

Committee: Standards and General Purposes Committee

Date: January 2020

Subject: Report on the use of temporary workers and consultants

Lead officer: Liz Hammond, HR Lead

Lead member: Councillor Tobin Byers and Cabinet Member for Finance

Contact officer: Liz Hammond, HR Lead, 0208 545 3152

Recommendations:

- A. To note progress made to monitor and control the use of temporary workers and consultants
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1. 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 being reported to this committee.
- 2.3 As at the end of December 2020, the Council employed 196 interim/temporary workers at £30 per hour (or more) compared to 155 in December 19, which is an increase of 41 workers. 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.
- 2.4 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'.

- 2.5 The engaging of most interim workers is via Comensura or the LGRP, which is a London wide contract for interim appointments. Even within the aforesaid existing contracts the Council has sought to get the best 'price' and in doing so have attracted high quality interims at 10% of the mark-up price. 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.
- 2.6 The Council is currently exploring a framework agreement with a designated supplier for the provision of Professional services for project related work. Each project will be evaluated on an individual basis to determine its needs, establish key milestones and deliverables upon which payments will be made on successfully meeting these targets. Adopting this approach to managing projects would generate greater Value for Money and deliver on project objectives. It is recognised that this is a skill set that we do not have sufficient resources of in the organisation because of the technical skills required. We have met with Comensura and Matrix who both offer the Statement of Works service. We will be including this into the new Agency Tender in March 2021 as the current Agency Worker Contract is due to expire in December 2021.
- 2.7 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.
- 2.8 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.
- 2.9 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. One hundred and thirty four (134) agency workers have transferred to permanent employment from September 2017 to December 2020. From May 2020 to December 2020 we have transferred eighteen (18)
- 2.10 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.

2.11 The total spend for interim and temporary workers from 2017 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 17/18, 18/19, 19/20, 20/21 for interim and temporary workers – Comensura

