

CABINET

21 October 2014

This report is submitted under Agenda Item 14. The Chair will be asked to decide if it can be considered at the meeting under the provisions of Section 100B(4)(b) of the Local Government Act 1972 as a matter of urgency in order to ensure transparency and fairness in the appointment of temporary and agency workers and to introduce new measures to ensure value for money and tight budget control in the light of the Council's financial position.

Title: Amendment to Temporary and Agency Worker Policy	
Report of the Cabinet Member for Central Services	
Open Report	For Decision
Wards Affected: None	Key Decision: No
Report Author: Martin Rayson, Divisional Director of Human Resources and Organisational Development	Contact Details: Tel: 02082273113 E-mail: martin.rayson@lbbd.gov.uk
Accountable Divisional Director: Martin Rayson, Divisional Director of HR and OD	
Accountable Director: Graham Farrant, Chief Executive	
Summary: <p>The Council has had a policy in place to guide managers in their use of temporary and agency staff for two years. It is appropriate for an organisation of this size to need to use temporary staff in order to cope with peaks and troughs in workload, cover for sickness absence and bring in specific skills as and when we need them.</p> <p>The changes made to this policy are largely in sections 8 and 9. A copy of the revised policy is attached at Appendix A. These changes require consultation on any new consultant or interim manager appointments with relevant Cabinet Members. It also requires an auditable selection process to take place prior to appointment.</p>	
Recommendation(s) <p>The Cabinet is asked to agree the revised Temporary and Agency Worker Policy as presented at Appendix A.</p>	
Reason(s) <p>As part of our efforts to minimise costs and maximise career opportunities for the permanent staff of the Council (and potential applicants from the community), we wish to strengthen the process for appointing temporary staff, notably, more highly-paid consultants and interim staff.</p>	

1. Purpose of Policy

- 1.1 Using temporary workers enables the Council to access resources, specific qualifications, experience and skills to fill short-term requirements and resource-specific projects without engaging or entering into a permanent employer/employee relationship.
- 1.2 To achieve best value, the Council must have a consistent approach to the use of temporary workers with appropriate controls in place to address risks. This Policy sets out the basis on which people should employ non-permanent members of staff. The types of non-permanent staff covered by this policy are:
 - People on casual contracts
 - Fixed or short-term contracts
 - Consultants
 - Agency staff
- 1.3 The policy sets out the reasons for using the different categories of staff, as an alternative to employing people on permanent contracts and the process for their engagement.

2. Casual or “Zero Hours” Contracts

- 2.1 There has been a lot of media attention on the use and perceived mis-use of “zero-hours” contracts. This Council has reviewed its use of such contracts and has reduced the number of people currently employed on them (around 150 at July 2014). We have, where possible looked at alternative employment arrangements. However in certain circumstances their use is appropriate, such as in our Leisure Centres. We will continue to keep the use of casuals under review in the Council.
- 2.2 The strongest criticism of zero-hours contract in the media (leading to legislation currently before Parliament) is the use of exclusivity clauses in zero-hours contracts, preventing employees from supplementing income from other work. LBBD has never used such exclusivity clauses.

3. Agency Staff

- 3.1 This administration is committed to using agency staff and consultants only where essential, as a means of reducing costs and maximising opportunities for staff working in the Council and potential employees in the community. The main changes made to this policy are to strengthen the process whereby the employment of consultants and agency staff is agreed in consultation with appropriate Cabinet Members, to ensure that there is an auditable recruitment process for any consultants retained and to ensure that there is regular review (again in consultation with appropriate Cabinet Members), to ensure that they are retained only for as long as is necessary.
- 3.2 There are areas in the Council where there is extensive use of agency staff, such as in Children’s Social Care. We are not unusual as a Council in having difficulty in recruiting experienced permanent social workers. There is however a real focus on

re-packaging our offer to full time roles, so that we can get a better balance in that service area between permanent and temporary staff.

- 3.3 The main changes to the policy are in Sections 8 and 9 and relate to the appointment and retention of consultants and areas where there are high numbers of agency staff.

4. Implementation

- 4.1 This revised policy is already being applied at the request of the Chief Executive, but it is important that Cabinet formally agree it.

5. Financial Implications

Implications completed by: Carl Tomlinson, Group Manager, Finance

- 5.1 The decision to employ staff on a temporary basis must be taken in the context of available funding and budget management. Temporary staff can be more costly compared to permanent employees, therefore, effective management of temporary staff and consultants can contribute towards wider spend control.
- 5.2 Decisions on employing temporary or agency staff are taken by service managers and when an Interim Manager or Consultant is appointed, consultation is extended to include the Cabinet Member responsible for that service area. In all cases it is recommended by Finance that consultation is extended to the appropriate finance business partner to ensure that there is adequate capacity to fund the appointment.
- 5.3 Where an appointment is to cover a vacant post in the interim, it is expected that the allocated budget for the permanent post will be used to fund the appointment and will need to be maintained within the constraints of this budget.
- 5.4 Where an appointment is not covering a vacant role and is required to carry out a specific ad-hoc task, it is recommended by Finance that an Employment Variation Form be completed, following Finance sign off, to ensure that there is adequate budget for this appointment.

6. Legal Implications

Implications completed by: Chris Pickering, Principal Solicitor

- 6.1 The changes to the policy detailed in this report clarify the process around the use of temporary and agency staff rather than making changes to the effect of the policy. As such, there are no direct legal implications from this report. There is also new legislation in the form of the Zero Hours Contracts Bill 2014-2015 (awaiting its second reading in the Commons) which will necessitate further changes if it is eventually passed.

7. Other Implications

- 7.1 **Risk Management** – We ensure that all temporary staff are appropriately vetted and understand our policies around information management and health and safety so that the risks to the organisation and its customers are minimised.

7.2 **Staffing Issues** – The staffing issues are fully explored within the main body of the text

Background Papers Used in the Preparation of the Report: None

List of appendices:

Appendix A – Temporary and Agency Workers Policy (2014)