that a report on the use of agency staff together with current and prior year spend be provided for a future meeting.

1.2 This report details spend and use of Agency workers for 2021/22, 2022/23 financial year and the first quarter of this current year 2023/24.

2. RECOMMENDATIONS

2.1. That Members note the report.

3. REASONS FOR RECOMMENDATIONS

3.1. Members requested detail of how much the authority was spending on agency staff and which services they were being employed on. This report sets out the detail of spend over the current year and previous two periods to show the trend of spend and within which service area.

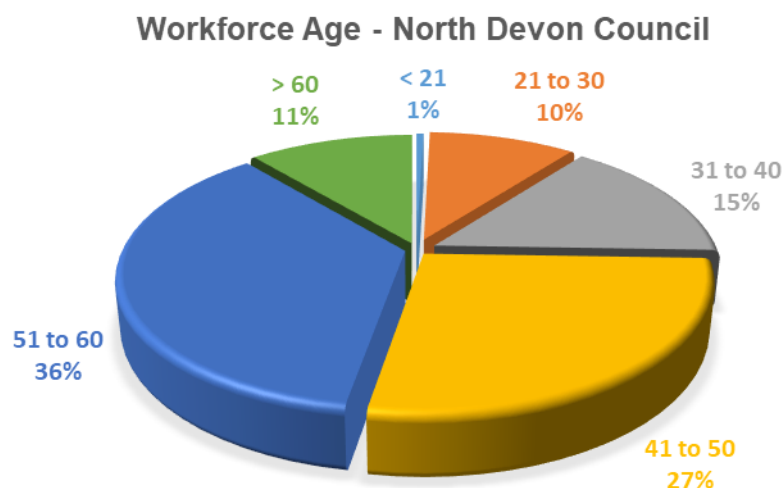
3.2. The report also sets out some of the challenges Councils are facing with recruitment into permanent posts and how the authority is trying to mitigate this.

4. REPORT

4.1. Local Authorities across the country are all experiencing issues in employing and retaining staff. The job market is very competitive and methods of mitigating this are being used such as increasing graduate schemes and apprenticeships.

4.2. The use of agency staff is standard during times of seasonal fluctuation in workload, such as covering leave and sickness in waste and recycling. The Authority does not want to, nor intend to, increasingly rely on agency staff but there have been many occasions where it has been necessary to do so, especially where it has been difficult to recruit in certain areas. This has been required to maintain core services and ensure continuity of service provision.

- 4.3. North Devon Council are part of a consortium for agency staff (together with Teignbridge, Mid Devon, South Hams, West Devon and Dartmoor National Park) through Comensura. This company provides the majority of our interim agency members of staff, however on occasion we have to go outside of this arrangement if either Comensura have been unable to provide within the Service Level agreement or there has been a need to use an alternative supplier for a particular 'specialist area' agency who is not signed up to Comensura but where an appropriate person has been identified.
- 4.4. The main service areas that use agency staff are Waste & Recycling, Building Control, Planning, Environmental Health and Housing and with some limited use in Customer Services, Parking and the Museum.
- 4.5. Where agency staff are engaged, they are used to cover a range of situations such as annual leave and sickness within front-line services such as Waste & Recycling; long term sickness; to cover a vacant post where we have been unable to recruit; specific project work and/or a short term increase in service demand, such as housing and temporary accommodation.
- 4.6. The use of agency staff within Waste & Recycling is principally a relief bank to cover for annual leave and sickness cover. However, it should be noted that there has been national shortage of HGV drivers and the agency route has been a valuable source of ensuring a continued service cover to ensure we can maximise the number of rounds being placed each day.
- 4.7. In terms of providing some context, the age demographic of our current workforce across the Council shows that 47% of our employees are over the age of 51. The below table shows the Council's workforce age breakdown;



- 4.8. The challenges we face, just like other local authorities, is that there is a national shortage of particular professions such as Planning Officers, Environmental Health Officers and Building Control Officers. We have also

seen that as Government tightens the competency standards and registration requirements in some professions, particularly in Building Control and Environmental Health, and as service demands have increased, many individuals in their mid to late 50s have chosen to retire.

