



Havering
LONDON BOROUGH

OVERVIEW & SCRUTINY BOARD 22 October 2024

Subject Heading:

Corporate HR Metrics – Agency Workers and Sickness Absence

ELT Lead:

Andrew Blake Herbert – Chief Executive

Report Author and contact details:

Joanne Budden
joanne.budden@havering.gov.uk
+441708434343

Policy context:

This report provides an update on the level of spend on agency staff engaged by the Council, and levels of sickness absences for the directly employed staff in the corporate workforce. Comparative data relates to neighbouring London Councils. Benchmarking data for other local authorities is not readily available.

The subject matter of this report deals with the following Council Objectives

People - Supporting our residents to stay safe and well

Place - A great place to live, work and enjoy

Resources - Enabling a resident-focused and resilient Council X

SUMMARY

This report details aspects of the Council's corporate workforce:

- 1) Agency workers – 50% reduction of those costing more than £75k p.a. by 31st December 2024.
- 2) Sickness Absences (for the directly employed workforce) – reduction in average days lost due to sickness absence, and associated reduction in the cost of sickness.

RECOMMENDATIONS

That the Board agree that the Strategic Directors be invited to the next meeting to update on progress with these issues within each of their areas.

REPORT DETAIL

As part of Havering's plan to review wasteful spend, the DLUHC Productivity and Improvement & Transformation Plan, puts in place our commitment to review agency and consultancy costs across all services. This is an ongoing piece of work. The plan also refers to reviewing staff resources to ensure the right capacity and capability supports the delivery of efficiencies and savings (including the reduction of sickness and turnover).

This report only considers those agency staff that have been sourced through the Council's official framework provider, Matrix. It is recognised that other contingent workers and contractors may have been engaged directly by the service areas, to fill positions that are considered as specialist or "hard to recruit".

There is a current corporate specific exercise underway for each Strategic Director to review all their agency workers, and particularly those in a role at Grade 6 or above, with the aim of reducing agency workers costing over £75K by 50% by the end of this year.

The HR Talent Team are working closely with the Directorates on their agency workers, e.g. supporting managers on the process of converting agency workers to permanent employees, including fixed term contracts.

Between April and September 2024, HR has delivered £156,451.01 worth of savings, through negotiating reduced agency margins for contingent workers in the Council. Please refer to Appendix 1 for further information.

Sickness absences are only recorded for the Council's directly employed staff. Managers create the sickness absence in Fusion against the employee's absence record, and regularly update the absence and sickness reason as it progresses, attaching "fit notes" and comments in line with the Council's 'Managing Sickness Absence Policy'. It is crucial that the duration of the sickness absence is accurate as this can affect an employee's pay, as detailed in the policy.

It is the manager's responsibility to ensure their employee has followed the correct procedure for notifying their sickness absence. The manager will ascertain if there are any trends or patterns of sickness absence and should engage with their employees by regular 1-to-1 check ins if there are any underlying issues or circumstances that need to be managed.

All managers have access to a dashboard on Fusion, which shows "real time" information, including open sickness absences.

A HR review of current recorded sickness cases is underway, supporting the organisation in focusing on sickness, absence reasons, long-term sickness, and occupational health referrals, the key focus being on time and quality and proactive interventions to aid returns to work.

There will also be procurement activities related to replacing our current occupational health provision (OH) and employee assistant programme (EAP) provision.

HR are also reviewing absence reasons and particularly focusing on "Other" to explore the elimination of this category so a manager would need to select the most appropriate sickness reason from the dropdown list.

For both agency workers and sickness absences, it is the responsibility of managers and heads of service to create and maintain the information in Matrix and Fusion, and for the Assistant Directors and Directors to regularly review that information.

The data that HR reports on is a snapshot as at close of business on the last day of each month, so is therefore an accurate representation of what was recorded in the corporate systems at that time. Please refer to Appendix 2 for further information.

1. Agency Staff

1.1 Reducing agency and consultant spend can be approached proactively and pragmatically by implementing several longer-term strategies. Some effective methods to consider:

1.1.1 Continuingly Assess and Prioritise Council Needs

Before engaging with agencies or consultants, Line Managers should

clearly define their service objectives and prioritise service needs. This ensures that Line managers only seek external help for critical areas, reducing unnecessary spending on less impactful projects. By focusing on high-priority tasks avoid over-reliance on external resource.

1.1.2 Foster In-House Expertise

Longer term investment in training and development for internal teams can significantly reduce the need for external agency/consultants. By investing in building a skilled workforce, you can handle more projects internally, which not only saves costs but also enhances longer term team morale and overall internal capability.

1.1.3 Establish Clear KPIs and Expectations

When working with agencies or consultants, Line Managers need to set clear key performance indicators (KPIs) and expectations from the outset. This helps ensure that the services provided align with service goals and limit paying for external services that do not deliver value or return on investment (ROI). Line Managers need to regularly review these KPIs to assess performance and adjust as necessary.

1.1.4 Negotiate Contracts and Fees

Negotiation of terms with agencies and consultant's is critical. Many firms are open to discussions about fees, especially if you can demonstrate a long-term partnership potential. Consider performance-based pricing models where fees are tied to the achievement of specific outcomes and not blanket terms.

1.1.5 Leverage Technology and Tools

Investment in digital transformation and technology can streamline and enhance processes and reduce the need for continuous external support. Implementing project management tools, analytics platforms, and automation can help teams work more efficiently, continually improve, and reduce dependency on agency/consultants.

1.1.6 Regularly Review Agency Relationships

Regular reviews of agency relationships to assess their performance and value for money. If an agency is not being proactive or meeting council needs, it may be time to consider alternatives or renegotiate terms. This proactive approach can prevent ongoing costs for inadequate services.

1.2 Some tangible actions for Line Managers to effectively manage their agency and consultant spend whilst enhancing internal capabilities and fostering a proactive culture.

1.2.1 Conduct an Agency/Consultant Spend Analysis

Line Managers to undertake a thorough ongoing analysis of their current spending on agencies and consultants. Identify which services are being utilised most frequently and assess their effectiveness. This will help

pinpoint areas where costs can be cut or where internal resources can be leveraged instead.

1.2.2 Develop a Clear Scope of Work

Before engaging with any external agency or consultant, Line Managers need to create a detailed scope of work (TOR) that outlines specific deliverables, timelines, and expected outcomes. This clarity helps prevent scope creep and ensures that you are only paying for what you truly need and when you truly need it.

1.2.3 Create a Preferred Agency/Consultant talent pool

Establish a preferred agency and consultant talent pool based on past performance and cost-effectiveness. This can streamline the future selection process and foster better relationships, potentially leading to better pricing and service.

1.2.4 Implement Regular Performance Reviews

Line Managers have regular performance reviews with their agency and consultants to evaluate their contributions against the agreed-upon TOR and KPIs. This ongoing assessment can help identify underperforming partners and help make informed decisions about continuing or terminating contracts.

1.2.5 Encourage Cross-Service Collaboration

Line Managers to promote collaboration between services to share knowledge and resources and hidden expertise. By leveraging internal expertise across teams, you can reduce the need for external consultants and agencies, as different services can support each other's projects.

1.2.6 Utilise Freelancers and Contractors

Line Managers to consider using freelancers or contractors for specific timed projects instead of engaging full-service agencies. This can often be a more cost-effective solution, tapping into specialised skills without the overhead costs associated with larger firms.

1.2.7 Foster a Culture of Proactivity

Line Managers to encourage a proactive mind-set within their services. Line Managers to encourage their teams to anticipate challenges and seek solutions before problems escalate. This can reduce the need for external intervention and foster a more self-sufficient and proactive workforce.

1.3 HR Metrics

1.3.1 Workforce Information Portal and accompanying Confidential spreadsheet

Each month, a workforce information report is distributed to each Directorate. Within the report are specific metrics on Agency Workers.

