

Committee: Standards and General Purposes Committee

Date: 5 March 2024

Subject: Report on the use of temporary workers and consultants

Lead officer: Polly Cziok – Executive Director Innovation and Change

Lead member: Councillor Billy Christie

Contact officer: Kathryn Wittams-Smith, Acting Head HR

Recommendations:

- A. To note progress made to monitor and control the use of agency workers and ongoing processes to continue to reduce agency use and spend
- B. To note initiatives for promoting apprenticeships and use of the apprenticeship levy
- C. To note actions being taken to promote Merton Council as an employer of choice
- D. To note recruitment process monitoring with the emphasis on Equality, Diversity and Inclusion

1. Purpose of report and executive summary

- 1.1. The Committee has received regular progress reports in relation to the number and cost of higher cost agency appointments used in the council and the mechanisms in place to monitor the use of these workers. This report now defines 'higher cost' agency workers as those earning over £60 per hour or £400 per day whereas previous reports have reported this as £30 per hour or more. This is in line with inflationary costs for agency workers.

Over the past quarter there has been a significant reduction in agency spend specifically leadership/senior posts which now account for 46% of the total agency spend as opposed to the previous quarter at 54%. The reduction equates to £646,000. The council currently has the lowest number of agency workers for the past two years.

Eighteen administrative posts are currently covered by agency workers.

Senior roles and health and social care staff are the two highest categories for agency spend.

The top three reasons for engaging agency workers are permanent post position cover, project cover and increased workload.

There are currently 37 apprentices across the council.

The council attracts 66% of applications for permanent roles from Black, Asian and Minority ethnic candidates, with 60% being shortlisted and 58% of job offers. For senior roles this is more variable with the majority of posts being filled by white applicants in the past two quarters although this accounts for a small number of

posts (4). The REN group monitor all senior recruitment and are included in interview panels.

The council's new recruitment website has been launched and promotion of benefits in working for the council including family friendly benefits, early careers support and apprenticeships.

The senior pay review will be implemented on 1 April 2024 and will eliminate market supplements in most cases.

2. Details

- 2.1 The agency central monitoring database [Appendix 1] holds details of all agency workers. Consultants who fall outside of IR35, also known as the 'Intermediaries Legislation' or off-payroll by the HMRC, are detailed separately and can be defined as specialist consultants not working in an established graded role
- 2.2 The database is updated on a monthly basis and provided to departmental management teams (DMTs) along with quarterly HR Metrics data. This data is also used for this committee report.
- 2.3 This committee, in recognising that the South London Legal Partnership (SLLP) serves five boroughs with a proportion of the cost being shared and recharged to partner boroughs, has requested that SLLP is now shown separately.
- 2.4 The current contract with Comensura started in December 2021 and runs until December 2025. Procurement will be undertaken in January 2025.
- 2.5 The majority of agency workers are appointed through the Council's corporate contract with Comensura. Whilst there has been an increase in the costs of agency workers this represents a large reduction in appointments that have, in the past been through the Local Government Resourcing Partnership this being more expensive than Comensura. The council have also reduced the off-contract spend and there are now no off-contract workers. Engaging agency workers through the Comensura contract has resulted in cost savings as the council can achieve the best value whilst still attracting high quality agency workers. There are robust processes in place to manage the process for engaging temporary staff, which requires a business case, CMT approval and budgetary checks.
- 2.6 A 'Temp to Perm' mechanism is in place whereby agency workers can be converted to direct employment, subject to safeguards to ensure there is no conflict of interest and that named individuals are not hired via agency and then offered direct employment with no competitive selection. Appointment to senior roles which require member-level involvement continue to be dealt with in the normal way. The aim is to encourage agency workers, particularly those in hard to fill roles, to become employees. Any such conversions will only be to posts that have been subject to full establishment control processes.
- 2.7 Merton Council is investing in building talent pipelines and having a succession plan in place by utilising the apprenticeship levy and 'growing our own' talent to create career pathways.

Apprenticeship routes are funded by the apprenticeship levy, a compulsory monthly charge of 0.5% of the Council's wage bill. By investing in the development of our employees, Merton Council is able to upskill new employees and our current workforce to reduce the number of specialist agency/interim workers required.

Merton Council has an aging workforce, with twice as many over 60s as under 30s on the payroll, and more than 50% of the workforce nearing retirement age. It is vital for the long-term sustainability of the organisation that Merton makes a concerted effort to attract and retain a younger workforce. Apprenticeships will play an important part in this, in providing high quality opportunities to local young people, and in promoting the Council's role as a local employer.

Currently Merton has 37 active apprentices: 24 at entry level and 13 at higher level. 12 of these apprentices are funded through the apprenticeship reserve, which is administered by the OD team. This one-off funding is depleted and there is no current plan to replace it.