- 4.9. The other challenge we have experienced is that recruitment into North Devon historically was an 'easy sell' due to the attractiveness of being able to live and work in such a beautiful part of the country. This has become a significant challenge now in that firstly the cost of housing has grown exponentially and potential staff are struggling to find or afford to live in the area and secondly with the introduction of hybrid-working, working from home has become more attractive and even if people are choosing to live in North Devon, with this flexibility they are able to obtain a higher paid job in another area (such as London) but be able to live and work from home in the South West.
- 4.10. The latter point above undoubtedly has had an impact on the Council's ability to recruit into some posts; however with some organisations now asking their staff to be back into the office more we may start to see a shift in this pattern. It does highlight however that offering flexible working arrangements is very important in attracting new staff and why some councils are exploring options such as offering a 4 day working week etc. It also highlights the task that we all have, officers and councillors, of maintaining and enhancing the reputation of North Devon Council as being an excellent employer and an enjoyable and rewarding place to work and develop a career.
- 4.11. There is growing competition from private companies and also from within the local government family.
- 4.12. Local authorities do however offer a fantastic career path for employees and as covered earlier in the age profile of our workforce, a number of our officers have and are still having long successful careers at North Devon Council. The Council is increasingly exploring ways to attract and develop its own officers, rather than have a reliance on recruitment in the marketplace. We have a history of developing staff with many of the current senior management team having started their employment through previous entry schemes.
- 4.13. The Planning, Health and Housing Service is taking positive action to address these challenges and some examples of this are;
- Two officers are undertaking apprentice MSc Urban Planning RTPI degrees and the authority is funding this training corporately.
 - One officer is undertaking the Chartered Town Planning (Degree) which is funded through the apprenticeship levy
 - Two officers are undertaking level 6 Environmental Health Practitioner apprenticeships which are funded through the apprenticeship levy. Both officers are neighbourhood wardens and the intention is that on successful

completion of apprenticeships they will become graduates, with one being based in the Food team and one based in Environmental Protection.

- One officer is undertaking a level 6 degree in Building Control Surveying, this is being funded through the apprenticeship levy.
- Two graduate officers have been given the opportunity to undertake specialist masters degrees in Planning. They are doing MSc 'top ups' with the cost of this met through our corporate training budget.
- Two officers are undertaking Chartered Town Planner Apprenticeships (Level 6), again funded through the levy and have both just passed their first year.

4.14. Senior Management Team consider every business case to determine if a vacant post could be an apprentice post supported through the apprenticeship levy.

4.15. The Council has just taken on its first T level placement in ICT and is registering to join the LGA Leadership & Management scheme to begin to build our 'managers of the future' and a new planning apprentice programme has also just been launched which we are also exploring further.

4.16. The investment in these officers is a positive move to show the Council's commitment to our current staff and to retaining and attracting new officers into the local authority and we hope aims to mitigate the challenges we have outlined in this report and reduce our reliance on agency staff ongoing.

4.17. A large proportion of our agency spend is in part linked to the bank of staff that we use as a relief bank for Waste and Recycling front line operations; these agency staff are directly used to provide flexibility and cover for annual leave (25 days) and sickness days of permanent staff to ensure the front line services continue to operate. Some Council's will provide this cover for leave and sickness via directly employing a number of permanent staff who float and cover the periods of absence and some Council's (like we do) provide for this cover via the temporary agency route. The annual cost associated with this element of cover is approximately £642,000 and forms part of the approved budgetary framework.

4.18. The other part of our agency spend is around where we have been unable to recruit into various vacant posts despite several attempts to fill these substantive roles which has proved to be unsuccessful.

4.19. Some examples of this are within Planning where we have been out to advert on 3 previous occasions for a Service Lead, Senior Planning Officer and Planning Officer without any success. We are currently re advertising these posts and they are at shortlisting stage and we hope to have a positive response to the recruitment process this time around due to widening where we advertise these posts.

4.20. There is a similar picture for Building Control and Environment Health and Housing where a number of substantive vacant posts have been re-advertised and are at shortlisting stage. We are doing all that we can to

attract individuals to NDC and we have significantly widened where we advertise to ensure we are reaching the largest pool possible. As well as our usual advertising routes we now use Facebook, LinkedIn, Indeed, Public Sector Today, South West Times as well as specific publications such as The Planner for specialist roles.

5. RESOURCE IMPLICATIONS

5.1. The following table outlines agency spend by service area for the last two financial years 2021/22; 2022/23 and the first quarter of 2023/24 year.

