

Committee: Standards and General Purposes Committee

Date: Wards: All

Subject: Report on the use of temporary workers and consultants

Lead officer: Kim Brown, HR Lead

Lead member: Cllr Mark Allison

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Recommendations:

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

Purpose of report and executive summary

1.1. The Committee has received regular progress reports in relation to the number of interim appointments in the council and the mechanisms in place to monitor the use of such workers.

2. Details

2.1 The central monitoring database consists of all types of interim/temporary placement (over £30 pounds per hour).

2.2 The database is updated on a monthly basis and double-checked with departmental management teams (DMTs) for accuracy, with quarterly reports as at the end of June, September, December and March being reported to this committee.

2.3 The committee on 30th July 2018 requested additional information for interims/temporary worker placements (as defined in para 2.1):

- the costs and numbers over a three year period
- the number of temporary workers who have converted to permanent roles with the Council also know as 'temp to perm'.

2.4 The engaging of most interim workers is via Comensura or the LGRP, which is a London wide contract for interim appointments. There have been instances due to market supply issues, although very few, when the Council has not used either of these contracts and has had to go 'off contract'. There are robust processes in place to manage this process, which requires a business case and financial checks to ensure there is a budget to pay for the assignment, as well as sign off by the Director of Corporate Services.

- 2.5 The previously reported situation 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. Whilst there is an increase in the costs of interims via Comensura this represents a reduction in appointments, which are off contract or through LGRP. Interims are engaged with the involvement and oversight of the HR function by way of a database that supplies monthly spend and usage reports to Council managers, DMTs and the Corporate Management Team.
- 2.6 The Council has different delivery models to ensure services are able to realise efficiencies, become more resilient and effective by sharing services with other London Boroughs. In October 2016, the Legal shared services expanded to include Wandsworth and a year later Regulatory Services followed. As a result of the expansions a number of interims with pay rates over £30 per an hour transferred to Merton – the costs of these appointments are shared across the service and rechargeable to partner boroughs.
- 2.7 The Council introduced a temp to perm procedure to reduce the reliance on agency workers and allowed conversions from agency to permanent staff when certain conditions were met. Thirty -four (34) agency workers have converted to permanent employment from September 2017 to 30th June 2018 of this number, 11 were paid £30 pounds or more. Some of the conversions to permanent roles were lawyers, Project Managers and Social workers. Temp to perm conversion rates will be reported to this Committee on a quarterly basis.
- 2.8 Within the services career pathways are being developed through the creation of apprenticeships schemes (where standards are available) and ensuring that that the apprenticeship levy is used to meet the development element.
- 2.9 The total spend for interim and temporary workers from 2015 to date are listed below: interims via Comensura Graph 1 and Table 1, LGRP and off contract Graph 2 and Table 2

Graph 1 – List totals for 15/16, 16/17, 17/18 and year to date for interim and temporary workers – Comensura

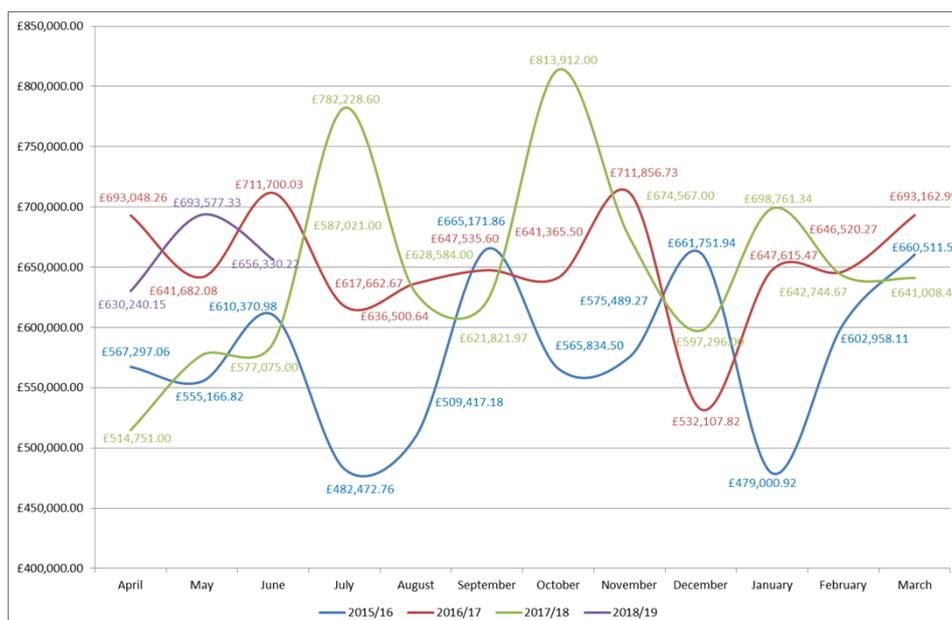


Table 1 - List totals for 15/16, 16/17, 17/18 and year to date for Interim and temporary workers – Comensura