Apprentices February 2024

Apprenticeship	Level	Directorate	Number of apprentices
Accountancy or Taxation Professional	7	F&D	2
Business Administrator	3	CLLF	8
Business Administrator	3	I&C	4
Apprentice social worker	6	CLLF	2
Digital and Technology Solutions Professional	6	I&C	1
HR Support	3	I&C	3
Improvement Technician	3	CLLF	1
Information Communications Technician	3	F&D	1
Paralegal	3	I&C	2
Public Health Practitioner	6	ASCICPH	2
Revenues And Welfare Benefits Practitioner	4	F&D	5
Social Worker	6	CLLF	3
Social Worker	6	ASCICPH	2
Solicitor	7	I&C	1
Total			37

The Apprenticeship Lead post is now funded from the mainstream budget and a number of initiatives are taking place:

- Restructure policy to include a percentage of posts to be created for apprenticeships.
- Promotion on the recruitment website with applications prioritised to people living or being educated in Merton. Towards Employment team notified of all opportunities with guaranteed interviews for care leavers/care experienced young people.
- Support an apprenticeship network
- Training for apprenticeship managers
- Mainstream funding for apprenticeship posts rather than reserves

2.8 In April 2023, Merton increased the number of departments from four to six. This report reflects the new departments.

2.9 The committee have requested this report includes data on all agency workers and not just those that are considered high cost, chart 1 shows the distribution of agency workers in each directorate, the total candidates being 294 in January 2024.

Chart 1

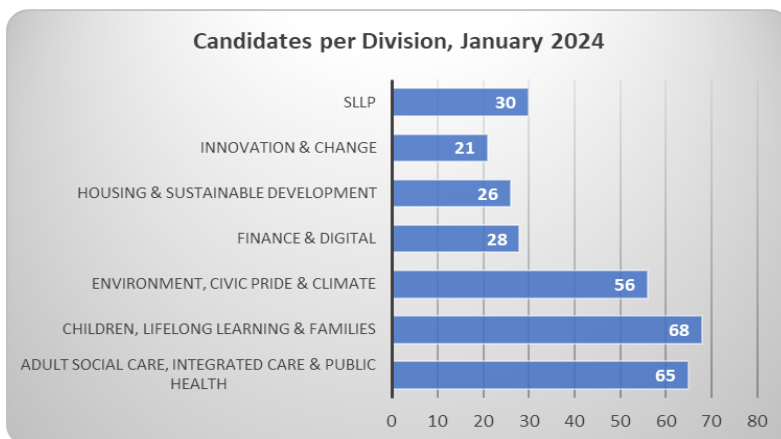
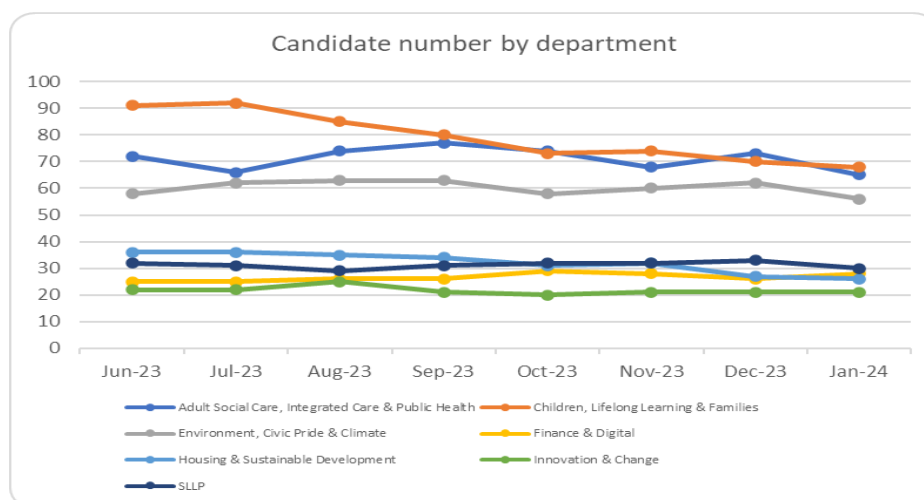


Chart 2 provides the number of candidates in each division over the past two quarters. The candidate numbers have decreased in all departments since the end of quarter 1 and increased minimally in Finance and Digital by three.

