

**COUNCIL ASSEMBLY  
(ORDINARY)**

**WEDNESDAY JUNE 28 2006**

**URGENT QUESTION TO THE LEADER**

**1. QUESTION TO THE LEADER FROM COUNCILLOR PETER JOHN**

Recent research by the GMB trade union has ranked Southwark third out of 353 Councils for the amount of money spent each year on temporary and agency staff. Southwark's current spending is some £40,000,000 every year. What proportion of this spending is paid to agencies as fees? How many temporary staff does the council currently employ, and could the leader outline the urgent action being taken by the council to reduce this spending?

**RESPONSE**

Until April 1 2006, responsibility for agency spend was largely decentralised and managed through a range of disparate contracts. Mindful of the extent of the spend, a procurement process has been completed in the last year that seeks to improve control and costs of agency usage. While the council has reported an estimated spend of around £40m per annum in response to a recent GMB survey, many council's could not give a figure at all.

With this in mind, the GMB has reported that 10 councils have actually refused to answer the GMB questions; a further 68 councils have not yet replied. Responses are still awaited for a large number of large councils throughout the country including some London boroughs. While GMB will no doubt continue to press for this information, Southwark should be applauded both for their working knowledge of the position, action being taken to address the underlying issues and openness in reporting the position publicly.

The estimated spend reported equates to approximately 14% of the total staffing budget. Whilst numbers of agency staff will vary day by day and seasonally, this would equate to around 1000 agency staff at any one time. They perform a range of important roles where there have been difficulties in recruiting full time staff and where a special resource is required for one off project activities.

It is worth noting that usage of agency staff throughout local government and especially in London, has been on the increase for some years. This is a direct consequence of the recruitment and retention issues within the sector, across trades and professions. It also reflects a changing attitude to work on the part of many individuals. It is important to recognise that agency staff provide an essential stop-gap without which many services would not be able to run effectively.

The council's approach has been quite clear. The contract let from April 1 with Comensura will allow them to act as a broker for our relationship with a multitude of external agencies. The contract will allow, for the first time, real-time management information on patterns of use, make-up of agency staff, and rates. It will allow the council to identify and control usage and to target hotspots. The council will continue to pay agreed rates for the various

categories of staff at appropriate market levels for appropriate skills and experience. The terms of employment for the individuals remain primarily a matter for the agencies themselves, although the council maintains through contract a keen interest in ensuring the legality of pay to individuals through their agencies.

Over and above the contractual commitment to improve the management of agency arrangements, the council remains committed to creating a working environment where the best staff may be retained and recruited and will continue to research options for improving the working conditions and environment for staff. These staff remain the council's most valued commodity.

The executive will be reviewing options for office accommodation in the near future with a view to delivering some of the most modern and efficient council services in London, if not the country. While any changes or improvements in accommodation will need to pay back through improved productivity and service, it would be expected that a reduction in agency usage would be a particular outcome.

#### **SUPPLEMENTARY QUESTION – COUNCILLOR PETER JOHN**

I am grateful to the leader for his answer. It reveals a couple of worrying issues. The first is that it seems that the council does not really have a hold or a grasp of the number of agency staff which it currently employs and where those agency staff are employed, and whilst he refers to agency staff providing an essential stop gap there are, as we know, many agency staff who have been employed on very long contracts as agency staff. That of course has repercussions, Mr Mayor, in that they don't have the same employee protection as regular employees of the council would have – they are not entitled to the holiday pay and in some circumstances they would be pay less than a regular council employee for doing exactly the same job because the agency would be taking its percentage off the top of their salary so could the leader if he can't answer this tonight and I doubt he will be able to but would he provide us with an answer shortly. Could the leader tell us how many of the council's staff are agency staff who have been on agency contracts for longer than 6 months as I have said if he can't answer that perhaps he could try and find out and let us have an answer as soon as possible.

#### **RESPONSE**

Mr Mayor, it is not on my finger tips but it is important to say, I think, just to put this into perspective that there are some jobs particularly in local government, planning is the obvious one, where all councils are experiencing extreme difficulty in recruiting temporary staff and actually people prefer to be employed as agency staff because it gives them more flexibility about where and when they work and actually in some cases they get paid a better rate of pay than they would if they were recruited into the council workforce but I will try and get an answer to the question asked.