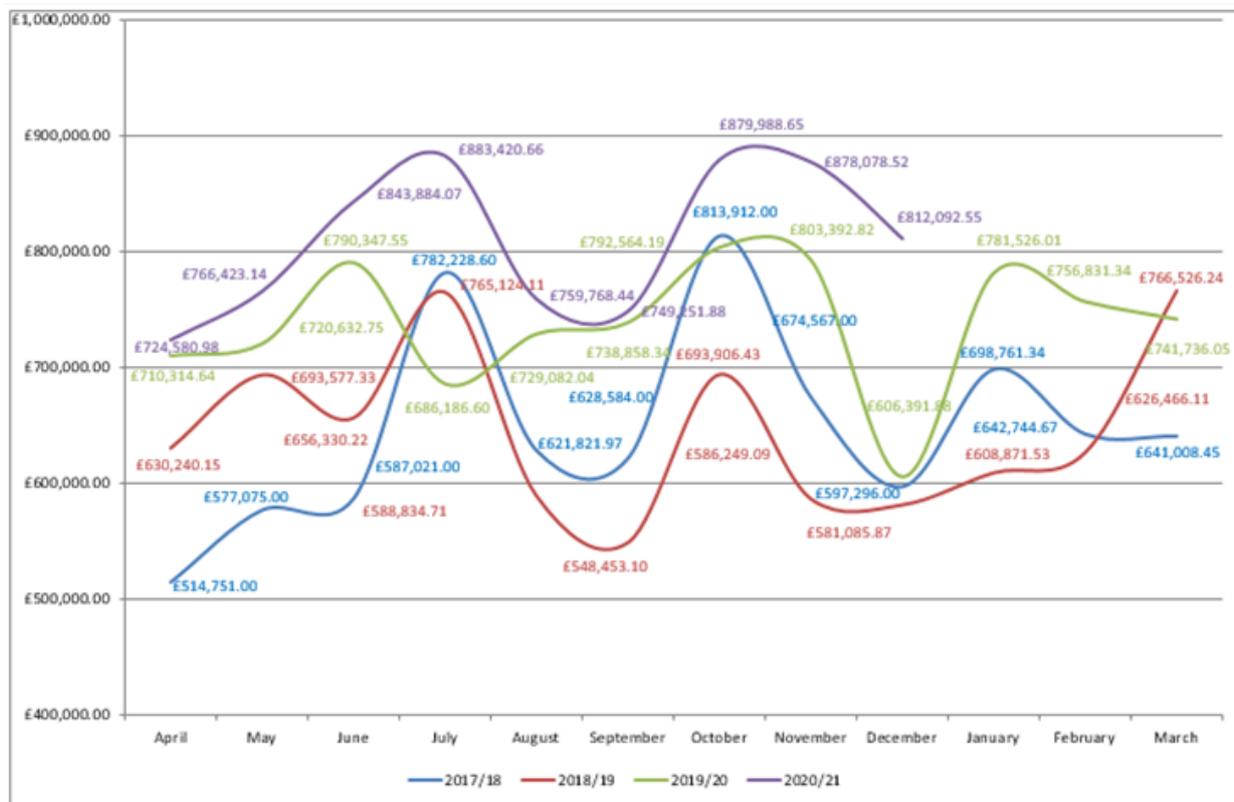


Table 1 - List totals for 17/18, 18/19, 19/20 and 20/21 for Interim and temporary workers – Comensura

	2017/18	2018/19	2019/20	2020/21
April	£514,751.00	£630,240.15	£710,314.64	£724,580.98
May	£577,075.00	£693,577.33	£720,632.75	£766,423.14
June	£587,021.00	£656,330.22	£790,347.55	£843,884.07
July	£782,228.60	£765,124.11	£686,186.60	£883,420.66
August	£628,584.00	£588,834.71	£729,082.04	£759,768.44
September	£621,821.97	£548,453.10	£738,858.34	£749,251.88
October	£813,912.00	£693,906.43	£803,392.82	£879,988.65
November	£674,567.00	£586,249.09	£792,564.19	£878,078.52
December	£597,296.00	£581,085.87	£606,391.88	£812,092.55
January	£698,761.34	£608,871.53	£781,526.01	
February	£642,744.67	£626,466.11	£756,831.34	
March	£641,008.45	£766,526.24	£741,736.05	
Total	£7,779,771.03	£7,745,664.88	£8,857,864.21	£7,297,488.89