Chart 2

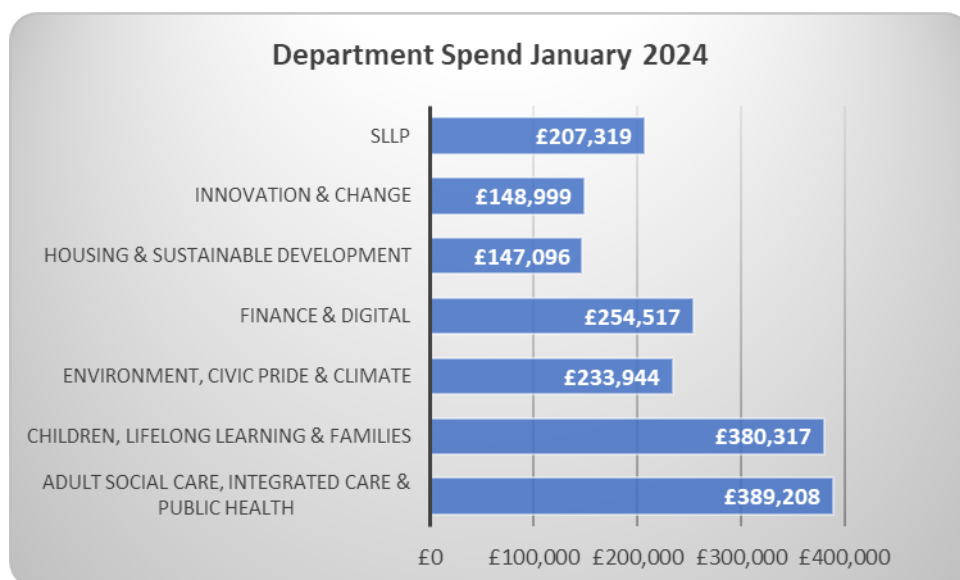


Division	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Total
Adult Social Care, Integrated Care & Public Health	72	66	74	77	74	68	73	65	-7
Children, Lifelong Learning & Families	91	92	85	80	73	74	70	68	-23
Environment, Civic Pride & Climate	58	62	63	63	58	60	62	56	-2
Finance & Digital	25	25	26	26	29	28	26	28	3
Housing & Sustainable Development	36	36	35	34	31	32	27	26	-10
Innovation & Change	22	22	25	21	20	21	21	21	-1
SLLP	32	31	29	31	32	32	33	30	-2

2.10 Agency spend has decreased since October 2023 when measures were introduced to provide a CMT overview and challenge for all recruitment activities including extending agency assignments, new agency assignments and direct employment. Chart 3 shows the agency spend by department in January 2024 as December would include a reduction due to agency workers taking leave over the festive period so does not provide a realistic picture for this month.

Division	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Total
Adult Social Care, Integrated Care & Public Health	£351,308	£452,346	£375,075	£392,379	£510,449	£489,306	£400,923	£389,208	£37,900
Children, Lifelong Learning & Families	£425,753	£560,152	£407,384	£372,361	£463,984	£458,973	£371,671	£380,317	£-45,436
Environment, Civic Pride & Climate	£212,033	£291,041	£259,506	£261,677	£290,927	£274,046	£241,604	£233,944	£21,911
Finance & Digital	£226,417	£301,704	£228,544	£231,118	£308,712	£307,672	£212,322	£254,517	£28,100
Housing & Sustainable Development	£185,334	£217,211	£162,687	£162,745	£189,420	£190,563	£137,645	£147,096	£-38,238
Innovation & Change	£124,299	£142,511	£156,372	£153,156	£155,706	£167,895	£138,562	£148,999	£24,700
SLLP	£179,162	£193,274	£178,965	£182,096	£207,770	£235,967	£201,926	£207,319	£28,157

Chart 3



2.11 The following tables provide an overview by the top ten staffing categories and total spend. These charts define interim as higher spend agency workers in senior established posts. Quarter 4 shows a reduction in all categories apart from Legal (SLLP posts).

Quarter 3 – (July – September 2023)

Staffing category	Charge	Expenses	Total spend	vs. last year
Interim	£2,663,234	£114	£2,663,348	▲ 11.1%
Social and Healthcare Qualified	£1,432,985	£1,659	£1,434,644	▼ -5.1%
Legal	£570,088		£570,088	▲ 16.5%
Facilities and Environmental Services	£368,697	£462	£369,159	▼ -17.7%
Admin and Clerical	£185,201		£185,201	▼ -50.8%
Engineering and Surveying	£176,849	£190	£177,040	▼ -7.7%
Housing	£94,189		£94,189	▼ -41.5%
Social and Healthcare Unqualified	£90,896	£261	£91,156	▼ -3.3%
Planning	£68,995	£120	£69,115	0.0%
Information Technology	£28,378		£28,378	▼ -1.4%
Top 10 categories	£5,679,512	£2,806	£5,682,319	▼ -0.3%

Q4 (October – December 2023)

