

Committee: General Purposes Committee

Date: 10 March 2016

Wards: All

Subject: Report on the use of temporary workers and consultants

Lead officer: Kim Brown, Joint Head of HR Policy Development

Lead member: Cllr Mark Allison

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Reason for urgency – the Chair has agreed to the submission of this late item in order to comply with the committee’s work programme

Recommendations:

To note progress made to monitor and control the use of temporary workers and consultants

Purpose of report and executive summary

1.1. Following the Committee’s adoption of recommendations from the Ernst and Young report presented on 12th March 2014, a number of progress reports were considered at meetings in June, September and November 2014, and also March, June and September 2015. This latest report provides Members with an update of key actions taken by officers and the monitoring data of all current interim appointments (attached as Appendix 1)

2. Details

2.1 **Original Recommendation 2 - that officers should report all prospective interim and consultancy positions to HR and that HR should be responsible for maintaining a central database of all prospective and live roles filled by interim and consultancy appointments; and that a mechanism is built in to allow monitoring of this register at Member level;**

2.2 Appendix 1 attached to this report sets out the latest central monitoring database for all types of interim/temporary placement at a rate of £30 per hour or more across the Council, shown by department.

2.3 The database is updated on a monthly basis and double-checked with departments for accuracy.

- 2.4 **Original Recommendation 3 - HR should challenge departments on their use of long term interim appointments, the rates which are being paid and ensure that external recruitment is considered.**
- 2.5 The data about interim and consultancy placements is broken down by department and sent to each Department Management Team (DMT) on a monthly basis to review. HR attends monthly meetings of each DMT to review all the placements and to challenge on-going placements, especially where they are longer term. Each and every placement is reviewed with the respective DMT senior managers.
- 2.6 **Original Recommendation 4 - HR should be involved in any recruitment process, including the recruitment of interim managers.**
- 2.7 Arrangements are in place for HR to be involved in all interim appointments and the single database provides a means of HR taking an overview of such appointments, together with the capability to ensure managerial compliance. In order to extend a placement, Comensura require written confirmation along with the signed Recruitment Authorisation form from either the HR Contracts Manager, or the Comensura Relationship Adviser. This measure ensures further control and compliance of hiring managers' activities.
- 2.8 New order template - once an order has been submitted by a hiring manager, they are able to attach extra documents to the order and are required to attach a business case that the approver considers before agreeing to recruit
- 2.9 The previously reported trend continues with by far the largest group of temporary workers being "on contract" agency and temporary staff appointed through the Council's corporate contract with Comensura for the supply of agency staff. These are all engaged with the involvement and oversight of the HR function with a database that supplies monthly spend and usage reports to Council managers.
- 2.10 As at the end of January 2016, the Council employed 161 interim/temporary workers at £30 per hour (or more) compared to 155 reported in September 2015 (a 4% increase). **Appendix 1** refers to the detail and composition of the interim workforce. Where possible, corporate contracts are used as they provide better value for the Council.
- 2.11 Running concurrently with the work to monitor and control interim placements has been a Council-wide staffing establishment exercise completed within iTrent to provide a comprehensive view of a fully budgeted workforce . This provides a clear picture of the workforce, including vacancies and reconciliation with temporary worker appointments. An updated vacancy analysis was prepared and presented to the Financial Monitoring Task Group on 23rd February 2015 and was well received. A request was made for this information to be presented quarterly to align with the quarterly budget monitoring review.

2.12 **Original Recommendation 5 - The Council should review its interview process and its policy on the number of interviewers required, including in relation to the appointment of interim managers.**

2.13 The relevant measures have taken place to ensure the refreshed recruitment policies are appropriate. No further action is required.

2.14 **Recommendation 6 - The Council should review its policy on declarations of interest to include personal friendships.**

2.15 This recommendation has been progressed. There is no further action.

2.16 **Recommendation 7 – The Council should communicate to all officers any revisions it makes to its procurement procedure.**

This recommendation has been progressed with regular communications being distributed. There is no further action.

2.17 **Matters arising from the meeting of 16th September 2015 meeting.**

2.17.1 Detailed at Appendix 1, is a revised and simplified overview report of interim placements. The refinements are:

- Redesigned graphs so that they are readable in black and white;

3. Consultation undertaken or proposed

3.1 Additionally, CMT receives monthly updates on agency usage and activity. Detailed below is a synopsis of the current themes on which CMT have requested assurance:

- The need for hiring manager compliance to complete agency placement extension arrangements and to seek proper authorisation. HR have been putting in place measures to improve such compliance with tighter authorisation controls.
- The trend for overall decreased usage of agency staff but rising costs due to the type of worker that we need to source e.g. specialist technical or niche professional skills such as children's social workers, project managers, IT specialists and business analysts. We are addressing this via improved recruitment campaigns – for example: recruiting 30+ permanent social workers in Children's Services in the last year. The marketplace for such posts is competitive and supply and demand dictate increased charge rates.
- An increasing trend of agency workers working for longer periods of time - in particular covering essential services. This reflects service demands and the need to cover statutory functions.

3.2 Further research information from London Councils has been included in Appendix 1 – this shows how Merton compares to other London Boroughs in relation to social workers, other hard to fill positions and consultants....

4. Timetable

4.1 Regular monthly reports of all interim/temporary placements are sent to departments and suitable “challenge” meetings are held with DMTs, also on a monthly basis. Agency spend and number of agency staff forming part of the workforce are reported to CMT on a monthly basis as part of the HR Metrics.

5. Financial, resource and property implications

5.1 The aim is to challenge hiring managers’ interim/temporary placements and reduce overall costs associated with interim workers where possible, noting that in many cases the Council has to cover statutory functions.

6. Legal and statutory implications

6.1 There are no specific legal implications arising from the report

7. Human rights, equalities and community cohesion implications

7.1 The amendments that have been made to the Council’s HR policies and processes will improve confidence in the Council’s HR recruitment procedure and the maintenance of the interim position database to provide the means to ensure compliance with Members’ requirements.

8. Crime and Disorder implications

8.1 None

9. Risk management and health and safety implications

9.1 These are detailed in the Ernst and Young report of 12 March 2014.

10. Appendices – the following documents are to be published with this report and form part of the report

10.1 Appendix 1 - Summary data of the Council’s current interim positions

11. Background papers

11.1 Reports of 12th March, 26th June and 17th September and 6th November 2014 and 12th March 2015, 25th June 2015 and 16th September 2015 to General Purposes Committee