	2015/16	2016/17	2017/18	2018/19
April	£567,297.06	£693,048.26	£514,751.00	£630,240.15
May	£555,166.82	£641,682.08	£577,075.00	£693,577.33
June	£610,370.98	£711,700.03	£587,021.00	£656,330.22
July	£482,472.76	£617,662.67	£782,228.60	
August	£509,417.18	£636,500.64	£628,584.00	
September	£665,171.86	£647,535.60	£621,821.97	
October	£565,834.50	£641,365.50	£813,912.00	
November	£575,489.27	£711,856.73	£674,567.00	
December	£661,751.94	£532,107.82	£597,296.00	
January	£479,000.92	£647,615.47	£698,761.34	
February	£602,958.11	£646,520.27	£642,744.67	
March	£660,511.51	£693,162.99	£641,008.45	

Graph 2 - Total of LGRP and Off Contract assignments over £30 for each financial year

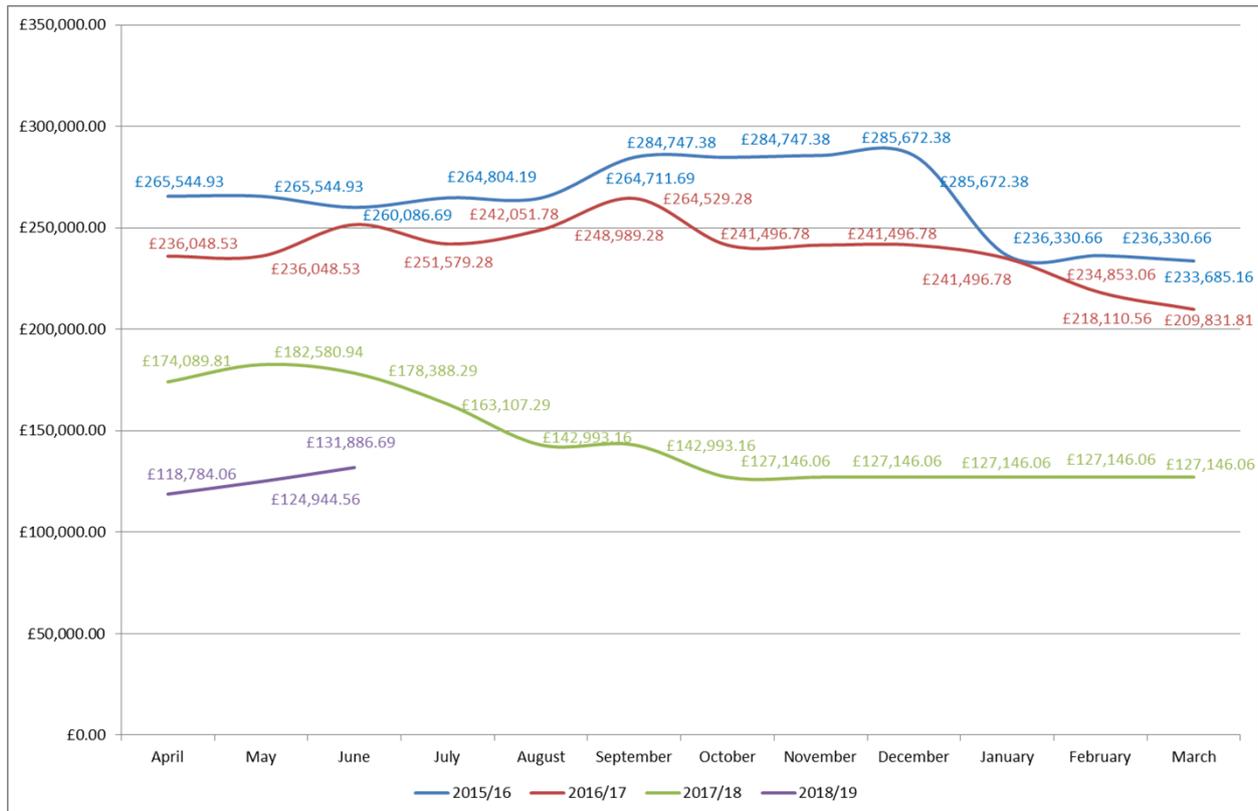


Table 2 - Total of LGRP and Off Contract assignments over £30 for each financial year