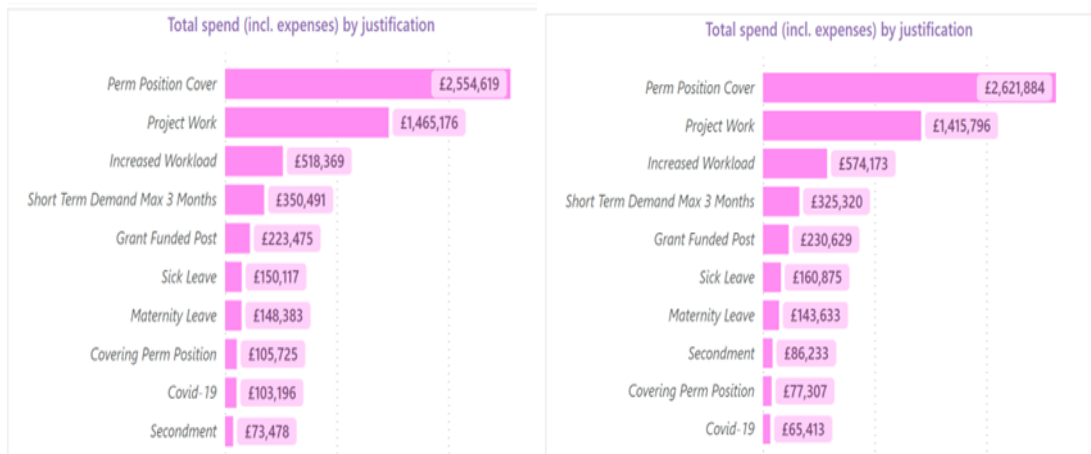
Staffing category	Charge	Expenses	Total spend	vs. last year
Interim	£2,654,885	£446	£2,655,331	▼ -8.5%
Social and Healthcare Qualified	£1,465,898	£1,782	£1,467,680	▼ -5.1%
Legal	£648,639		£648,639	▲ 19.0%
Facilities and Environmental Services	£348,865	£734	£349,599	▼ -25.3%
Engineering and Surveying	£179,532	£198	£179,730	▼ -2.9%
Admin and Clerical	£149,523		£149,523	▼ -59.9%
Housing	£78,845		£78,845	▼ -53.4%
Planning	£66,941	£86	£67,027	0.0%
Social and Healthcare Unqualified	£64,632	£384	£65,016	▼ -29.9%
Information Technology	£19,708		£19,708	▼ -30.3%
Top 10 categories	£5,677,468	£3,630	£5,681,098	▼ -10.0%

2.11 The following charts provide the total spend by the order justification, the highest being cover for permanent roles. This can be due to a number of factors including a gap between recruiting permanently for the role, a pending restructure or that the post is hard to fill with direct competition for employees from surrounding boroughs. This is particularly the case for Children’s Social Workers, Planners, IT staff and Lawyers.

Chart 4

Q3

Q4



2.12 Local Government Resourcing Partnership Contract (LGRP)

This contract is used if roles have not been fulfilled through the standard Comensura contract. There are currently only two workers via this contract both being senior roles in Accountancy.

Off Contract

There are currently no off-contract workers.

IR35

There are currently three workers who meet the definition of working outside of IR35 all are specialist project posts.

List of outside IR35 bookings job title, division, line manager and duration				
Job title	Division	Hiring manager	Weeks worked	Weeks remaining
Waste & Street Environm...	Environment, Civic Pride ...	Dan Jones	29	23
Parking Procurement Con...	Environment, Civic Pride ...	Gavin Moore	26	22
Waste Procurement Cons...	Environment, Civic Pride ...	Dan Jones	22	4

2.13 The Committee have requested information on agency use to cover administrative officer roles. These are roles that are often short-term cover due to work volume, grant funding, maternity leave or short-term cover. Where possible administrative roles are reviewed for suitability for an apprenticeship role, this is not possible for short term role cover as apprenticeships require an education path alongside employment of at least 2,000 hours up to 12,000 hours.

There are currently 18 agency workers in roles that could be described as administrative. Chart 5 shows the order justification and chart 6 shows the departments for these administrative posts.

The challenge process adopted by CMT reviews all posts requesting agency cover or extensions for existing assignments and whether these could provide an apprenticeship opportunity.