Accompanying the report, each Directorate is provided with a confidential spreadsheet that details each of their agency workers (based on information recorded in Matrix), including the tenure and an Annualised Salary based on the agency worker's hourly rate and assumption they work 36 hours per week, and are paid for 48 weeks per year.

Unfortunately, we are unable to breakdown the actual spend for each agency worker, so the Annualised Salary is the calculation used as a comparison to a full-time employee's basic annual salary.

1.3.2 Benchmarking against other London Councils

Benchmarking information/dashboards are sourced from London Councils using the InfiniStats metrics subscription service, for all London boroughs who completed the "Human Capital Metrics" survey for the year ending 31st March 2024. Please note that no data was provided by Redbridge Council.

1.3.3 Notes

Services will be different between Councils, e.g. the street cleansing service may be in-house at one Council, and outsourced at another Council, so the number of roles and types of roles will differ significantly.

There may also be other slight differences in data submitted to London Councils and our in-house workforce information report, e.g. timing issues when the data snapshot was taken.

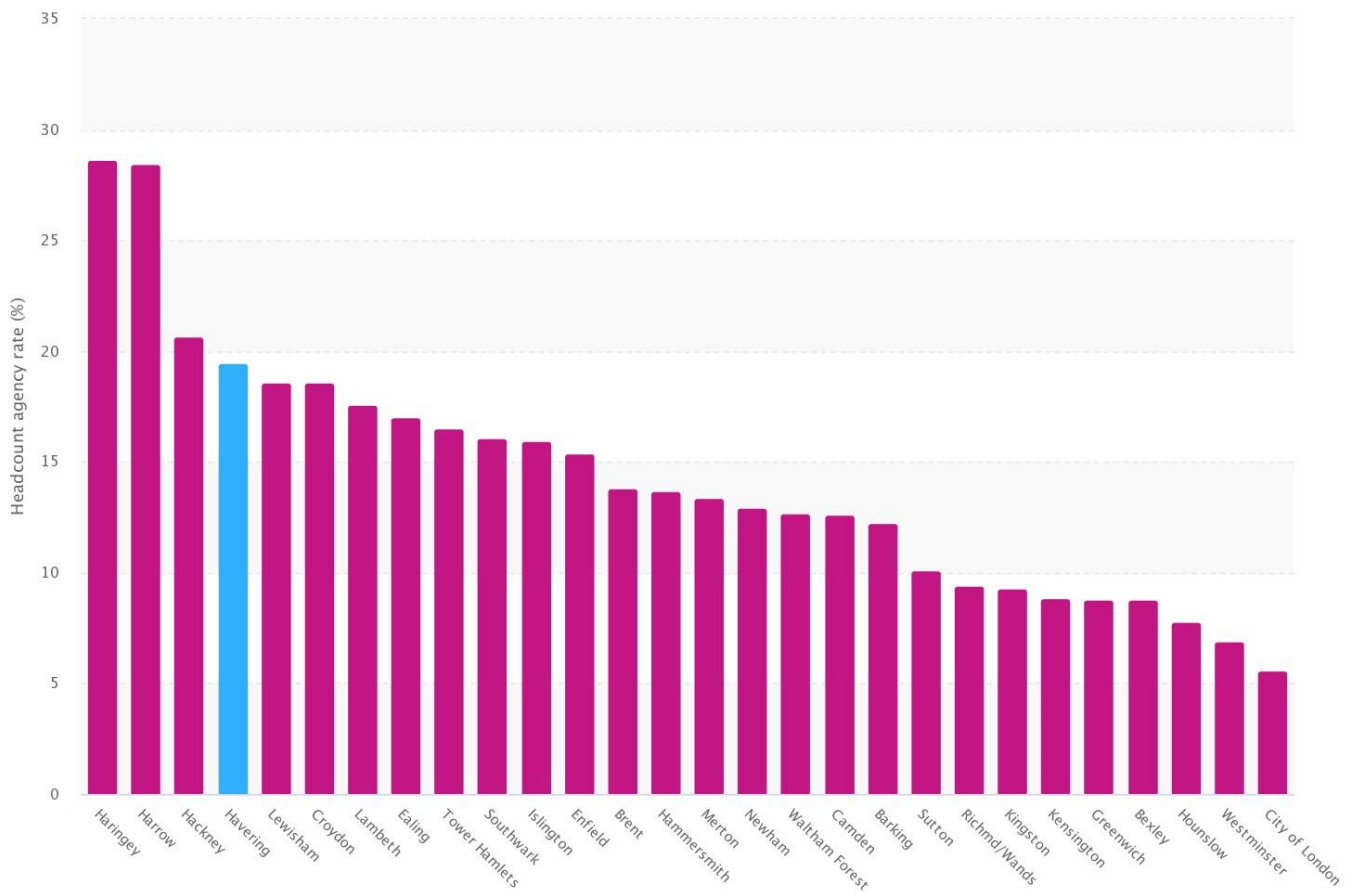
1.3.4 Headcount agency rate

Agency rate is agency headcount as a percentage of permanent staff headcount + agency headcount.

Havering's headcount agency rate of 19.45% falls in the fourth quartile of all the London boroughs, and for outer London. No data is available from the previous period for comparison.

Havering	19.45%
Barking & Dagenham	12.23%
Newham	12.92%

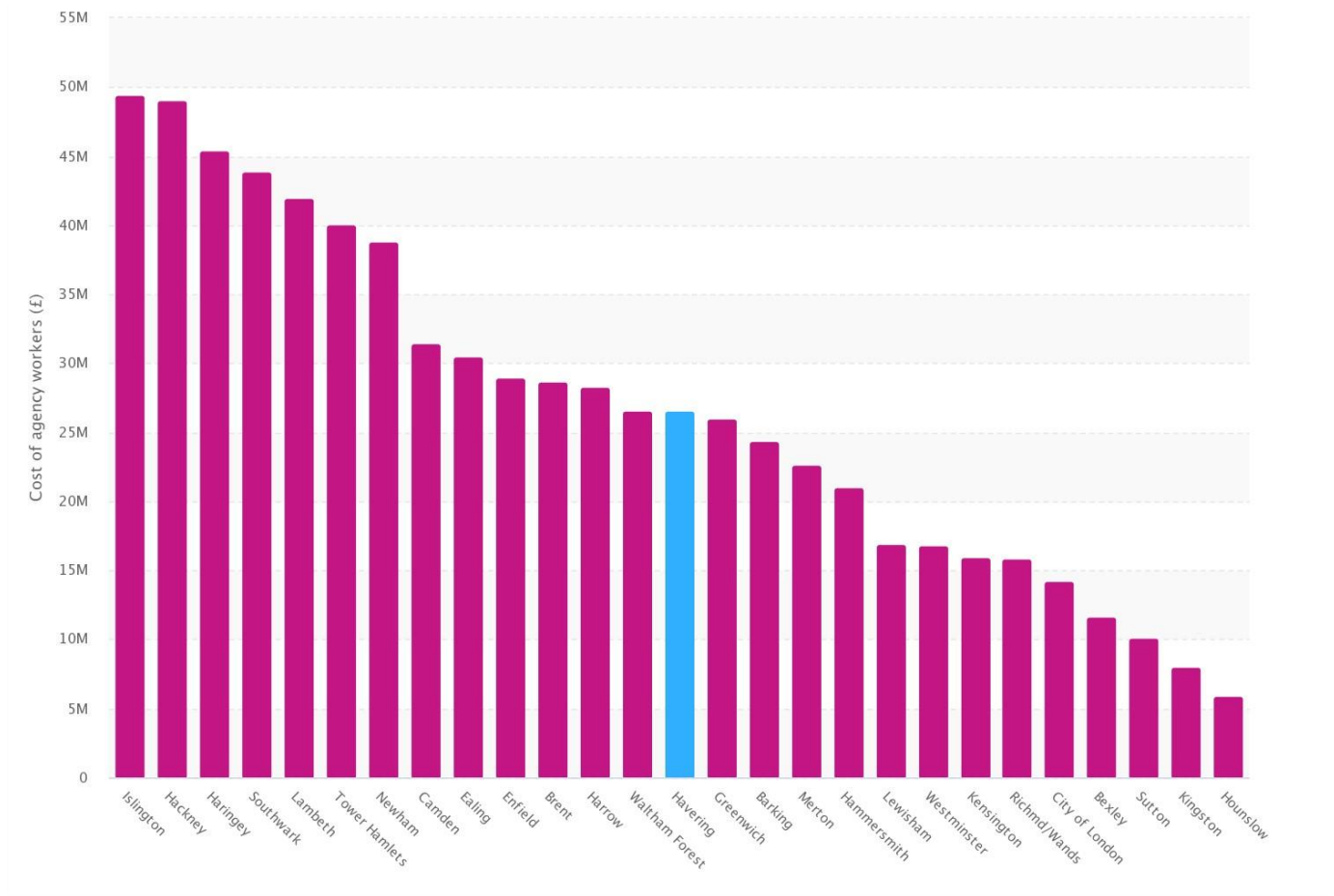
Overview & Scrutiny Board, 22 October 2024