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

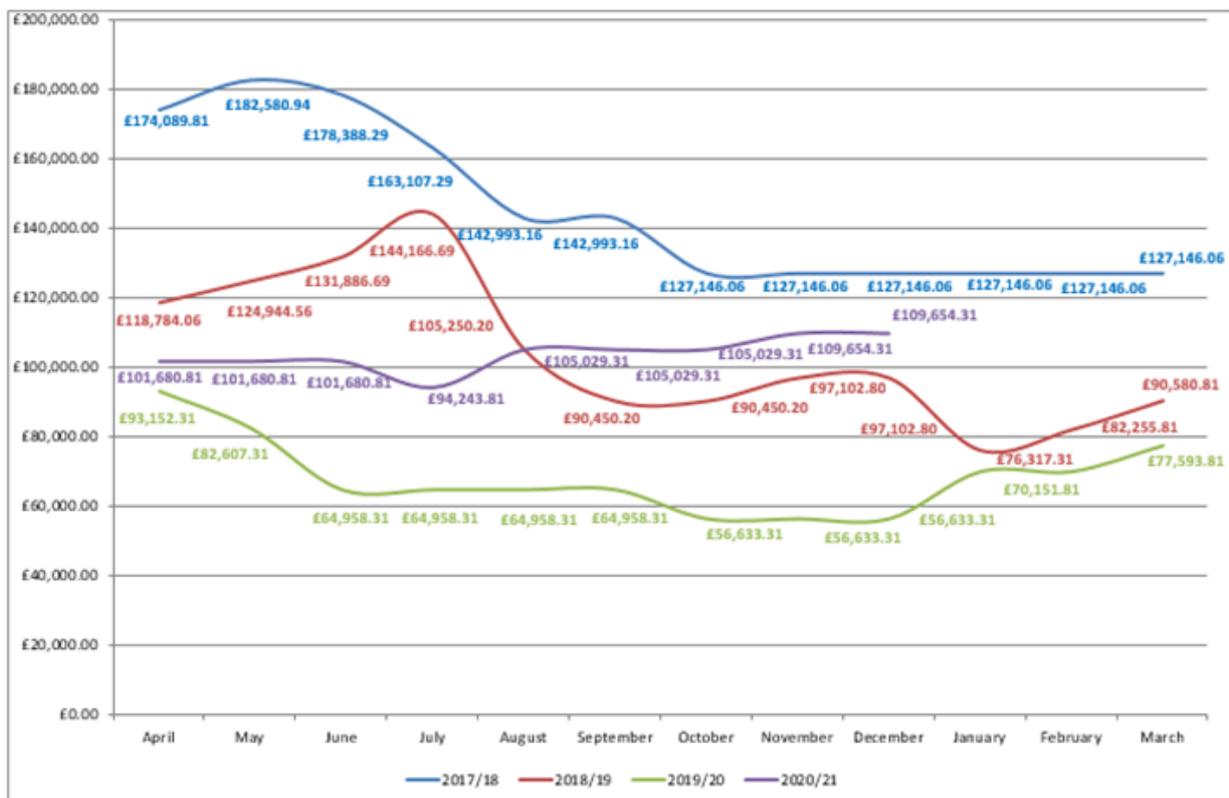


Table 2 - Total of LGRP and Off Contract assignments over £30 for each financial year

2017/18			
	LGRP	Off Contract	Total
Apr-17	£60,869.63	£113,220.19	£174,089.81
May-17	£80,368.26	£102,212.69	£182,580.94
Jun-17	£83,205.60	£95,182.69	£178,388.29
Jul-17	£67,924.60	£95,182.69	£163,107.29
Aug-17	£58,170.48	£84,822.69	£142,993.16
Sep-17	£58,170.48	£84,822.69	£142,993.16
Oct-17	£42,323.38	£84,822.69	£127,146.06
Nov-17	£42,323.38	£84,822.69	£127,146.06
Dec-17	£42,323.38	£84,822.69	£127,146.06
Jan-18	£42,323.38	£84,822.69	£127,146.06
Feb-18	£42,323.38	£84,822.69	£127,146.06
Mar-18	£42,323.38	£84,822.69	£127,146.06

2018/19			
	LGRP	Off Contract	Total
Apr-18	£33,961.38	£84,822.69	£118,784.06
May-18	£49,371.88	£75,572.69	£124,944.56
Jun-18	£56,314.00	£75,572.69	£131,886.69
Jul-18	£72,594.00	£75,572.69	£144,166.69
Aug-18	£71,950.20	£33,300.00	£105,250.20
Sep-18	£71,950.20	£18,500.00	£90,450.20
Oct-18	£71,950.20	£18,500.00	£90,450.20
Nov-18	£78,602.80	£18,500.00	£97,102.80
Dec-18	£78,602.80	£18,500.00	£97,102.80
Jan-19	£67,067.31	£9,250.00	£76,317.31
Feb-19	£73,005.81	£9,250.00	£82,255.81
Mar-19	£81,330.81	£9,250.00	£90,580.81

2019/20			
	LGRP	Off Contract	Total
Apr-19	£83,902.31	£9,250.00	£93,152.31
May-19	£75,577.31	£7,030.00	£82,607.31
Jun-19	£57,928.31	£7,030.00	£64,958.31
Jul-19	£57,928.31	£7,030.00	£64,958.31
Aug-19	£57,928.31	£7,030.00	£64,958.31
Sep-19	£57,928.31	£7,030.00	£64,958.31
Oct-19	£49,603.31	£7,030.00	£56,633.31
Nov-19	£49,603.31	£7,030.00	£56,633.31
Dec-19	£49,603.31	£7,030.00	£56,633.31
Jan-20	£63,121.81	£7,030.00	£70,151.81
Feb-20	£63,121.81	£7,030.00	£70,151.81
Mar-20	£70,563.81	£7,030.00	£77,593.81

2020/21			
	LGRP	Off Contract	Total
Apr-20	£94,650.81	£7,030.00	£101,680.81
May-20	£94,650.81	£7,030.00	£101,680.81
Jun-20	£94,650.81	£7,030.00	£101,680.81
Jul-20	£87,213.81	£7,030.00	£94,243.81
Aug-20	£97,999.31	£7,030.00	£105,029.31
Sep-20	£97,999.31	£7,030.00	£105,029.31
Oct-20	£97,999.31	£7,030.00	£105,029.31
Nov-20	£102,624.31	£7,030.00	£109,654.31
Dec-20	£102,624.31	£7,030.00	£109,654.31
Jan-21			
Feb-21			
Mar-21			