Chart 5

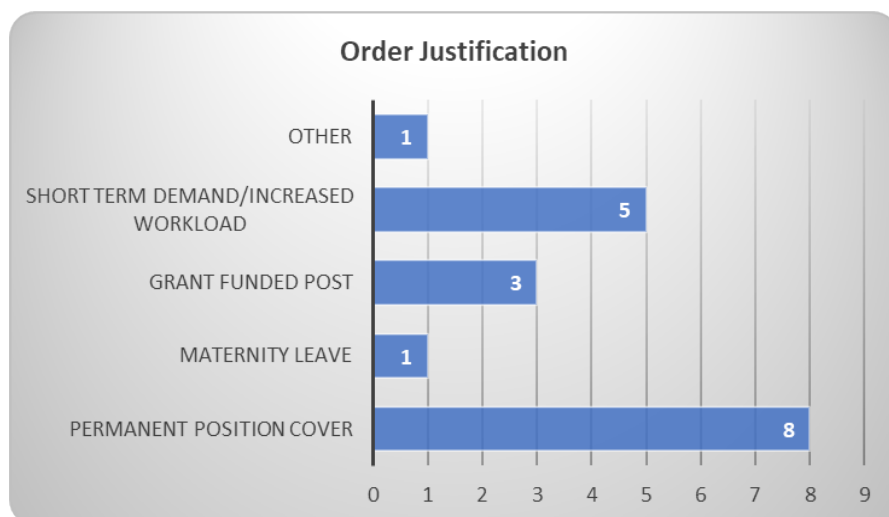
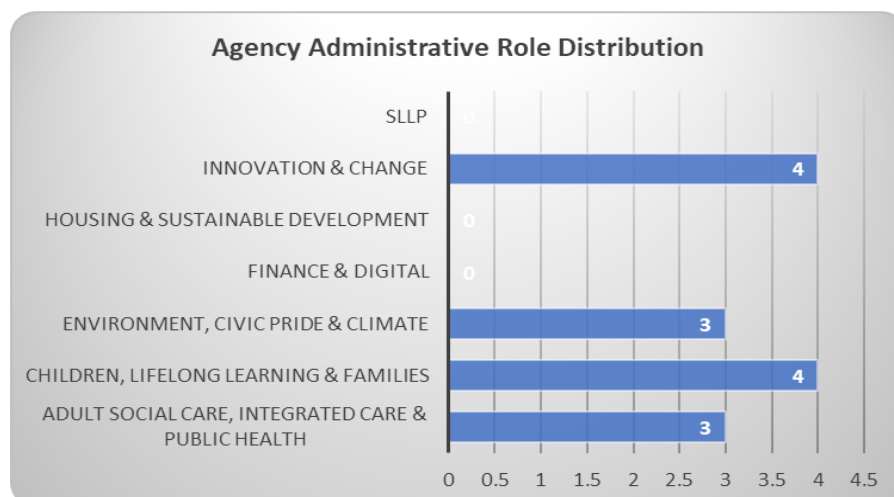


Chart 6



2.14 The number of higher cost agency workers has reduced in January in most areas and has remained the same in Finance and Digital with three current workers on this

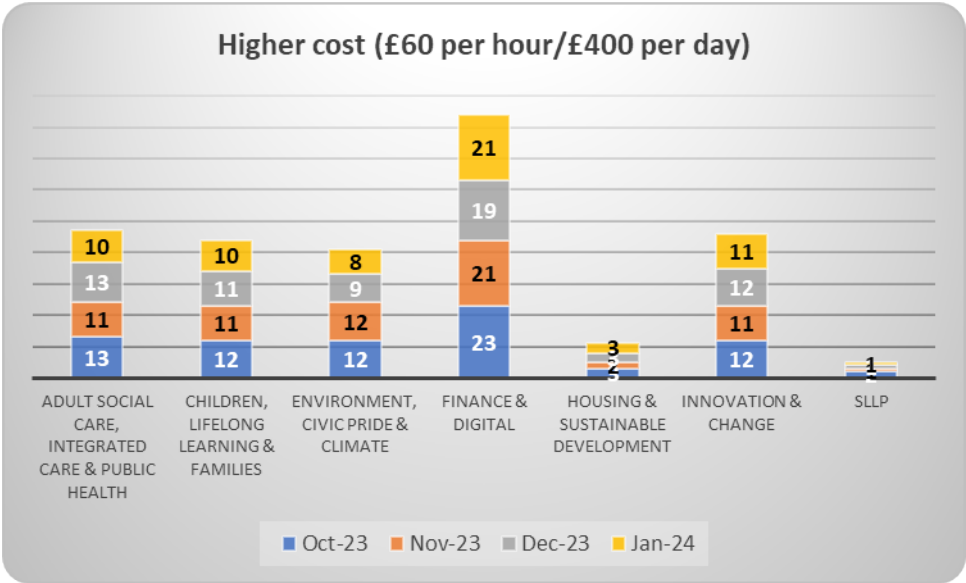
rate, there is currently a very competitive market for skilled IT and Digital professionals which are required to realise the ambitious digital transformation plans.

Public Health is also an area where the market is competitive alongside specialist project posts for the Section 75 transfer of mental health staff back to the council.

The Street Cleansing insourcing project has also required specialist project management for the duration of this project in Environment, Civic Pride and Climate.