	Total 2021/22	Total 2022/23	Quarter 1 2023/24
Planning Housing & Health	314,057	801,204	267,122
Place, Property & Regeneration	14,543	49,936	1,373
Environmental Enhancement	631,630	675,746	129,355
Customer Focus	1,052	14,183	5,793
	961,283	1,541,069	403,643

Costs have increased over the last two years as can be seen, an element of this is related to pay award increases seen over the public sector employees which is then embedded within the agency staff rates; for the level of some of these posts this would have equated to around 10% increase. The other main reason for the increase is outlined within the body of this report due to the challenges we face, just like other local authorities, in that there is a national shortage of particular professions such as Planning Officers, Environmental Health Officers and Building Control Officers.

As outlined within the report, the Planning, Health and Housing Service is taking positive action to address these challenges which we hope will start to have an effect on the current level of agency use.

5.2. As outlined in paragraph 4.17, part of the above cost covers the provision of the bank staff who cover front line staff when they are absent due to annual leave or sickness. This provision as outlined, could be covered either by directly employing a pool of permanent staff who float and cover for these absences or could be covered via the temporary resource route. The cost of this annually is factored into the revenue budget and equates to approximately £642,000 of the above annual total.

5.3. A recent article published, following a freedom of information request, found that on average for the 2022/23 financial year, councils' spending on agency

staff amounted to an average 6% of their total spend on staff, the highest spending council in the country amounted to 42% spend on agency staff.

- 5.4. Excluding the element of spend outlined above in 5.2 (as this pool of temporary staff are covering the front line annual leave and sickness of front line staff in operational areas) the level of agency spend covering vacant posts that we have either now recruited into or are covering posts where we have been unable to recruit successfully into, amounts to £899,000. This level of agency spend equates to 5.3% of the Council's budgeted spend of £17million on staff costs for 2022/23.
- 5.5. Employing an officer on agency terms, the hourly rate is generally more expensive than the salary level of directly employing an officer. The hourly rate paid to an agency (not the rate the agency worker receives) will include other elements such as employer's national insurance that the agency pays on behalf of the agency worker, plus the rate for the actual agency itself providing the worker.
- 5.6. For comparison purposes, an employed officer with the Council will receive a gross salary, on top of this the authority will have additional cost to pay of employers national insurance and employers pension contributions; all of which are factored into the Council's establishment revenue budget.
- 5.7. When the Council's revenue budget for staffing costs (circa £17million per annum as above) is prepared each year there is an estimation of anticipated savings from vacant posts due to timings of when they become available and when they are recruited into (**net of any agency spend in the interim period to achieve successful recruitment**). For the last two financial years, 2021/22 and 2022/23, this level of anticipated vacancy savings (net) was budgeted at (£250,000). The actual net savings from vacancy savings for each of these financial years (after all agency costs outlined in this report have been taken off) exceeded this budget level by (£99,000) for 2021/22 year and (£226,000) for 2022/23 year.
- 5.8. We continue to advertise opportunities on an internal and external basis so agency staff are free to apply if they wish, although some elect to remain on agency as they prefer the flexibility. However, we recently appointed a Loader/Sweeper/Recycler and two Non LGV Drivers plus we are currently in the process of appointing an LGV Driver Loader Sweeper post and we are about to go out for a further 10 positions which will reduce the reliance on the agency workforce by growing the number of substantive posts within the team.

6. EQUALITIES ASSESSMENT

- 6.1. An Equalities Impact Assessment (EIA) is not required for this report.



7. ENVIRONMENTAL ASSESSMENT

7.1. There are no environmental impacts

8. CORPORATE PRIORITIES

8.1. What impact, positive or negative, does the subject of this report have on:

8.1.1. The commercialisation agenda: None

8.1.2. Improving customer focus and/or None

8.1.3. Regeneration or economic development: None

9. CONSTITUTIONAL CONTEXT

9.1. Part 3, Annexe 1, Paragraph 5(f)

10. STATEMENT OF CONFIDENTIALITY

This report contains no confidential information or exempt information under the provisions of Schedule 12A of 1972 Act.

11. BACKGROUND PAPERS

The following background papers were used in the preparation of this report: Comensura, other agency spend provided by finance that have been commissioned through a different provider. Vacancy/ recruitment information provided by HR.

12. STATEMENT OF INTERNAL ADVICE

The author (below) confirms that advice has been taken from all appropriate Councillors and Officers: Jon Triggs, Director of Resources. Nikki Gordon, Head of Organisational Development