

Councillor Geoffrey Theobald, OBE

Trevan House
44 Dyke Road Avenue
Brighton
BN1 5LE

Mr John Barradell – Chief Executive
Brighton & Hove City Council
King's House

Date: 29 September 2011

Our Ref: GT/

Your Ref:

Dear John,

Agency Workers Directive

I would be grateful if you could include this letter on the agenda of the 13th October Cabinet meeting under Council Procedure Rule 23.3.

I am writing to seek reassurances around the implications, for both Brighton & Hove City Council and other employers in the City, of the new Agency Workers' Directive which comes into force on 1st October.

As I am sure that you are aware, this EU Directive, which was passed into law by the previous Labour Government, entitles temporary staff to the same pay and benefits as permanent staff after just 12 weeks in a job. The Government has estimated that it will cost employers in the UK around £1.8 billion to comply with and there are fears that, rather than strengthening their rights, this may actually make the position of agency workers much more uncertain

The Local Government Association has described the implementation of the Directive as having "major implications on the costs and use of agency workers for local authorities". The key questions that the LGA suggests local authorities need to answer are (i) how many agency workers are likely to meet the 12 week qualifying period?; (ii) how will the meaning of 'equal treatment' be established?; and (iii) how much will this cost councils? I think it would be useful if officers could provide members with answers to these questions at the Cabinet meeting.

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Conservative Member for Patcham Ward

I understand that agency staff are currently supplied to Brighton & Hove City Council under a 5 year contract with Carlisle Managed Solutions which is worth between £5-6 million per annum. Can you confirm whether any additional costs due to the Agency Workers' Directive will be borne directly by the Council or alternatively, if they fall upon Carlisle, how this affects the contract we have with them?

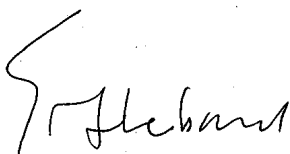
I also have concerns about the wider impacts on businesses, the voluntary sector and other employers in the city who will also fall under the remit of the new Directive, not to mention the effects on agency workers themselves.

For example, a recent report by law firm Allen & Overy, warned that a third of employers are planning to avoid the new rules by ending agency workers' contracts in their eleventh week – just before the 12-week qualifying period takes over. As the regulations come into force on October 1, they calculated that some 462,000 of the UK's 1.4m eligible temporary staff stand to be made redundant just weeks before Christmas.

For those employers who do not (or for practical reasons, cannot) stop using agency workers, has any local assessment been made of the additional costs they will bear and what the impact will be on the continued effective functioning of their organisation? At a time when many businesses are finding life extremely tough, we can ill afford to be placing extra costs and burdens upon them nor putting agency workers' jobs in jeopardy.

I, therefore, propose that Cabinet asks for a report to be brought to the next Cabinet or Governance Committee meeting, as appropriate, setting out the issues at stake, the costs involved and the steps the Council is taking, or proposes to take, to minimise any negative impacts of the changes across Brighton & Hove.

With all good wishes



Councillor Geoffrey Theobald OBE
Leader of the Official Opposition and Conservative Group