

# OVERVIEW & SCRUTINY BOARD

3<sup>rd</sup> July 2025

Subject Heading:	Corporate HR Metrics – Agency Workers and Sickness Absence
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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.

An update from HR, following the O&S meetings held on 22<sup>nd</sup> October 2024 and 12<sup>th</sup> December 2024.

## HR Metrics

(This is Havering only data – London Councils data for 2024/25 is currently being collated and will not be available until December 2025)

## Matrix Agency Workers

The percentage of Matrix <sup>1</sup>Agency Workers in the Total Corporate Workforce has continued to fall from 17.3% (547) on 31<sup>st</sup> October 2024, to 15.4% (489) on 31<sup>st</sup> March 2025. This has since reduced to 14.7% (466) on 30<sup>th</sup> April 2025.

The spend on Matrix Agency Workers has risen over the last 3 months, mainly due to the uplift in pay rates in line with the 2024/25 pay award. Directors have been asked to review all their agency workers.

It is recognised across the directorates that agency workers have been reducing however it needs to be noted that Starting Well has seen an increase in agency workers because of the Ofsted inspection recommendations which now links to the continued improvement plan.

*A breakdown of the Matrix agency workers over the rolling 12 months is attached. See **Appendix 1***

Following the subsequent discussion at the January Cabinet meeting regarding the extent to which “cover for Long Term Sickness Absence” was a driver for the engagement of Matrix Agency Workers, HR&OD were asked to provide a report identifying the engagement reasons for all those current Matrix Agency Workers across the Council.

As at the end of February 2025, there were 488 Agency Workers engaged via the Council’s Agency Worker supplier (Matrix). A breakdown of the reasons for their engagement is shown in the table below.

Engagement Reason	Number	%
Cover for Long Term Sickness	2	0.4
Cover for Acting Up	1	0.2
Cover for Secondment	13	2.7
Cover of Other Long Term Absence	5	1.0
Filling a Vacancy (i.e. no substantive post holder)	256	52.5
Other	211	43.2

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<sup>1</sup> Matrix is a neutral vendor managed service provider that helps organisations streamline and automate the process of engaging agency, temporary, and contingent staff, offering services like technology, processes, and people.

Total	488	100.0

From managers' additional comments re the 211 "Other" engagement reasons it would appear that an additional 178 engagement reasons related to "Filling a Vacancy" (i.e. where there was no substantive post holder).

Using that information, a revised breakdown of the reasons for the engagement of the 488 Agency Workers as at the end of February is shown in the table below.

Engagement Reason	Number	%
Cover for Long Term Sickness	4	0.8
Cover for Acting Up	1	0.2
Cover for Secondment	13	2.7
Cover of Other Long Term Absence	5	1.0
Filling a Vacancy (i.e. no substantive postholder)	434	88.9
Other	31	6.4
Total	488	100.0

## Conclusion

It is clear from the information provided by managers that:

- cover for long term sickness absence is a very minor driver for the engagement of Agency Workers
- the most significant driver for the engagement of Agency Workers is cover for a vacant post (where there is no substantive post holder)

## Off-Framework Agency Workers

Colleagues in Finance and Procurement ran a transaction listing and purchase order (PO) report from Fusion that captured the 2024/25 spend against the agency and consultancy fees subjective codes. This resulted in a very small number (8) of off-framework contingent workers being identified. However, it was apparent that there were other off-framework contingent workers who could not be identified due to a lack of detail in the description entered on the PO.

In order to drilldown deeper, a task has been included in the 2025/26 STAR CHAMBERS process whereby each Director must review the spend in relation to agency and consultancy fees and ensure that every PO includes a meaningful description of what service is being provided, by whom, the duration and projected value of the contract etc. and attach all relevant invoices and approvals.

Once that exercise has been completed, the information will be shared to HR to include those off-framework contingent workers in future workforce data reports.

## **Sickness Absences**

### Sickness Absences

Sickness has continued to reduce over the past 12 months, with the average number of sick days per employee falling from 10.8 days at 31<sup>st</sup> March 2024, to 10.2 days at 31<sup>st</sup> March 2025. It has fallen further to 9.9 days at 30<sup>th</sup> April 2025. We are hopeful that this will continue to fall as focus and proactive interventions are now in place.

*A breakdown of this is provided in **Appendix 2***

### Sickness Reasons

In response to a request from members of the Overview and Scrutiny Board, for more granular information to explain sickness absences, a review of the sickness reasons was undertaken and subsequently a revised list of sickness reasons was implemented on 1<sup>st</sup> April 2025. These new sickness reasons provide that more granular information, whilst making it easier for managers to more accurately record sickness absences and focus the right proactive interventions to support team individuals with absent management. This information is provided in **Appendix 2a**

### Cost of Sickness

After identifying an issue with the Fusion calculation of the cost of sickness, the re-calibrated cost for the rolling 12 months ending 31<sup>st</sup> October 2024 was circa £3.2m (down from the original figure of circa £5.1m). The cost of sickness has remained within £3.1m to £3.3m in the last 6 months. The 2024/25 pay award was implemented in Q3 hence why there was a slight increase in the cost. Please see **Appendix 2b**

### Additional information

It was also requested that a detailed analysis of sickness absence trends, benchmarking comparisons with peer councils (including Bexley), and recommendations for improvements are provided in the full Sickness Absence Benchmarking Reports – see **Appendix 3**

As part of the wider strategic wellbeing framework at Havering which encompasses psychological, physical, social and financial support measures, along with recent enhancements and future initiatives our wellbeing offer report is also provided– see **Appendix 4**