1.3.5 Cost of agency workers

Havering's cost of agency workers of £26,565,706 falls in the third quartile of all the London boroughs, and the second quartile for outer London. It has risen by 3.5% since the last survey in 2022/23, when it was £25,678,000. This compares with a median average change of +3.5% for outer London since 2022/23.

Havering	£26,565,706
Barking & Dagenham	£24,381,831
Newham	£38,800,000



2. Sickness Absences

2.1 Reducing sickness absence in the workplace can be approached proactively and pragmatically by implementing several longer-term strategies. Some effective methods to consider:

2.1.1 Promote a Healthy Work Environment

Line Managers to create a supportive and healthy workplace. This includes ensuring essential working conditions, providing clean and safe facilities, and encouraging a culture of health and wellbeing. Line Managers to regularly assess the work environment for potential health and wellbeing issues and address them promptly.

2.1.2 Implement Comprehensive Health and Wellbeing Programs

Line managers to promote our council health and wellbeing initiatives that includes mental health support, fitness programs, and stress management resources. Such initiatives can significantly reduce absenteeism by addressing the root causes of health issues.

2.1.3 Foster Open Communication

Line Managers to encourage open lines of communication between employees and themselves. When employees feel comfortable

discussing their health concerns, they are more likely to seek help early, which can prevent longer absences. Regular Line Manager check-ins help identify issues before they escalate.

2.1.4 Offer Flexible Work Arrangements

Line Managers to promote and provide information on flexible work options, such as hybrid/remote work (where possible) or adjusted hours, can help employees manage their health better. This flexibility can reduce stress and improve overall job satisfaction, leading to lower sickness absence rates.

2.1.5 Monitor Attendance Patterns

Line Managers to keep track of employee attendance patterns to identify trends or recurring issues. This data can help understand the underlying causes of absenteeism and allow for targeted interventions. For instance, if certain departments have higher absence rates, you can investigate and address specific challenges they face.

2.1.6 Encourage Regular Health Screenings

Line Managers to facilitate occupational health screenings and wellness checks for employees. Early detection of health issues can lead to timely interventions, reducing the likelihood of prolonged absences. Providing access to health resources can empower employees to take accountability of their own wellbeing.

2.1.7 Develop and Structured Return-To-Work Plan

Line Managers to create a comprehensive return-to-work plan tailored to the individual employee needs, this plan should align to OH advice, regular Line Manager and employee check-ins to take place to monitor progress. By providing a clear pathway back to work, Line managers can support their employees transition and empower employees to take accountability of their own wellbeing.

**2.2 Some tangible actions for Line Managers to effectively manage and reduce sickness absence, fostering a healthier and more productive workforce.
Staff Sickness**

2.2.1 Refresh The Council Health and Wellness Strategy

Refresh our health and wellness strategy that outlines the organisation's commitment to employee health and wellbeing. This strategy should include guidelines for promoting physical and mental wellbeing, as well as resources available to employees.

2.2.2 Provide Easy Access to Mental Health Resources

Line managers to promote easy access to mental health resources, such MHFA contact details, OH, counselling services and employee assistance programs (EAPs). Promote these resources regularly to employees to encourage them to seek help when needed.

2.2.3 Organise Health and Wellbeing Workshops and Seminars

Line Managers to attend and promote regular workshops and seminars focused on health topics, such as stress management, nutrition, and exercise. These educational sessions can empower employees to make healthier lifestyle choices.

2.2.4 Implement a Return-to-Work Program

Line Managers to create comprehensive and structured return-to-work programmes for employees who have been absent due to illness. This program can include gradual reintegration into the workplace, modified duties, and ongoing support to ensure a smooth transition.

2.2.5 Encourage Regular Breaks and Physical Activity

Line Managers to promote a culture that encourages employees to take regular breaks and engage in physical activity throughout the day. This can include walking meetings, stretching sessions, or providing standing desks to reduce fatigue.

2.2.6 Monitor Workloads and Stress Levels

Line Managers to regularly assess employee workloads and stress levels to identify potential issues before they lead to absenteeism. Line Managers to frequently check in with their teams and adjust workloads as necessary to prevent fatigue and burnout.

2.2.7 Foster a Supportive Team Environment

Line managers to create a supportive team culture where employees feel comfortable discussing their health and wellbeing concerns. Line managers to encourage team-building activities that promote collaboration and support among colleagues.

2.3 HR Metrics

2.3.1 Workforce Information Portal and accompanying Confidential spreadsheet

Each month, a workforce information report is distributed to each Directorate. Within the report are specific metrics on Sickness Absence.

Accompanying the report, each Directorate is provided with a confidential spreadsheet that details each employee who is currently recorded as an open sickness absence for 20 working days or longer, i.e. a long-term sickness absence that is still being managed in line with the Council's policy.

It is the manager's responsibility to determine if a referral to the Occupational Health provider (People Asset Management) is required.

Managers can seek assistance from the HR Advice & Consultancy team and a formal sickness absence case may be undertaken. Those cases will also be included in HR's monthly reporting.