2015/16				2016/17			
	LGRP	Off Contract	Total		LGRP	Off Contract	Total
Apr-15	£100,325.50	£165,219.43	£265,544.93	Apr-16	£60,027.88	£176,020.66	£236,048.53
May-15	£100,325.50	£165,219.43	£265,544.93	May-16	£60,027.88	£176,020.66	£236,048.53
Jun-15	£100,325.50	£159,761.19	£260,086.69	Jun-16	£82,551.63	£169,027.66	£251,579.28
Jul-15	£107,633.00	£157,171.19	£264,804.19	Jul-16	£82,551.63	£159,500.16	£242,051.78
Aug-15	£107,540.50	£157,171.19	£264,711.69	Aug-16	£93,559.13	£155,430.16	£248,989.28
Sep-15	£115,902.50	£168,844.88	£284,747.38	Sep-16	£81,349.13	£183,180.16	£264,529.28
Oct-15	£115,902.50	£168,844.88	£284,747.38	Oct-16	£70,526.63	£170,970.16	£241,496.78
Nov-15	£115,902.50	£169,769.88	£285,672.38	Nov-16	£70,526.63	£170,970.16	£241,496.78
Dec-15	£115,902.50	£169,769.88	£285,672.38	Dec-16	£70,526.63	£170,970.16	£241,496.78
Jan-16	£92,259.50	£144,071.16	£236,330.66	Jan-17	£70,526.63	£164,326.44	£234,853.06
Feb-16	£92,259.50	£144,071.16	£236,330.66	Feb-17	£70,526.63	£147,583.94	£218,110.56
Mar-16	£75,369.00	£158,316.16	£233,685.16	Mar-17	£70,526.63	£139,305.19	£209,831.81
2017/18				2018/19			
	LGRP	Off Contract	Total		LGRP	Off Contract	Total
Apr-17	£60,869.63	£113,220.19	£174,089.81	Apr-18	£33,961.38	£84,822.69	£118,784.06
May-17	£80,368.26	£102,212.69	£182,580.94	May-18	£49,371.88	£75,572.69	£124,944.56
Jun-17	£83,205.60	£95,182.69	£178,388.29	Jun-18	£56,314.00	£75,572.69	£131,886.69
Jul-17	£67,924.60	£95,182.69	£163,107.29	Jul-18			
Aug-17	£58,170.48	£84,822.69	£142,993.16	Aug-18			
Sep-17	£58,170.48	£84,822.69	£142,993.16	Sep-18			
Oct-17	£42,323.38	£84,822.69	£127,146.06	Oct-18			
Nov-17	£42,323.38	£84,822.69	£127,146.06	Nov-18			
Dec-17	£42,323.38	£84,822.69	£127,146.06	Dec-18			
Jan-18	£42,323.38	£84,822.69	£127,146.06	Jan-19			
Feb-18	£42,323.38	£84,822.69	£127,146.06	Feb-19			
Mar-18	£42,323.38	£84,822.69	£127,146.06	Mar-19			

2.10 Year on year since 2015/16 there has been a reduction in the number of staff paid £30 per hour and above (Graph 3/Table 3). There are a number of factors such as the scrutiny of interim appointments by senior officers and elected members (DMTs, CMT and this committee); associated checks/authorisation levels in the recruitment process as well as the reasons already detailed in paras 2.4, 2.5 and 2.7.