2.12 From May 2020 to December 2020 we have increased the number of staff paid £30 per hour and above (Graph 3 / Table 3) by 34, however only increased 1 via the LGRP contract and zero increase off contract. Merton are still keeping the costs as low as possible by using Comensura and the interim category. Due to covid-19 we saw an increase from April to December as Merton Council begin to implement Recovery Projects to be able to get the workforce back to work

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

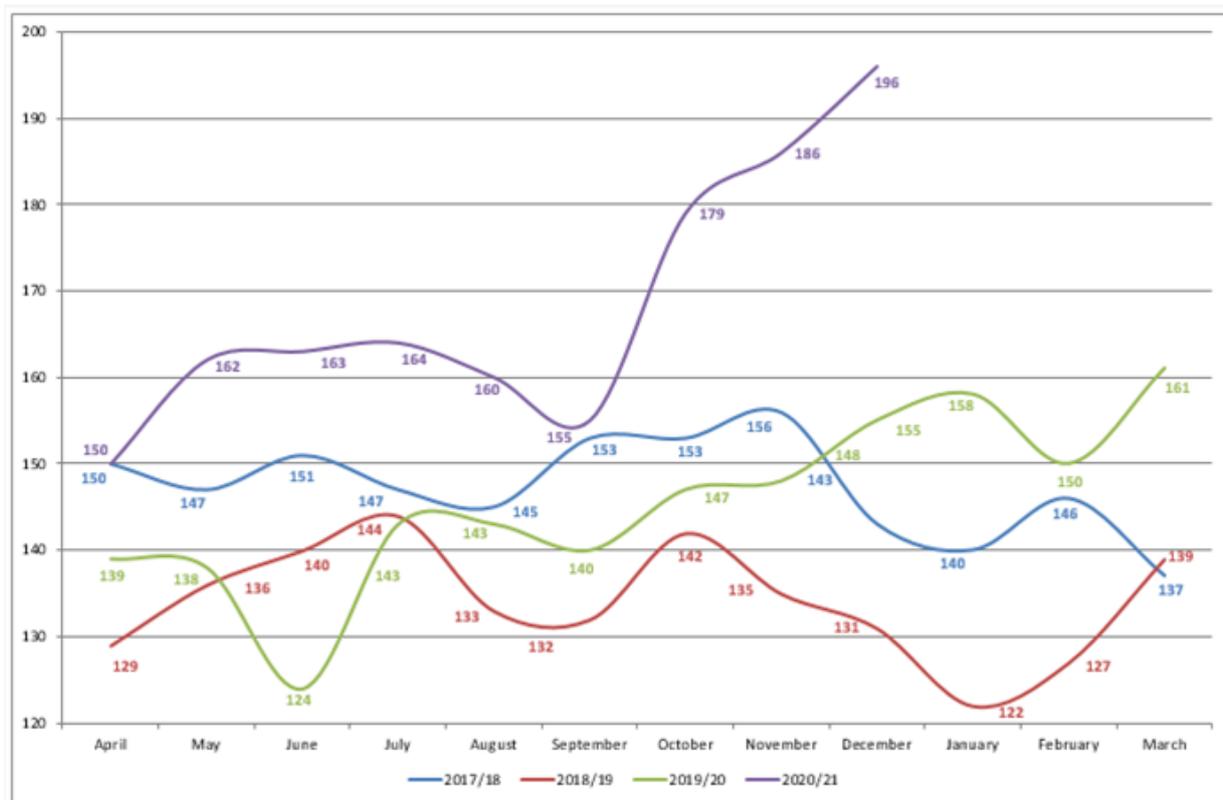


Table 3 - Total no. of interim workers over £30 in each financial year

Month	No. of workers over £30/hr			
	Comensura	LGRP	Off Contract	Total
Apr-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	118	4	15	137

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
Aug-18	117	7	9	133
Sep-18	120	7	5	132
Oct-18	130	7	5	142
Nov-18	122	8	5	135
Dec-18	118	8	5	131
Jan-19	112	6	4	122
Feb-19	115	7	5	127
Mar-19	127	8	4	139