Higher cost agency posts, often called consultants or interims are in [Appendix 2]

Chart 7



2.11 The committee requested the agency 'mark-up' for agency worker posts. For most posts this is 0.40 on top of the hourly charge rate from the agency which also includes the cost for the working time directive (annual leave), pensions, apprenticeship levy and holiday pay. Those with rates over £300 per day being 10% of the total cost. The cost pressure tends to be a competitive market rather than the agency charge rate.

2.12 **Temporary to Permanent Conversions**

Agency/interim workers are being asked to convert to direct employment, this is across the board where posts are on the establishment and required (not grant funded or project work).

In 2023 32 conversions have taken place.

- 3 Planning Officers
- 8 Civic Enforcement Officers
- 2 Director Level roles in Adult Social Care, Integrated Care and Public Health
- 2 social workers both in Adult Social Care
- 10 staff that work in administrative function roles.

2.13 Agency social workers (particularly children's) are an area where permanent staff are more preferable not only for cost reasons but for stability all agency social workers have been invited to briefings where they are provided with the benefits of direct employment and also how to compare actual salary taking into account pension benefits, annual leave, training costs etc. These will continue to be scheduled periodically to ensure social workers are able to make informed choices and are aware of the opportunity through a straightforward process.

Three briefings have taken place over the past quarter; two with children's social workers and one with adult social workers.

London Pledge

The council has signed the London Pledge which limits the hourly rates for agency social workers to assist with stabilising competition for temporary workers.

The London Pledge is a pan-London commitment by Children's Services system leaders to work cooperatively and transparently to manage the agency supply chain, improve the quality of agency staff and regulate pay rates within Children's Social Work.

- 2.14 Executive Directors have been invited to provide short overall summary comments on agency/consultant usage and action being taken in their area, please see below.

Children, Lifelong Learning & Families – Jane McSherry

The main area of agency staff usage within Children Lifelong Learning and Families (CLLF) remains social workers. The workforce challenge in children's social care continues to impact locally, regionally and nationally. CLLF continues to work closely with HR to recruit and reduce agency social workers. We have had a number of staff move from temporary to permanent contracts and we run regular events for agency staff with HR to outline the benefits of moving to permanent contracts with the Council.

Eight further trainees who will have completed their assessed and supported year in employment (ASYE) will become case holding social workers in the autumn, further reducing the dependency on agency staff. We have a thriving Social Work Academy to encourage social workers to train through a variety of routes ensuring a future pipeline of trainees and we are expanding this provision.

The other main group of agency workers in CLLF are for specialist posts such as Speech and Language Therapists which provide part of the statutory requirements of children and young people's Education, Health and Care Plans (EHCPs). These roles are very specialist, and nationally there is a shortage of suitably qualified candidates for therapists. A variety of recruitment strategies have been undertaken to secure substantive post holders, including looking to other countries, and we anticipate more permanent recruitment in this area, which will assist in reducing the reliance on agency workers

Adult Social Care, Integrated Care and Public Health – John Morgan

The ASC, IC & PH department has reduced the number of agency and interim workers in the first half of 2023/24 and have worked to move a number of interim staff onto fixed term contracts or to permanent contracts. Temporary staff have been retained to ensure that vacant posts are filled so we have appropriate operational capacity in our social care teams. The department also uses additional short-term capacity, in both Public Health and Adult Social Care where appropriate and posts are generally funded from various non-recurrent grants, on time limited and specific projects and programmes of work. A number of current temporary assignments, primarily relate to delivery of the department's Towards Outstanding transformation programme, which includes, significantly, our preparation for Care Quality Commission Assurance of Adult Social Care departments and our planned LGA peer review of our preparation for the CQC quality assurance in June 2024.

Adult Social Care currently have 6 (included in the total figure of 9 for the Department) agency workers via Comensura, who have been here over 24 months. A number of initiatives have been implemented to focus on recruiting and retaining permanent staff. This included hosting a Temp to Perm event for all social work operational staff currently engaged with us via an agency. The workforce challenge in social care continues to impact locally, regionally and nationally. Equally, we

have been recruiting to posts to support additional operational delivery capacity, particularly for seasonal pressures of the winter, through grant that is only confirmed for single financial years at a time, such as the Adult Social Care Discharge Fund. Funding confirmed in this way does not help us commit to permanent recruitment for some roles. Though we have had limited success with even temporary roles, the main route for this workforce is through Comensura and adds to the numbers of agency workers we employ.

To support recruitment and retention of permanent staff, we have implemented an apprenticeship scheme and offered enhanced training and development opportunities. 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 and this has proved successful. We aim to continue to reduce significantly our reliance on agency staff by maintaining focus on recruiting to our permanent vacancies throughout 2023/24.

Innovation & Change – Polly Cziok

We have an ongoing recruitment campaign but still have limited success in attracting permanent staff, particularly lawyers. We are looking at further temp to perm opportunities, alongside an increase in apprenticeships 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.