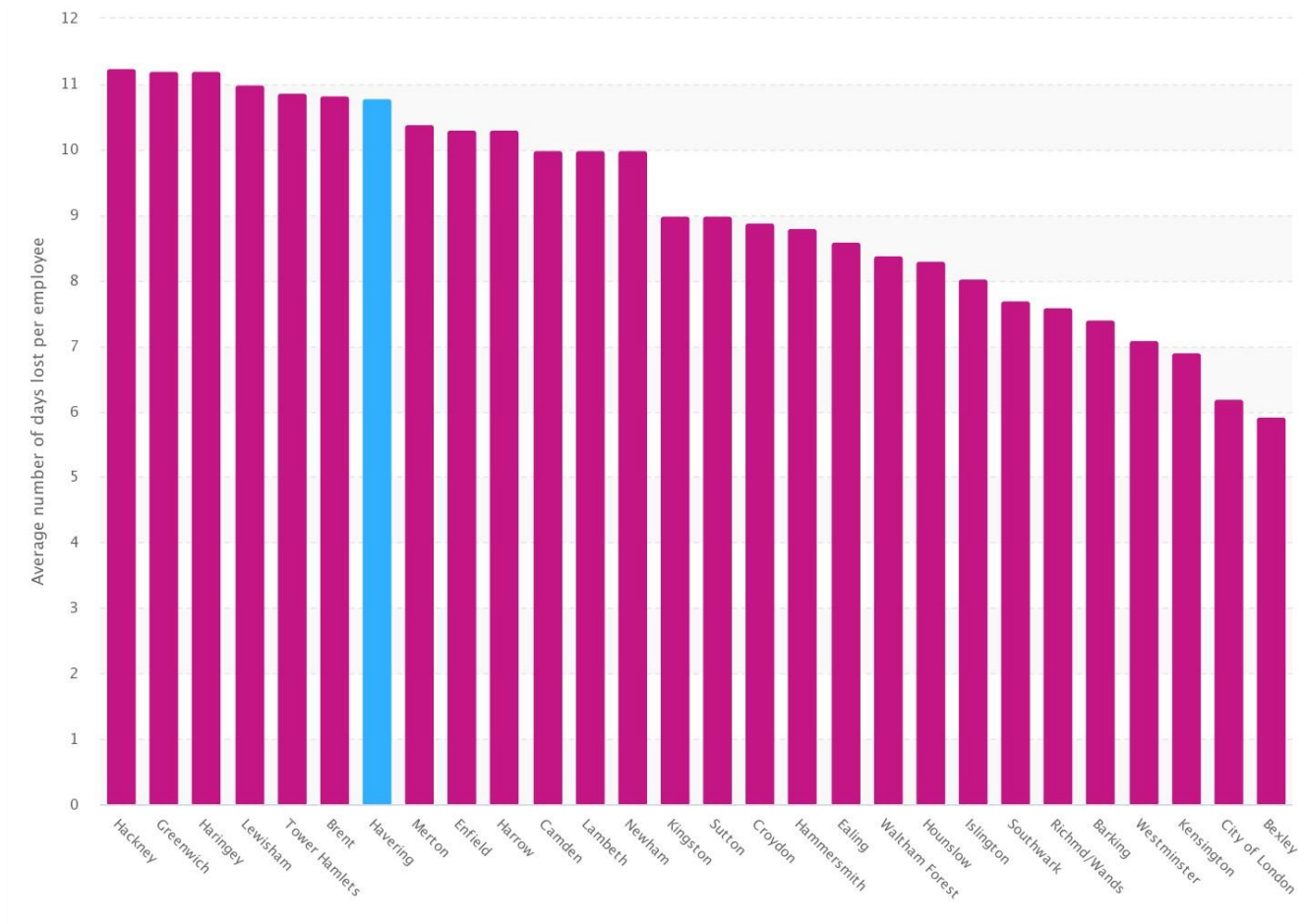
2.3.2 Benchmarking against other London Councils

Benchmarking information/dashboards are sourced from London Councils using the InfiniStats metrics subscription service, for all London boroughs who completed the “Human Capital Metrics” survey for the year ending 31st March 2024. Please note that no data was provided by Redbridge Council.

2.3.3 Average number of days lost per employee

Havering's average number of days lost per employee of 10.8 falls in the fourth quartile of all the London boroughs, and for outer London. It has risen by 8.0% since the last survey in 2022/23, when it was 10. This compares with a median average change of -6.3% for outer London since 2022/23.

Havering	10.8
Barking & Dagenham	7.4
Newham	10.0

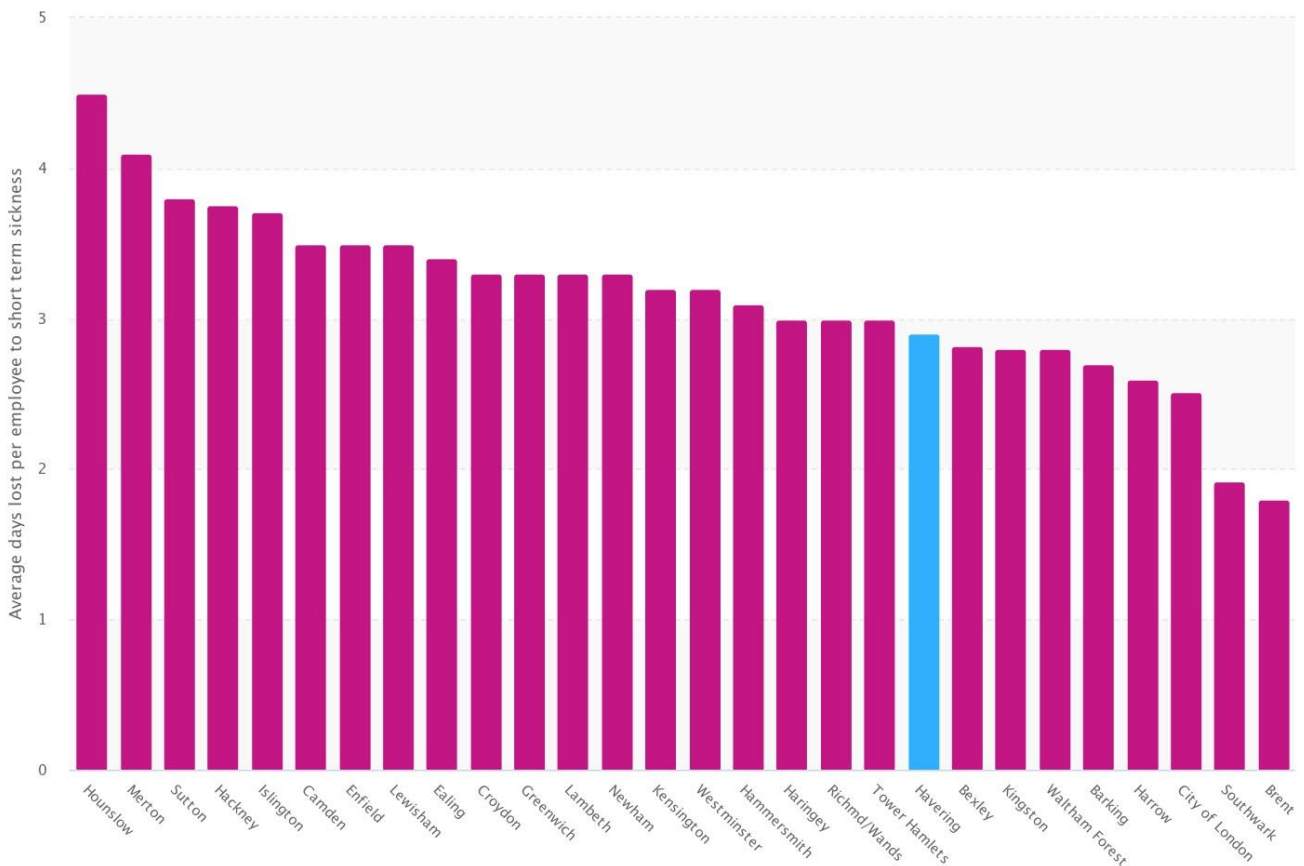


2.3.4 Average days lost per employee to short term sickness

Short-term sickness is defined as absence cases of up to 19 days' duration.

Havering's average days lost per employee to short term sickness of 2.9 falls in the second quartile of all the London boroughs, and for outer London. It has fallen by 14.7% since the last survey in 2022/23, when it was 3.4. This compares with a median average change of -14.3% for outer London since 2022/23.