Month	No. of workers over £30/hr			
	Comensura	LGRP	Off Contract	Total
Apr-19	127	7	5	139
May-19	128	7	3	138
Jun-19	118	5	1	124
Jul-19	137	5	1	143
Aug-19	137	5	1	143
Sep-19	134	5	1	140
Oct-19	141	5	1	147
Nov-19	142	5	1	148
Dec-19	149	5	1	155
Jan-20	149	8	1	158
Feb-20	141	8	1	150
Mar-20	151	9	1	161

Month	No. of workers over £30/hr			
	Comensura	LGRP	Off Contract	Total
Apr-20	140	9	1	150
May-20	152	9	1	162
Jun-20	153	9	1	163
Jul-20	155	8	1	164
Aug-20	150	9	1	160
Sep-20	145	9	1	155
Oct-20	169	9	1	179
Nov-20	175	10	1	186
Dec-20	185	10	1	196
Jan-21				
Feb-21				
Mar-21				

- 2.13 Directors have been invited to provide short overall summary comments on agency/consultant usage and action being taken in their area and these are:

Children, Schools and Families

CSF currently have 2 agency workers via Comensura, which have been here over 24 months

Positive action continues to be taken to reduce the CSF reliance on agency workers and agency costs continue to be relatively low for this service. CSF actively recruits to permanent roles, reducing the use and duration of agency workers. In particular, the use of consultants has decreased significantly.

In all but a few exceptions, the CSF agency workers and consultant are covering management and frontline posts discharging statutory functions which require a qualified social worker. To safely and effectively discharge the Council's statutory duties social worker's must have appropriate management supervision and manageable caseloads. This requires interim agency social worker cover for vacancies pending permanent recruitment.

Some additional temporary posts have been created to deal with the increased workload working with children in need and at risk. Because of the restrictions in place due to COVID 19, the work to support and discharge from support has been slowed significantly resulting in higher workloads. The impact of repeated lockdowns is also increasing the demand for this type of support.

The other agency workers are for specialist posts such as speech and language therapy which is also a statutory requirement as part of children's Education, Health and Care Plans. Because of growth funding applied to this area in the 2020/21 budget, we anticipate more permanent recruitment in this area, which should assist in reducing the reliance on agency workers in SEND services.

HR works closely with the social care leadership team to review vacancies and use of agency social workers. This financial year, we have been successful in transferring agency social workers and senior social work managers onto permanent contracts. Our involvement in regional programmes to offer student and newly qualified social workers training placements has continued providing a pipeline of newly qualified social workers seeking permanent contracts with Merton.

A contract with the national Guardian online for recruitment advertising is now in place to raise Merton's profile and awareness of social work opportunities. Retention packages continue as part of the recruitment strategy, to retain

existing permanent social workers and to provide continuity of service to some of our most vulnerable clients.

Community and Housing

C&H currently have 7 agency workers via Comensura, which have been here over 24 months

Due to the additional significant demands of responding to the pandemic, the department has had to take on additional temporary staff. These have been to ensure that vacant posts are filled so we are at full capacity as well as additional short term capacity to meet the significantly higher workload. The posts are mostly in Public Health and Adult Social Care. Where appropriate posts are funded from various COVID 19 grants.

C&H currently have 4 agency workers via Comensura, which have been here over 24 months. A number of initiatives have been implemented to focus on recruiting and retaining staff. We have implemented an apprenticeship scheme and offered enhanced training and development opportunities to attract and retain staff. We are working with the Teaching Partnership to get Assessed and supported year in employment (ASYE) social work applicants who can convert to permanent staff. We expect to significantly reduce our reliance on agency staff by October 2020. Two of the posts are in mental health which is a highly competitive labour market.

Corporate Services

CS currently have 11 agency workers via Comensura, which have been here over 24 months and 1 via LGRP

Of the 11 agency workers, 9 are lawyers in the Shared Legal Service (SLLP) paid for by the five participatory boroughs; mainly in the property and procurement team where we compete with the private sector. We have an ongoing recruitment campaign but still have limited success in attracting permanent staff. We are looking at further temp to perm within SLLP but there has also been an increase in short term demand within SLLP as there has been an increase in Children's social care cases and the Courts are not open to progress cases. For the FM Comensura agency worker, the work is demand based on the schools capital programme and the Business Systems Manager, the assignment is coming to an end shortly. For the LGRP interim, there have

been difficulties in recruiting to vacant post but we have now been successful and this assignment should also be coming to an end shortly.

