

## ABERDEEN CITY COUNCIL

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<b>COMMITTEE:</b>	Finance Policy & Resources
<b>DATE:</b>	30 September 2014
<b>DIRECTOR</b>	Pete Leonard & Ewan Sutherland
<b>TITLE OF REPORT:</b>	Conversion of Agency staff
<b>REPORT NUMBER:</b>	H&E/14/069

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### 1. PURPOSE OF REPORT

The purpose of this report is to seek the agreement of Committee to convert up to 60 agency workers to full time permanent employees of the Council.

### 2. RECOMMENDATION(S)

It is recommended that the Committee:-

- a) Instruct Officers to start the process to convert 60 agency workers to full time permanent employees;
- b) Agree to a budget virement of £0.891M from the Agency into the craft workers budget within Building Services in 2014/15 and £1.782M in future years; and
- c) Increase the budgeted full time equivalents from 459.04 to 519.04.

### 3. FINANCIAL IMPLICATIONS

The monies required to fund the conversion of staff from agency workers to full time employees will be transferred from the agency budget within Building Services. This is estimated to cost £1.782M for a full year, this is based on a mix of crafts required by the service to support current and future contracts. The difference in cost from agency to permanent staff is anticipated to be £70K additional cost to the Council.

The estimated cost is based on the craft workers being employed on point 2 of the salary scale, working 37 hours a week, oncosts at 30.3% and £50K allowed for overtime.

The comparison against agency costs is based on an average from the companies used assuming the workers are employed for under 12 weeks.

### 4. OTHER IMPLICATIONS

The recommended transfer of agency staff will ensure that Building Services core work is provided by an internal workforce. It will provide greater certainty for the provision of service by Building Services to the Housing stock, Capital programmes, Schools & other Public Buildings and sustain a viable workforce.

## 5. BACKGROUND/MAIN ISSUES

### **BACKGROUND**

- 5.1 Building Services currently provides the Housing response and voids service for 22,500 houses, undertakes contracts within the Capital Programmes, Schools and Public Buildings. The service has been involved in working towards achieving the Scottish Housing Quality Standard for the Housing stock. A core programme has been developed over the recent years this creates certainty of income to support the employment of permanent staff.
- 5.2 Building Services has, at any one time maintained an agency level of approximately 130 agency staff. Recently this has not fallen below 100 agency staff which reflects the level of work undertaken by the service. A certain level of flexibility must be retained in order to cater for the peaks and troughs of the workload. Therefore the recommendation is only to convert 60 of these posts.
- 5.3 In general agency staff are employed to undertake work which is to last 12 weeks or less, with the option to flex to 24 weeks. However there is now a sufficient core of work of an ongoing nature within Building Services that the arrangement of employing a large number of agency workers does not suit the requirement of the service.
- 5.4 In order to facilitate the conversion of this specific group of agency staff within Building Services to permanent employees, it has been agreed that a streamlined version of the recruitment process will be used. This involves an expression of interest from the agency worker and then a discussion with management from Building Services. In order to fully comply with legal requirements, candidates must be able to evidence the right to live and work in the UK and the appropriate qualification (or equivalent) for the post before they are moved to preferred candidate status. In addition each candidate must complete a criminal convictions forms and a satisfactory reference will need to be received for each candidate before they are appointed in the role. If the candidate cannot satisfy these criteria, they will not be offered the post.
- 5.5 The proposal has been discussed with the current agency staff and there has been a sufficient number of staff expressing an interest in joining the Council on a permanent staff to allow the potential recruitment of 60 staff. UCATT and UNITE are fully supportive of the proposal and will help manage the change of workers leaving agencies to join the Council.
- 5.6 It has been estimated that the cost of employing 60 craft workers (a mix of crafts potentially required by the service) is £1.782M for a full year. It is recommended that 6 months of this amount is vired from the agency budget in 2014/15.

## **6. IMPACT**

The report relates to the Single Outcome Agreement and the Council vision of Aberdeen – the Smarter City, in particular the strategic priority ‘Smarter living (Quality of Life)’ where we will provide quality services to our council tenants to enable them to have a dry, warm home in a safe and enjoyable environment. Also ‘Smarter People’ where we will aim to have a workforce across the city which has the skills and knowledge to sustain, grow and diversify the city economy.

Public – This report is likely to be of interest to the public as it details plans for the workforce of the Council.

## **7. MANAGEMENT OF RISK**

There are a number of risks to consider –

- This could reduce the flexibility of the workforce within Building Services.
- The core work may decrease in future years and the future Scottish Housing Quality Standard 2 has still to be announced, this may provide work streams that Building Services staff have insufficient skills for and result in redundancy costs.
- Agency workers may not follow up on the noted interest and decide to remain as agency employees. Also the wrong mix of craft workers for the current and future needs of the contracts may apply.
- Any additional costs involved in the conversion may not see an improvement in the service provided.

In order to mitigate a number of these risks strong management of the process will be required by Building Services along with monitoring by HR and Finance.

## **8. BACKGROUND PAPERS**

None

## 9. REPORT AUTHOR DETAILS

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