Havering	2.9
Barking & Dagenham	2.7
Newham	3.3



2.3.5 Average days lost per employee to long term sickness

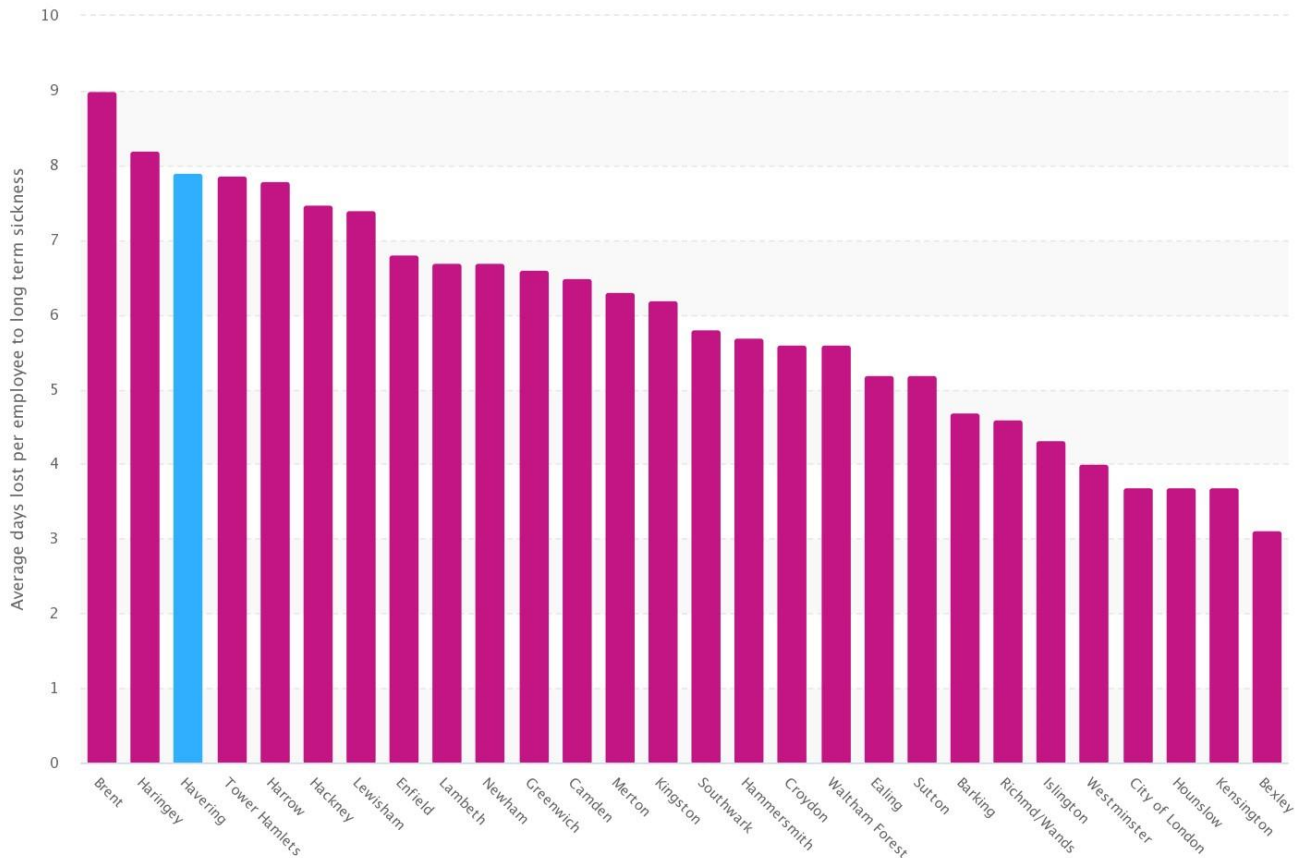
Long-term sickness is defined as absence cases of 20 or more days' duration.

Havering's average days lost per employee to long term sickness of 7.9 falls in the fourth quartile of all the London boroughs, and for outer London. It has risen by 19.7% since the last survey in 2022/23, when it was 6.6. This

Overview & Scrutiny Board, 22 October 2024

compares with a median average change of +6.9% for outer London since 2022/23.

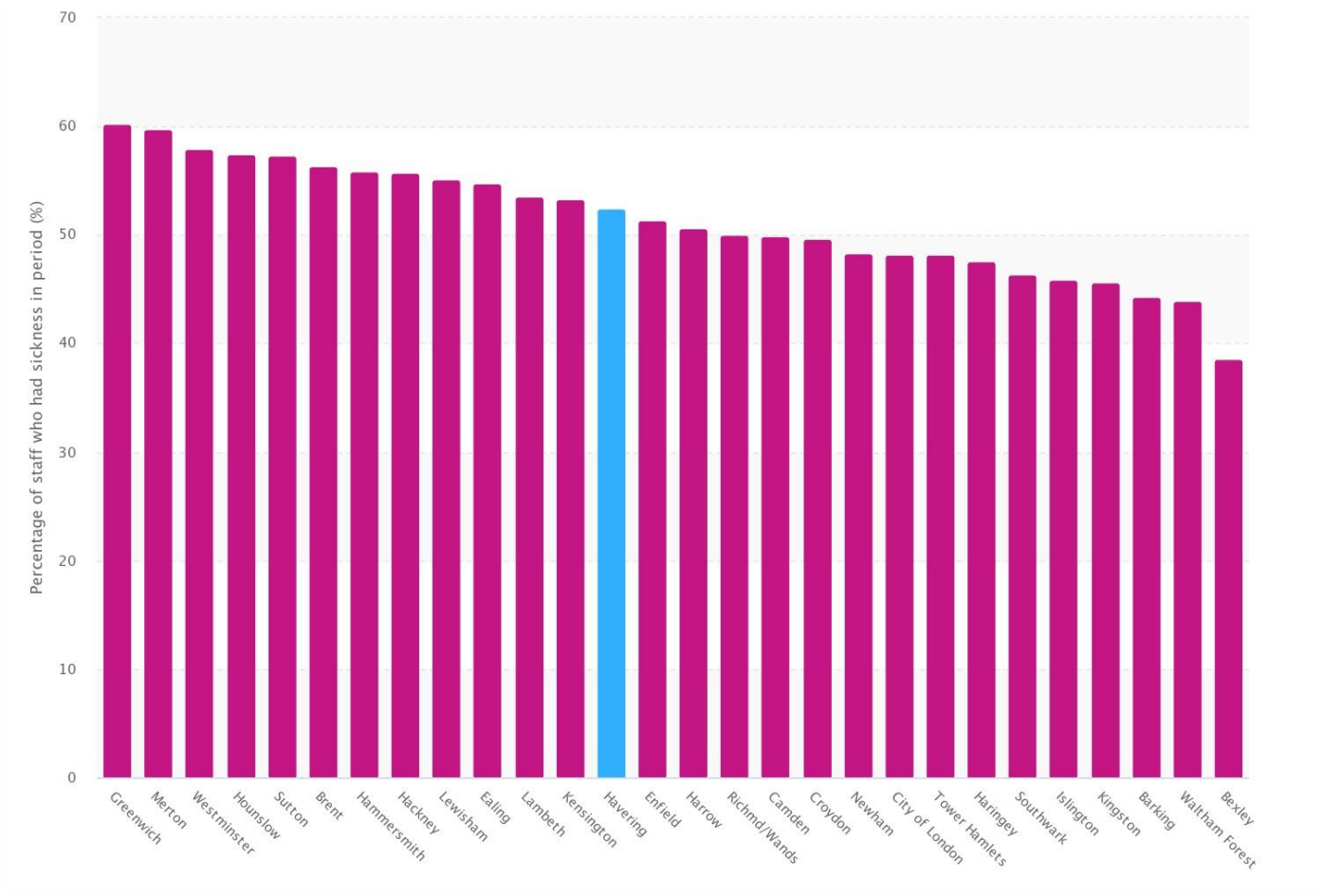
 Havering 	 7.9
Barking & Dagenham	4.7
Newham	6.7



2.3.6 Percentage of staff who had sickness in period

Havering's percentage of staff who recorded sickness during the period (52.5%) falls in the third quartile of all the London boroughs, and for outer London. It has risen by 0.8% since the last survey in 2022/23, when it was 52.09%. This compares with a median average change of -1.9% for outer London since 2022/23.