We have gone out to permanent recruitment on a number of senior roles within Innovation and Change and have reduced the number of senior agency workers. Senior previously high-cost posts are being covered by secondments within the service whilst the Director of People and Culture post is being recruited to.

Environment, Civic Pride & Climate Department – Dan Jones

The use of agency staff is under constant review and where possible appropriate agency positions are being recruited to on a permanent basis. There remain challenges in some areas where agency staff are providing specialist skills or are covering [often short term] externally funded roles including capital schemes. There are several 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.

Alternative options for sourcing non-agency staffing on a medium to long term basis in Highways and Transport are being developed, however value for money will be considered, compared to the current arrangements.

The paused restructure in the Public Places division has meant a number of agency staff have been necessary, however a permanent recruitment is underway for the Head of Waste and Street Environment and other posts will be filled by permanent staff over the next 6 months.

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

Finance & Digital – Asad Mushtaq

Most of the other agency appointments relate to the IT Transformation project. They are recruited annually, on approval of CMT, to deliver specific priority projects in the forthcoming year.

There are a number of agency-covered roles where there is an active recruitment process to recruit into those posts on a fixed -term basis or permanently to reduce the number of agency staff. It is expected this will have an impact if and when those recruitment campaigns successfully place candidates.

Housing & Sustainable Development – Lucy Owen

The number of agency workers is regularly reviewed at H&SD DMT and with HR colleagues. As a result one of the posts, held by a temporary agency worker, has been converted from temporary to permanent and we continue to pursue this opportunity. We have been awaiting the budget setting process for approval of proposed growth bids in development management which will allow us to turn a number of agency temporary staff into permanent posts, which will happen at the beginning of the next financial year following budget committee, if the growth is approved.

A number of posts are temporary as the work is time limited; a number of these posts are also due to end during this financial year at which time the requirement for the agency staff will end.

- 2.15 At a previous Standards and General Purposes Committee meeting where the temporary workforce was discussed the Committee requested information on the ability to attract and select Black Asian Multi Ethnic staff. The percentage for the past two quarters 2023/4 is in Appendix 3, showing applications, short-listed and appointments.

There continues to be an improving picture of attracting Black Asian Multi Ethnic candidates with the majority of candidates applying for roles identifying as Black Asian Multi Ethnic, over 66%. This continues at shortlist stage with over 60% of candidates being Black Asian Multi Ethnic candidates. At offer stage 37% of offers in quarter 2 and 58% in quarter 3 were to Black, Asian and Multi Ethnic candidates. Roles at grade MGA and above (jobs with salaries of £50k plus) continue to have a mixed picture with quarter 2 having more applications from Black Asian Multi Ethnic candidates, however the majority of job offers were to white candidates although

this represents a small number of appointments overall (4). The REN group provide scrutiny of senior appointments and are on interview panels.

2.16 The council will continue to focus on talent management using data from the workforce, succession and contingency planning, understanding what talent exists within the organisation and what talent populations are needed. Talent approaches will look outside organisational boundaries and work with diverse talent pools. Our current Change Team has been recruited internally from across the council.

2.17 Work has been undertaken to enhance Merton’s presence in the recruitment market there is a focus on understanding the candidate experience, using effective assessment and selection approaches and making effective recruitment decisions. Understanding the labour market, Merton’s market position and the people proposition and job analysis to ensure roles are engaging to a wide variety of potential candidates. There is a new employer brand for the council and a much-improved recruitment website and candidate pack [Work for Merton | Merton Council](#). The council’s new set of values are promoted through the council recruitment website as well as employee benefits. The website includes welcome videos from both the Chief Executive and Council Leader, there is further detail on apprenticeships, early careers pathways and support provided, leadership roles, adult social care and children’s social care.

There is an emphasis on using effective social media channels with a greater use of Linked-In and Indeed to promote Merton council and current roles. Overall, the aim is to put Merton on the map and raise Merton’s profile as an employer of choice.

2.18 A review of family friendly policies has been undertaken with a recognition that whilst pay is an important factor for candidates increasingly candidates want to work for an employer who cares about their welfare, provides a work life balance and supports them in other aspects of their life. Benchmarking with London Councils showed that whilst Merton does have existing policies for most aspects some are less generous than other councils. There will be a CMT decision taken on the potential cost of implementing any changes, some will have less cost implications as they will only affect a small percentage of the workforce, whereas policies in relation to caring responsibilities will have a larger impact on the workforce largely due to the demographic. Family friendly policies which will be consulted on with Staffside and discussed with Staff Network Groups include:

Maternity	Surrogacy	Paternity
Fertility Treatment	Neonatal Care	New grandparent leave
Flexible working	Career breaks	Sabbaticals
Adoption		

