



**Havering**  
LONDON BOROUGH

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# Pan London Snapshot 06/07

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## Participating Boroughs

- Twenty three boroughs participated (67.6%)
- London Borough of Barking and Dagenham
- London Borough of Barnet
- London Borough of Brent
- London Borough of Bromley
- London Borough of Croydon
- London Borough of Ealing
- London Borough of Hackney
- London Borough of Hammersmith and Fulham
- London Borough of Haringey
- London Borough of Hillingdon
- London Borough of Havering
- London Borough of Harrow
- London Borough of Islington
- London Borough of Lambeth
- London Borough of Lewisham
- London Borough of Merton
- London Borough of Redbridge
- London Borough of Richmond-upon-Thames
- London Borough of Sutton
- London Borough of Tower Hamlets
- London Borough of Waltham Forest
- London Borough of Wandsworth
- London Borough of Westminster

## Non Participating Boroughs

- Eleven London Boroughs did not participate (32.4%)
  - Bexley Council
  - London Borough of Camden
  - Corporation of London
  - London Borough of Enfield
  - Greater London Authority
  - London Borough of Greenwich
  - London Borough of Hounslow\*
  - London Borough of Newham
  - London Borough of Southwark\*
  - Royal London Borough of Kensington and Chelsea
  - Royal London Borough of Kingston upon Thames

## Current Picture

- Annual LA spend is assessed at £551,575,138.71
- Average annual savings assessed at £1,193,900.00
- There are at least 10,362 FTEs (Full-Time Equivalents) across 19 boroughs; 5 did not know headcounts
- Can account for up to 55% of FTE workforce
- 50% of the total expenditure is in the realm of social care
- 11 of the 23 authorities did not know the average length of time a worker was in post

## Current Picture

- 22 of the 23 authorities had managed services in place
- 6 authorities had agency worker policies in place

## Order Justifications

- Top three agency staff order justifications:
  - Cover during permanent staff recruitment process
  - Short term sickness/absence cover
  - Project Work

## Length of Service

- Average length of service:
  - 0-3 months – 28.7%
  - 3-6 months – 19.2%
  - 6-9 months – 15.8%
  - 9-12 months – 10.8%
  - 12-24 months - 15.9%
  - More than 24 months – 7.9%

## Highest spending directorates

- Top three highest spending directorates:
  - Adult social services
  - Children's services
  - Leisure/Culture/Environment



## Challenges

- Attitude of managers to change and ensuring they follow the correct procedures
- Quality of agency staff including agencies not matching the CVs with the Job description
- Candidate supply in some areas e.g. catering
- Working to support local regeneration and tackle homelessness
- Managing the implementation of Dom Care workers on Comensura and finding a process that is responsive to the departments needs
- Implementation of e-Invoicing
- Collaboration with other authorities to improve market management and benchmark pay rates (being addressed as part of the EKE)

## Positives

- More information about agency staff - where and why they are being employed – improved ability to analyse spend
- Introduction of consolidated electronic invoicing and on-line timesheet authorisation has introduced significant efficiencies
- Accurate management information – allows challenge of agency worker usage/greater control over staff usage
- Measurable financial/cashable savings
- Reduction in number of temporary staff employed

## Positives

- A focus on the agency work force - enabling understanding of associated risks which the council were previously unfamiliar with e.g. Ltd co invoicing the council direct, employer/employee implied relationships, workers in high profile roles who have not had the correct checks taken out.
- Pay rates have been made uniform
- Operational monitoring group which oversees performance
- Use of business cases to employ agency staff

## Reasons for Maverick Spend

- Managers recruiting through their personal preferred agencies when sourcing staff from limited talent pools rather than complying with corporate contracts
- Some agencies refused to sign up or the contractor cannot supply and managers are therefore allowed to go outside of the contract to fill these roles.
- Relates to domiciliary care packages (which cannot be processed through MSPs due to confidentiality)
- MSP unable to find suitable staff in timescales/hard to fill posts/Managed Service Provider sometimes unable to supply professional disciplines to the required standard
- Occasional use of self employed consultants

## Avenues to explore to make further savings

- Utilising our MSP to help with the supply of Consultants and permanent employee services
- Reducing the necessity for temps, improving the turnaround time for permanent recruitment, having controls in place such as an agreed level of authorisers to order agency staff in the first place
- Benchmarking of pay rates, MSP charges and agency costs against (1) other London boroughs using the LCSG/Matrix contract and (2) other West London Alliance boroughs
- The MSP annually reviews supplier margins in order to achieve best value. Soft savings are reviewed regularly i.e. regeneration projects.

## Avenues to explore to make further savings

- Actively managing and monitoring our maverick spend
- New agency cost reduction policy
- Looking at integrating primary care and mental health teams
- Changing authorisation process to a more senior level
- Investigating high-earning and long term members of agency staff. Each department has an annual target to reduce spend and is required to commit to specific actions to achieve this.

## Avenues to explore to make further savings

- Improving contract terms, reducing leakage, managing down demand would like to be working with other authorities to collaborate on hourly rates and mark ups
- Extending the neutral vendor involvement to other departments. Signing up to the LCSG neutral vendor framework
- Sustainable work force strategy moving balance to more permanent staff recruitment and contracting out of services
- Introduction of an MSP



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