

JOINT OVERVIEW AND SCRUTINY COMMITTEE**INFORMATION BULLETIN – 18 DECEMBER 2017**

OFF-PAYROLL COSTS

Babergh Overview and Scrutiny Committee requested an update on the cost and numbers of off-payroll workers that were being used by the organisation. As this is also of interest to the Mid Suffolk Overview and Scrutiny Committee, because there is one workforce supporting the two councils, it was agreed to bring an information bulletin to the Joint Overview & Scrutiny Committee meeting in December.

Off-Payroll Workers

There are sound operational reasons why an organisation may want to take advantage of off-payroll workers and whilst there is a belief that they are more expensive than payroll staff due to a higher hourly or day rate, the Councils can flex the resource more quickly, only pay for work undertaken and do not have the liability for pension or redundancy costs.

Below is the definition for four categories of off-payroll workers that are currently being used to analyse the reason why the Councils need this type of resource:

Against establishment – Someone undertaking a role that is part of the establishment, but is not currently filled by an employee for a variety of reasons.

Additional capacity of existing skills – Someone undertaking a role, that is already within the organisation, but providing additional capacity above the established level.

Specialist skills not available within the organisation - Someone undertaking a role for which the skills are not contained within established roles.

Specific Procurement – Someone undertaking a role that has been specified and procured through a tendering process.

The majority of these workers come through our arrangement with Suffolk County Council's agency, Opus.

Due to the nature of these roles, the number of people within the organisation at any one point in time varies. The numbers provided are based on headcount and not full time equivalent figures.

Costs and Numbers of Off-Payroll Workers

Table 1 below shows the number of people and total cost for 2016/17 and 2017/18 as at October 2017, for the different categories and have also been split between current and completed assignments.

Table 1

	2016/17 Total		As At October 2017	
	<u>Number</u>	<u>Cost</u>	<u>Number</u>	<u>Cost</u>
<u>Established Role</u>				
Current	5	£345,296	5	£99,231
Complete	13	£565,442	11	£173,378
Total	18	£910,738	16	£272,609
<u>Additional Capacity</u>				
Current	23	£386,974	26	£309,908
Complete	45	£490,992	30	£237,917
Total	68	£877,966	56	£547,825
<u>Specialist Skills</u>				
Current	4	£226,233	3	£56,084
Complete	5	£288,966	2	£65,980
Total	9	£515,199	5	£122,064
<u>Specific Procurement</u>				
Current	3	£118,240	4	£169,511
Complete	0	0	0	0
Total	3	£118,240	4	£169,511
<u>TOTAL OFF-PAYROLL</u>				
Current	35	£1,076,743	38	£634,734
Complete	63	£1,345,400	43	£477,275
Total	98	£2,422,143	81	£1,112,009

Of the total cost in 2016/17, £550k was funded from the two Councils' Transformation Funds. The balance was charged against staffing budgets. As reported in the 2016/17 outturn reports to Cabinet, staffing budgets were underspent by £141k for Babergh and £67k for Mid Suffolk last year.

Whilst the current number of off-payroll workers is similar to last year, the average monthly cost has fallen from £202k in 2016/17 to £159k in 2017/18 to date. This is mainly attributable to the fact that people who were undertaking the more expensive management roles have left the organisation.

Table 2 below shows the historic level of expenditure for off-payroll workers for the years 2011/12 to 2016/17. The number of workers is not available for the early years in the table.

Table 2

	No	£'000
2011/12		176
2012/13		385
2013/14		708
2014/15	74	1,299
2015/16	82	1,522
2016/17	98	2,422

The table shows a steady increase in costs up to 2016/17, as the Councils integrated the workforce, developed new ways of working and undertook new initiatives, but this trend should reverse in 2017/18, based on costs to date and a couple of key projects coming to an end.

Service Area use of Off-Payroll Workers

Table 3 below shows the service areas that have or are using off-payroll workers in the current year, based on the total number of placements to date.

Table 3

<u>Service Area</u>	<u>Current</u>	<u>Complete</u>	<u>Total</u>
ICT and Information Management	9	12	21
Development Management	4	11	15
Strategic Planning	1	6	7
Customer Support	3	4	7
Elections	6		6
Governance	1	2	3
Communications	1	2	3
Environmental Protection	1	2	3
HR, OD and Health & Safety	1	1	2
Housing Rents	1	1	2
Leisure	1	1	2
Building Services	2		2
All Together Management	2		2
Property Services	1		1
Communities	1		1
Public Realm	1		1
Housing	1		1
Senior Leadership Team	0	1	1
Investment & Commercial Delivery	1		1
Total	38	43	81

The service areas that have seen the greatest use of off-payroll workers this year are explained in more detail below:

- The high numbers seen in ICT and Information Management are mainly due to the JOSIE project and the requirement to capture large volumes of data for

land charges and the GIS system, but also to assist with scanning and clearing documents as part of the All Together programme. These numbers will continue to reduce as the projects conclude.

- Development Management has experienced some staff turnover in recent months and has looked to make use of off-payroll workers to maintain performance against planning application processing targets. A number of posts have been advertised recently, to fill vacancies, but this is a market where high quality candidates are in short supply.
- Strategic Planning undertook a project to transfer historic data about Section 106 agreements into the new Community Infrastructure Levy software and required additional resources to undertake this work in a timely fashion.
- Customer Support has seen a few vacancies in the run up to the move to Stowmarket and some additional resource was required at the Needham Market office, until its closure, after the Stowmarket centre was opened.
- The Electoral Registration Officer has a statutory duty to make a personal visit to any property that hasn't responded to the annual canvass form and employs electoral canvassers for this purpose. These visits must be conducted during the 'canvass period' (August to November) but predominantly take place during October and November. As this work is very temporary and the number of hours worked is flexible, based on demand, the canvassers are employed through Opus.

Trend in Number of Current Placements

Table 4 below shows the trend in the number of current placements at October 2016, end of March 2017 and October 2017.

Table 4

<u>Current Placements</u>	October 2016	31 st March 2017	October 2017
Established Role	10	5	5
Additional Capacity	34	23	26
Specialist Skills	6	4	3
Specific Procurement	6	3	4
Total	56	35	38

The increase in additional capacity between March and October 2017 is a reflection of the electoral canvassing work that has been undertaken recently as outlined above.

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