 Havering 	 52.50%
Barking & Dagenham	44.37%
Newham	48.29%

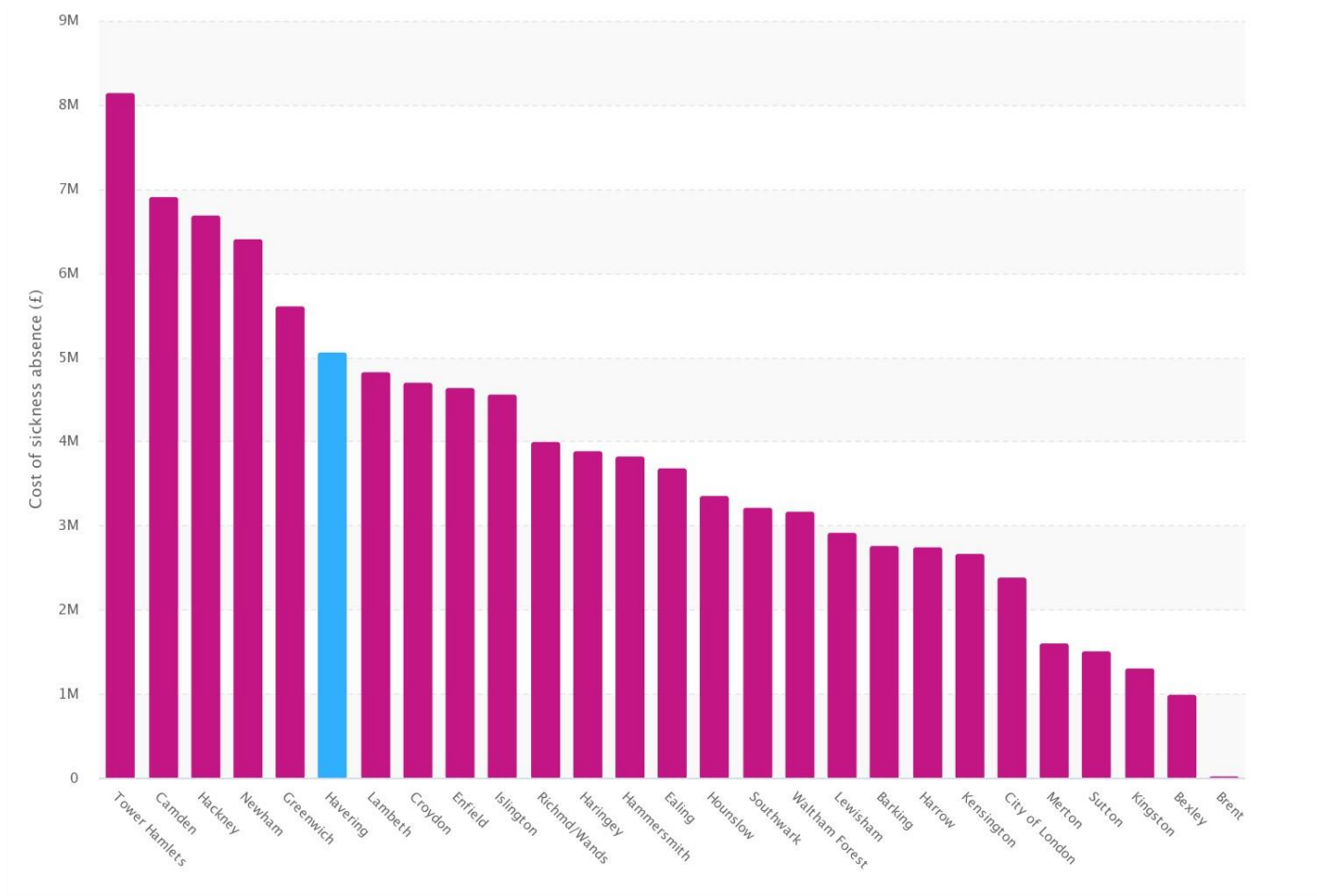


2.3.7 Cost of sickness absence

Havering's cost of sickness absence of £5,078,451 falls in the fourth quartile of all the London boroughs, and for outer London. It has risen by 72.1% since the last survey in 2022/23, when it was £2,950,682.00. This compares with a median average change of +40.6% for outer London since 2022/23.

Havering	£5,078,451
Barking & Dagenham	£2,765,939
Newham	£6,423,011

Overview & Scrutiny Board, 22 October 2024

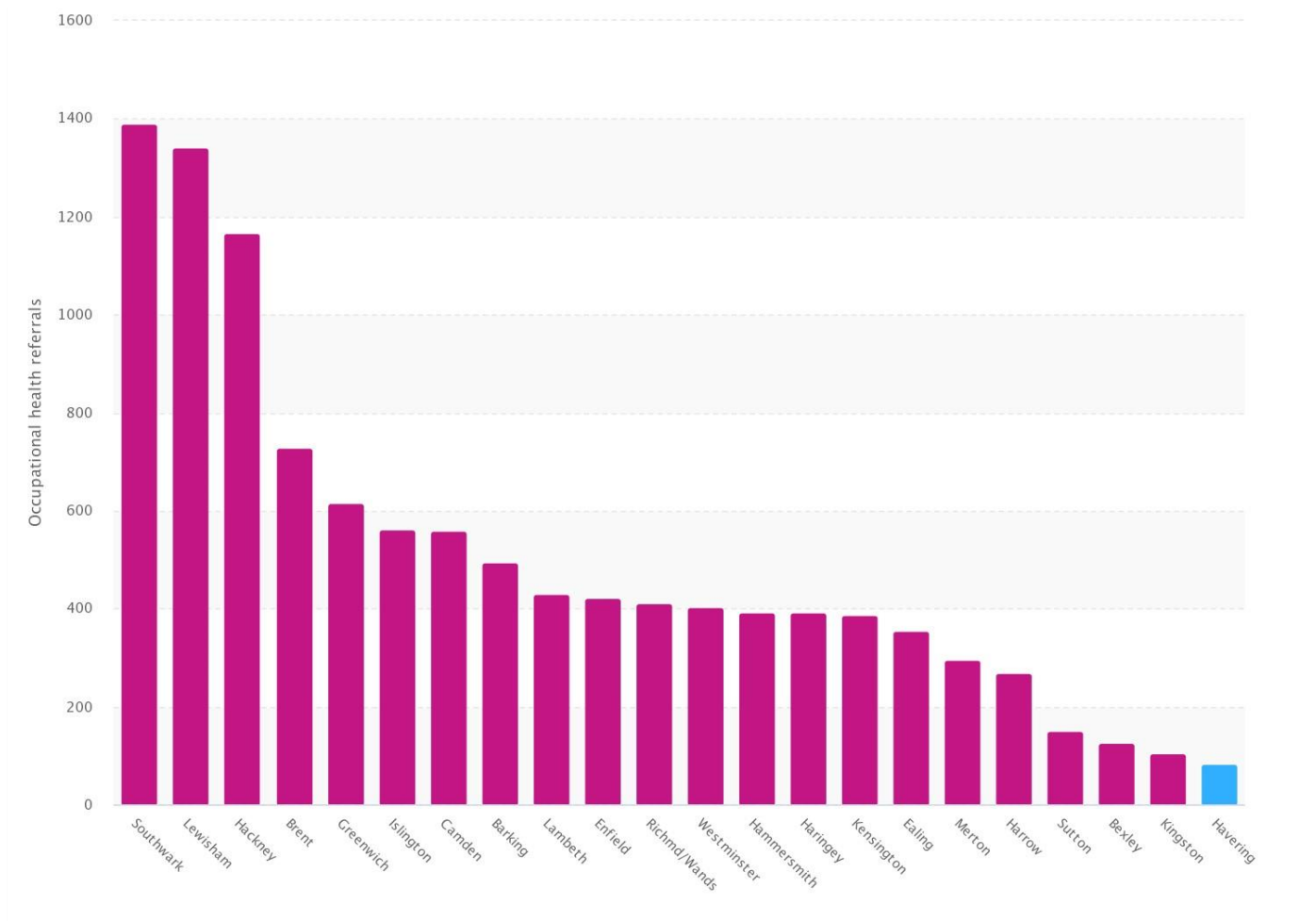


2.3.8 Occupational health referrals

Havering's number of occupational health referrals of 83 is the lowest of all the London boroughs. No data is available from the previous period for comparison.