There are two posts in HR who will be recruited to once a decision has been taken on the future HR Operating Model to be adopted and the structure review of the senior posts in Corporate Services. The HR Operating Model forms part of the Recovery and Modernising Merton programme.

Environment and Regeneration

E&R currently have 10 agency workers via Comensura, which have been here over 24 months, 1 consultant and 1 via LGRP

Numbers have not reduced as much as anticipated because of the impact of Covid 19. This reflects Government advice and support for staff on interim / agency contracts. We shall be reviewing all positions as we move out of Lockdown and into recovery

Others are providing specialist skills or are covering [often short term] externally funded roles including capital schemes. There are a number of professional areas where there is an extremely competitive market in which all London boroughs are struggling to recruit and retain permanent staff. This includes Traffic engineers, Planning officers and Building control surveyors where the emergence of a strong interim market as well as private sector competition [in building control particularly] has changed employment patterns and our ability to recruit and retain staff.

E&R DMT reviews this matter on a regular basis in order to manage risk including the financial impact.

- 2.14 There has been a reduction in the use of off contract appointments due to monitoring and the introduction of IR35 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.
- 2.15 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 has been scheduled for 1st April 2021.
- 2.16 HR monitors suppliers and contractors to ensure they are IR35 compliant and the IR35 process for off payroll workers was recently audited and received a substantial assurance.

2.17 At the last Standards and General Purposes Committee meeting where the temporary workforce was discussed the Committee requested information on our ability to attract and select BAME staff and the statistics for the last 3 quarters of this financial year are provided at Appendix 1.

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 We will endeavour to give the most up to date information we have available.

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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Appendix 1

April to June 2020

Applications received

	BAME	White background	Prefer not to say
CSF	61%	34%	5%
C&H	57%	40%	3%
CS	71%	29%	0%
E&R	28%	62%	10%

Posts at MGA and above

	BAME	White background	Prefer not to say
	22%	61%	17%

Shortlisted

	BAME	White background	Prefer not to say
CSF	50%	49%	1%
C&H	58%	42%	0%
CS	57%	43%	0%
E&R	29%	65%	6%

Posts at MGA and above

	BAME	White background	Prefer not to say
	38%	62%	0%

Appointed

	BAME	White background	Prefer not to say
CSF	47%	50%	3%
C&H	68%	32%	0%
CS	71%	29%	0%
E&R	60%	40%	0%

Posts at MGA and above

	BAME	White background	Prefer not to say
	33%	67%	0%

July to September 2020

Applications received

	BAME	White background	Prefer not to say
CSF	56%	40%	4%
C&H	61%	34%	5%
CS	48%	49%	3%
E&R	37%	60%	3%

Posts at MGA and above

	BAME	White background	Prefer not to say
	55%	40%	5%

Shortlisted

	BAME	White background	Prefer not to say
CSF	36%	57%	7%
C&H	46%	46%	8%
CS	40%	56%	4%
E&R	15%	85%	0%

Posts at MGA and above

	BAME	White background	Prefer not to say
	56%	38%	6%

Appointed

	BAME	White background	Prefer not to say
CSF	33%	62%	5%
C&H	0%	100%	0%
CS	15%	85%	0%
E&R	0%	100%	0%

Posts at MGA and above

	BAME	White background	Prefer not to say
	50%	50%	0%

October to December 2020

Applications received

	BAME	White background	Prefer not to say
CSF	57%	40%	3%
C&H	63%	36%	1%
CS	47%	47%	6%
E&R	29%	71%	0%

Posts at MGA and above

	BAME	White background	Prefer not to say
	39%	61%	0%

Shortlisted

	BAME	White background	Prefer not to say
CSF	54%	45%	1%
C&H	36%	64%	0%
CS	25%	70%	5%
E&R	22%	78%	0%

Posts at MGA and above

	BAME	White background	Prefer not to say
	57%	43%	0%

Appointed

	BAME	White background	Prefer not to say
CSF	60%	20%	20%
C&H	50%	50%	0%
CS	40%	60%	0%
E&R	50%	50%	0%

Posts at MGA and above

	BAME	White background	Prefer not to say
	50%	50%	0%

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