Graph 3 - Total no. of interim workers over £30 in each financial year

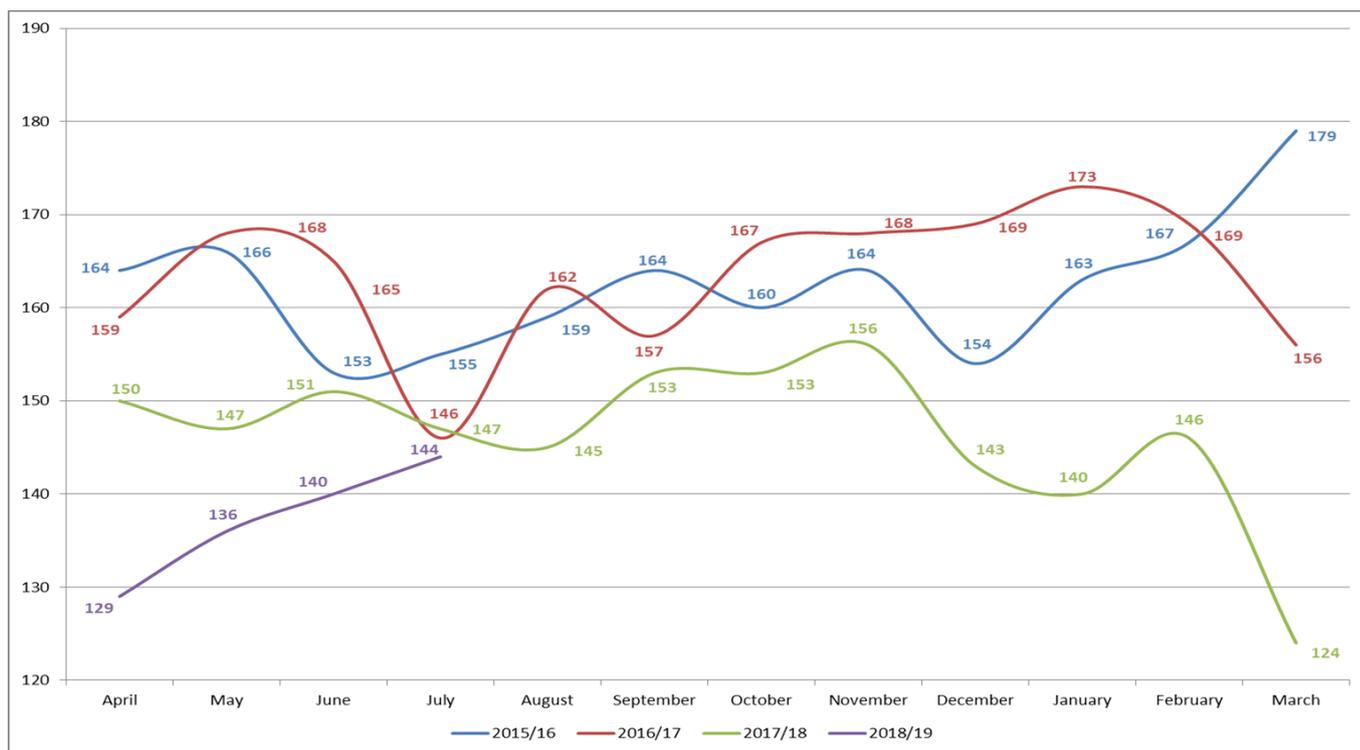


Table 3 - Total no. of interim workers over £30 in each financial year

Month	No. of workers over £30/hr			
	Comensura	LGRP	Off Contract	Total
Apr-15	122	10	32	164
May-15	123	10	33	166
Jun-15	110	10	33	153
Jul-15	111	10	34	155
Aug-15	115	12	32	159
Sep-15	118	12	34	164
Oct-15	114	12	34	160
Nov-15	117	12	35	164
Dec-15	107	12	35	154
Jan-16	123	10	30	163
Feb-16	128	9	30	167
Mar-16	141	7	31	179

Month	No. of workers over £30/hr			
	Comensura	LGRP	Off Contract	Total
Apr-16	125	8	26	159
May-16	134	8	26	168
Jun-16	129	8	28	165
Jul-16	108	8	30	146
Aug-16	124	9	29	162
Sep-16	119	9	29	157
Oct-16	131	7	29	167
Nov-16	132	7	29	168
Dec-16	133	7	29	169
Jan-17	138	7	28	173
Feb-17	135	7	27	169
Mar-17	128	7	21	156

Month	No. of workers over £30/hr			
	Comensura	LGRP	Off Contract	Total
Apr-17	124	8	18	150
May-17	123	8	16	147
Jun-17	128	7	16	151
Jul-17	126	5	16	147
Aug-17	124	5	16	145
Sep-17	131	6	16	153
Oct-17	132	5	16	153
Nov-17	135	5	16	156
Dec-17	122	5	16	143
Jan-18	120	4	16	140
Feb-18	127	4	15	146
Mar-18	105	4	15	124

Month	No. of workers over £30/hr			
	Comensura	LGRP	Off Contract	Total
Apr-18	112	2	15	129
May-18	119	3	14	136
Jun-18	122	4	14	140
Jul-18	129	5	10	144

- 2.11 There has been a reduction in the use of off contract appointments due to monitoring and the introduction of IR 35 tax legislation in April 2017. IR35 is tax legislation designed to combat tax avoidance by workers supplying their services to clients via an intermediary, such as a limited company, but who would be an employee if the intermediary was not used.
- 2.12 The purpose of IR35 is to prevent contractors, consultants and freelancers from trading via their own limited company in order to pay less tax and national insurance contributions (NIC) than if they were employed directly by their end client or agency. This has only been rolled out to the Public sector; the rollout to the Private sector has been delayed.
- 2.13 HR monitors suppliers and contractors to ensure they are IR35 compliant.

3 Timetable

- 3.1 Regular monthly reports of all interim/temporary placements are sent to departments and suitable “challenge” meetings are held with DMTs 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.
- 3.2 Quarterly updates will be provided to this committee. September information (Quarter 2) will be reported to 8th November meeting.

4 Financial, resource and property implications

- 4.1 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.

5 Legal and statutory implications

- 5.1 There are no specific legal implications arising from the report

6 Human rights, equalities and community cohesion implications

- 6.1 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.

7 Crime and Disorder implications

- 7.1 None

8 Risk management and health and safety implications

8.1 These are detailed in the Ernst and Young report of 12 March 2014 and subsequent reports.

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

9.1 None

10 Background papers

10.1 None

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