Havering	83
Barking & Dagenham	495
Newham	Data not provided

Overview & Scrutiny Board, 22 October 2024

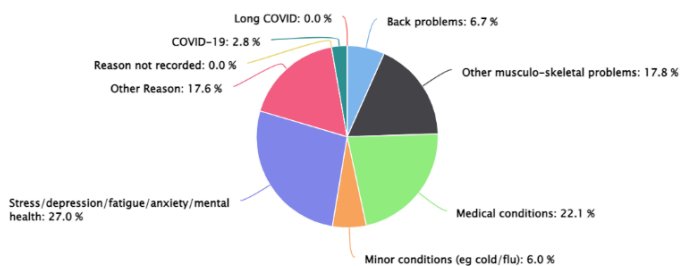


2.3.9 Sickness Absences by Sickness Reason

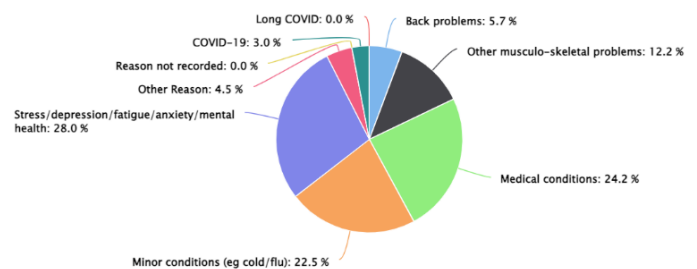
The specific sickness reason categories vary between Councils. However, the survey groups the reasons most commonly recorded.

Days lost by reason -
12 months up to 31st March 2024

Having's figures



Median figures across selected respondents



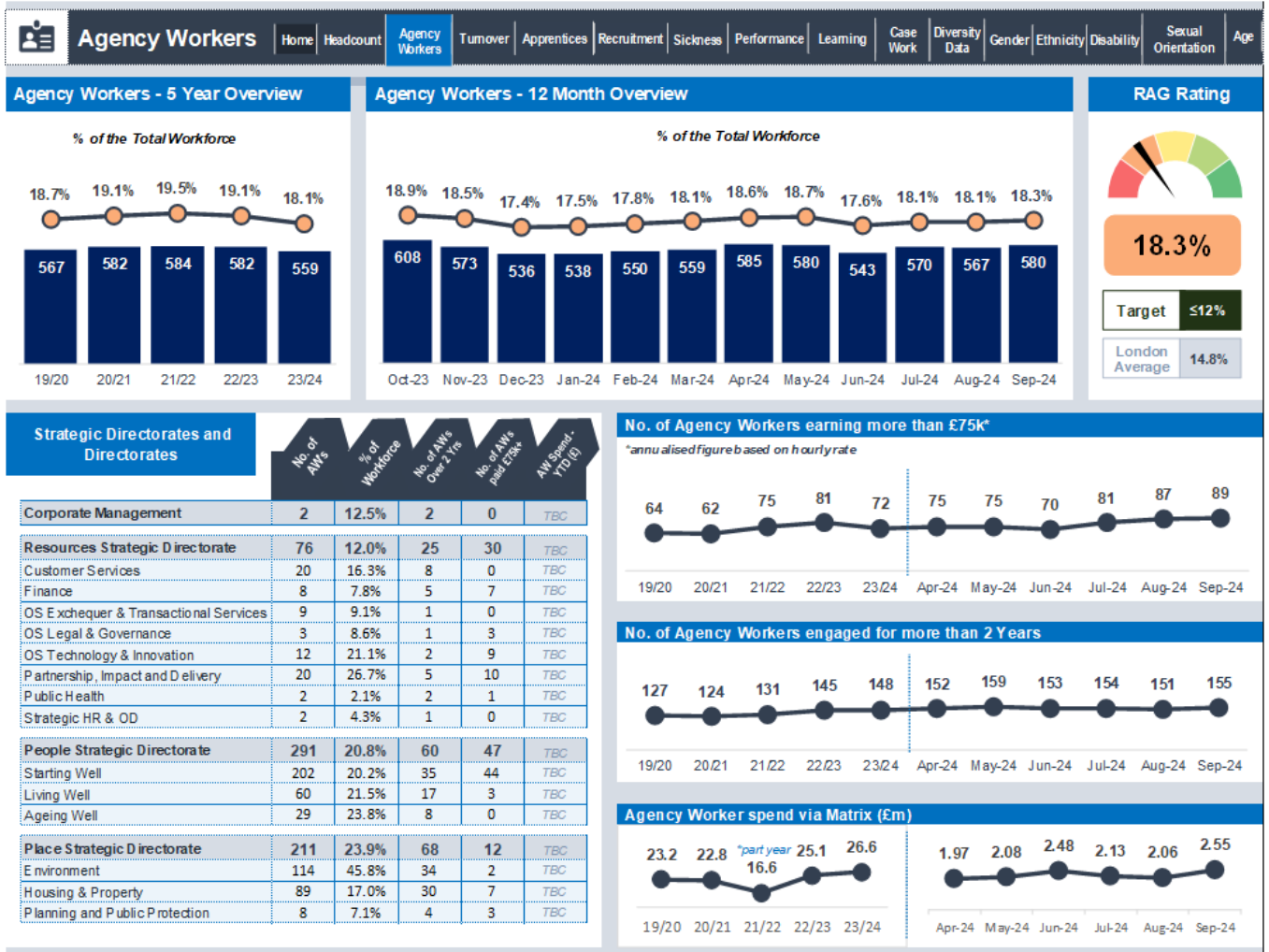
Overview & Scrutiny Board, 22 October 2024

Appendix 1

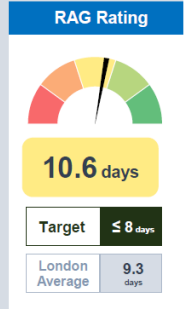
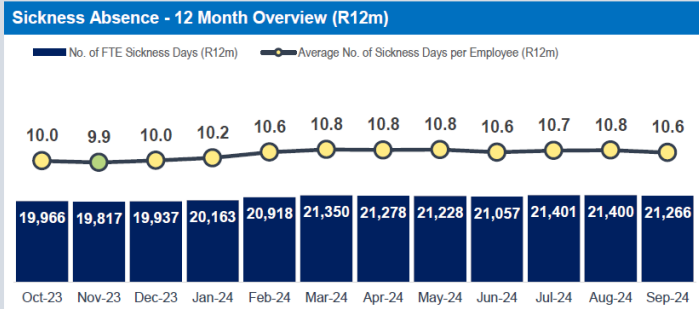
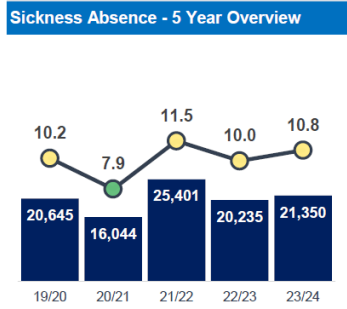
Placement Num	Job Title	Job Category	Savings
SA592056	Business Support Assistant G3	Admin / Clerical	£203.00
SA592119	Placement Officer G6	Admin / Clerical	£13.64
SA592133	Placement Officer G6	Admin / Clerical	£271.26
SA592138	Library Assistant (G3)	Admin / Clerical	£85.28
SA608050	Administrator G3	Admin / Clerical	£242.60
SA709637	Business Support Officer G4	Admin / Clerical	£14.04
SA592142	Payroll Officer (G5)	Financial	£727.60
SA534078	Stock Surveyor	Housing	£1,304.10
SA536699	Homeless Placement & Move-On Officer	Housing	£1,473.08
SA592116	Housing Choice & Applications Officer (G6)	Housing	£1,441.80
SA592130	Recruitment and Employment Officer (G5)	Human Resources	£402.75
SA488558	Project Manager (interim)	Interims	£11,244.23
SA495595	D365 Test Lead	Interims	£3,478.09
SA549467	ICT Implementation Manager (interims)	Interims	£7,586.25
SA551199	Technical Architect (interim)	Interims	£15,389.25
SA566725	ICT Implementation Manager (interims)	Interims	£139.52
SA577618	Educational Psychologist Interim	Interims	£4,939.00
SA588665	Technical Architect (interim)	Interims	£10,057.55
SA594171	Interim - Technical Developer	Interims	£14,271.58
SA608585	IT Client Director	Interims	£5,196.97
SA615409	Senior ICT Analyst	Interims	£6,966.67
SA635755	Educational Psychologist Interim	Interims	£3,441.24
SA640581	Projects & Programme Manager (interim)	Interims	£10,624.94
SA641548	Chief Information Officer 2020	Interims	£13,882.84
SA664415	Head of Service for Corporate Parenting	Interims	£5,535.10
SA667990	Strategic Procurement Officer Interim	Interims	£7,074.32
SA669219	Programme Manager	Interims	£5,603.68
SA679489	Programme Manager	Interims	£3,839.88
SA680232	IT Service Management Lead	Interims	£2,945.25
SA688178	Senior Case Officer - Education*	Interims	£796.88
SA558518	Day Centre Assistant (G4)	Social Care & Health Non-Qualified	£121.60
SA592125	Children's Placement & Quality Officer G6	Social Care & Health Non-Qualified	£1,340.20
SA564438	Review of Children's Commissioning	Social Care & Health Qualified	£2,721.60
SA478133	Programme Manager - Transformation	Transformation & Regeneration	£2,705.04
Additional Workers			
SA524973	Financial Accountant	Interims	£251.33
SA425852	Outbreak Management Analyst (CTL)	Interims	£3,062.22
SA426330	Oracle Cloud Finance and Purchasing Project Manager (CTL)	Interims	£6,164.64
33 placements	Civil Enforcement Officer (G3)	Parking	£892.03
Total Savings from CDL/Negotiation			£156,451.01