- 2.19 As well as family friendly policies the council has an HR Equality, Diversity and Inclusion Lead. Staff networks groups are being promoted and created supported by the E, D and I Lead with further development work being undertaken on Disability Confident to move the council to the next level. The council has signed the menopause pledge and is currently working towards achieving Unison's race equality charter. Recruiting managers are required to undertake recruitment training which includes equality, diversity and inclusion and CMT have completed inclusion training prior to interviews for the current leadership vacancies. This will be rolled out across the council.
- 2.20 Specialist head-hunters are engaged for senior appointments through the frameworks available to the Council. All suppliers have a strong track record of being able to attract a diverse pool of candidates to senior roles. For Executive Director and CEO appointments the choice of headhunter is made by the Appointments Committee. Ten senior appointments have been made using executive search agents since April 2022. Forty percent of these have been female appointments. There have been two Black Asian Multi Ethnic appointments made at this senior level.
- 2.21 The current recruitment campaign for leadership roles include the following, with further leadership roles being recruited to in a second tranche:

Executive Director for Children, Lifelong Learning and Families (DCS) - Salary up to £154,500

Director of Public Realm - Salary up to £116,300

Director of People and Culture Change - Salary up to £116,300

Head of Communications and Engagement - Salary up to £84,600

Head of Housing Development - Salary up to £92,900

Head of Sustainable Transport, Highways and Climate - Salary up to £92,900

- 2.22 The senior pay review has been undertaken and will be implemented from 1 April 2024. This has the benefit of reducing the number of posts covered by expensive interims and tackling recruitment and retention difficulties. There was a concern that pay rates may be adrift from the market and this had resulted in an increasing use of market supplements. This poses service resilience risks with a high proportion of interims at senior level.

The review involved benchmarking Merton salary ranges against other London local authorities with a weighting of results to outer London. The outcome of the review included:

- Analysis of pay gaps and development of new grades and pay scales with "Buy out" of market pay
- Renaming of Assistant Directors to "Directors"

- Emergency planning and election duties included in key accountabilities to third tier roles.
- Roles below Director to move from JNC to NJC terms and conditions.

The existing scales below Assistant Director level, which have two incremental points, are as follows:

Grade	Minimum	Maximum
Management Grade 1	£71,973	£76,578
Management Grade 2	£80,040	£84,564
Management Grade 3	£89,109	£92,943
Management Grade 4 (Assistant Director)	£96,144	£100,239
Management Grade 5 (Assistant Director)	£103,728	£108,300

The new pay scales from 1 April 2024 are as follows:

Grade	Point 1	Point 2	Point 3	Point 4	Point 5
MG1 & MG2	£78,960	£80,520	£82,080	£83,640	£85,200
MG3	£85,200	£87,136	£89,072	£91,007	£92,943
MG4	£101,262	£103,144	£105,026	£106,908	£108,790
MG5	£108,790	£110,672	£112,554	£114,437	£116,319

This model:

- Applies greater weighting to Outer London benchmarks
- Caps any increase for Executive Directors so that it buys out their market pay.
- Preserves the current maximum for grade MG3 (the upper grade of the 3rd tier) which otherwise would have reduced based on benchmarking.

Realigning pay to the market medians will facilitate recruitment and retention of staff and reduce expenditure above budget on agency workers. There will be a cost avoidance achieved by implementing the new senior pay scales and filling the posts with permanent staff, despite substantive grades increasing. The cost avoidance upon implementation of the new pay scale is estimated to be circa £209k per annum. This will increase or reduce over time as and when staff move on to the various increment points of the new scale and is reliant upon all posts being filled with permanent staff as opposed to agency.

2.23 The Establishment Control report is included as Appendix 4, as requested. This is also reported to Financial Management Task Group on 24th February and provides total FTE vacancies by Department and Function along with FTE establishment and FTE's of staff and agency workers. It should be noted that the Finance establishment figure will differ from that held on iTrent as the latter will include grant funded, externally funded and capital funded roles. Departmental managers are responsible for ensuring the establishment data for their areas is correct and receive a monthly report to update with these changes then being implemented on the iTrent payroll system.

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. Now that the new executive team are embedded Executive Directors are being asked to review their structures and recruit to any vacancies in their structures on a permanent basis with a concerted effort to reduce their agency headcount. CMT have introduced a weekly challenge meeting for all permanent and temporary proposed recruitment including agency extensions and market supplement application.

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

3.3 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.

4 Legal and statutory implications

5.1 There are no specific legal implications arising from the report

4.1.1 Human rights, equalities and community cohesion implications

4.2 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.

5 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 Appendix 1 Agency Database
- Appendix 2 Higher Cost Agency Workers
- Appendix 3 Applications, Shortlisting and Offers
- Appendix 4 Establishment Control Report

10 Background papers

- 10.1 None