Appendix 2

Extracts from the Workforce Information Portal – Sep 2024

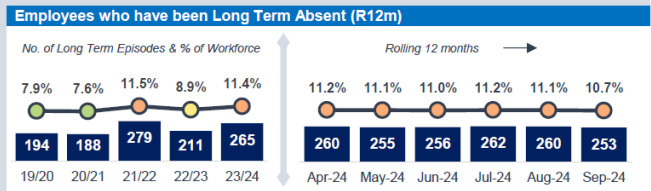
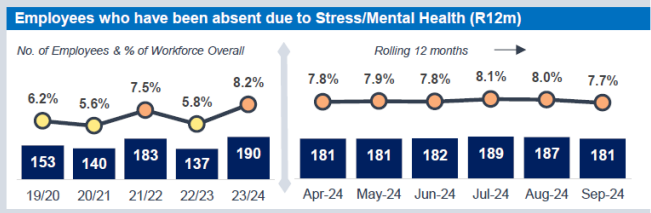


Overview & Scrutiny Board, 22 October 2024



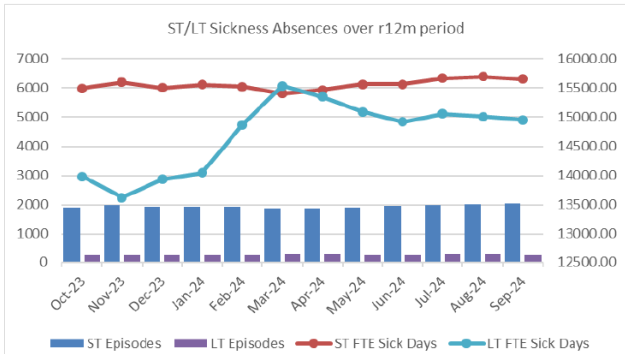
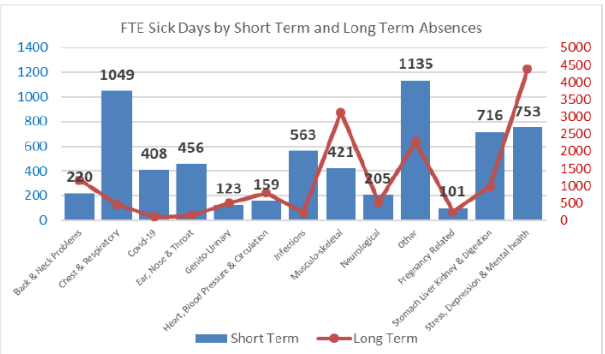
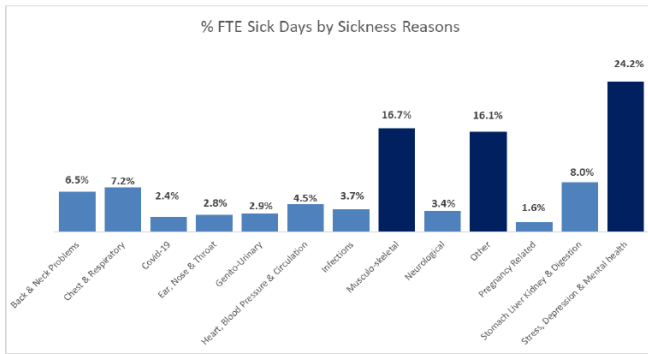
Strategic Directorates and Directorates

	Total No. of Sick Days	Average No. of Sickness Days per Employee	% Staff Absent	% Staff with Long Term Sickness	Current Long Term Incidence
Corporate Management	18.2	1.3	0.0%	0.0%	0
Resources Strategic Directorate	4607.2	8.9	8.6%	9.5%	12
Customer Services	1142.6	12.4	8.7%	9.7%	2
Finance	589.0	6.6	7.4%	8.4%	0
OS Exchequer & Transactional Services	489.6	6.0	8.9%	8.9%	1
OS Legal & Governance	514.2	16.4	15.6%	21.9%	3
OS Technology & Innovation	303.7	6.9	2.2%	8.9%	0
Partnership, Impact and Delivery	243.8	4.6	1.8%	3.6%	2
Public Health	675.7	8.0	14.0%	8.6%	2
Strategic HR & OD	633.6	15.3	9.1%	13.6%	2
People Strategic Directorate	9121.4	10.4	7.1%	10.4%	29
Starting Well	6180.2	9.9	7.3%	10.5%	21
Living Well	1716.8	10.2	5.0%	6.8%	4
Ageing Well	1224.3	13.9	10.8%	17.2%	4
Place Strategic Directorate	7519.4	12.6	8.0%	12.6%	18
Environment	1937.4	15.1	6.7%	17.8%	2
Housing & Property	4583.2	12.5	8.8%	11.8%	15
Planning and Public Protection	998.8	9.8	6.7%	9.6%	1



A detailed report on all employees currently on long term sickness absence is provided to Directors each month to facilitate their review of the management of those long term absences, including details of those employees who are subject to a formal case under the managing sickness absence policy & procedure.

The current sickness rate is 4.1%, meaning over 153,116 hours have been lost due to sickness in the r12m period. Please refer to Appendix 2 for more analysis on Sickness Absences.



Sickness Reason	Cost Of Sickness in r12m	%
Back & Neck Problems	£293,623	5.87%
Chest & Respiratory	£353,982	7.07%
Covid-19	£108,031	2.16%
Ear, Nose & Throat	£113,852	2.27%
Genito-Urinary	£147,848	2.95%
Heart, Blood Pressure & Circulation	£182,491	3.65%
Infections	£161,971	3.24%
Musculo-skeletal	£864,561	17.27%
Neurological	£179,306	3.58%
Other	£838,641	16.75%
Pregnancy Related	£79,839	1.59%
Stomach Liver Kidney & Digestion	£422,767	8.45%
Stress, Depression & Mental health	£1,259,083	25.15%
Grand Total	£5,005,996	100.00%

IMPLICATIONS AND RISKS

Financial implications and risks: There are no direct implications associated with this report.

Legal implications and risks: There are no immediate legal implications directly associated with this report.

Human Resources implications and risks: There are none directly associated with this report.

Equalities implications and risks: There are none directly associated with this report.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

There are none directly associated with this report.