

Committee: Standards and General Purposes

Date: 8 September 2016

Wards: All

Subject: Use of temporary workers and consultants

Lead officer: Kim Brown, HR Lead

Lead member: Councillor Mark Allison, Deputy Leader and Cabinet Member for Finance

Contact officer: Kim Brown, HR Lead, tel: 020 8545 3152

Recommendations:

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

1 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 have been provided to committee, the last being in June 2016. This latest report provides Members with an update and the monitoring data of all current interim appointments (attached as Appendix 1)

2. DETAILS

- 2.1 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.
- 2.2 The database is updated on a monthly basis and double-checked with departments for accuracy.
- 2.3 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.
- 2.4 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. In recent months HR have actively challenged the completion of the ways the forms have been completed and have requested additional information.

- 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. 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.
- 2.6 As at the end of July 2016, the Council employed 146 interim/temporary workers at £30 per hour (or more) compared to 159 for April 2016 (a 8.18% decrease). **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.
- 2.7 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. We will be reporting the most recent quarterly position to the Financial Monitoring Task Group in November.
- 2.8 HR is developing “temp to perm” guidance whereby longer-term agency workers can be converted into “perm” direct employees subject to safeguards to ensure a competitive recruitment process was followed when the worker(s) were first commissioned and establishment control procedures are followed.
- 2.9 Where difficulty in recruiting has been cited as a reason of long-term cover, HR will continue to work with client managers to identify what recruitment and retention measures are necessary, if any, to improve the recruitment offer. This will include review of recruitment efforts, pay market data and turnover statistics as well as a supporting business case.
- 2.10 The management and sourcing of temporary and interim arrangements are carefully scrutinised and Directors attended the last committee in June to explain why the use of these workers were necessary.
- 2.11 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

In all but a few exceptions the CSF agency workers and consultants are covering social work posts including frontline social workers and other regulatory posts such as Independent Reviewing Officers (IROs), Adoption Manager and the Local Authority Designated Officer for Child Protection. The others are for specialist posts such as speech and language therapy which are also statutorily required as part of children’s Education, Health and Care Plans. 17% of our agency SW are covering maternity leave or other long term absence. Social workers have to have professionally manageable caseloads and the authority is funding 8 additional frontline posts currently to be able to deliver a caseload of c15 children per social worker. This is in line with the London average. When necessary we use further additional staff to manage peaks in volume and to protect caseloads.

Recruitment has continued strongly with 13 new starters during January to March 2016. Our vacancy rates and turnover rates are reducing with vacancies at 22% compared to 38% in October 2014 when they were at a peak. We now have a good flow of newly qualified social workers but have to carefully manage the balance of experienced and inexperienced workers given the nature of our work.

Community and Housing

Within Community and Housing, use of agency staff is predominantly within adult social care and in specialist, hard to recruit to posts. For adult social care, in anticipation of a restructure involving the loss of many posts, the service ceased recruiting substantively in order to minimise redundancies. With the restructure now complete and with few redundancies, active recruitment is underway to appoint to vacant posts and therefore reduce our usage of agency staff.

Corporate Services

For Corporate Services, the nature of some key corporate projects is such that specific skills are required for a fixed period of time, often where the skills are not available in the existing workforce. Engagement on an agency or consultancy basis reflects the nature of the market for these specialised skill sets as there are instances where we have gone out to recruit three times, once on a permanent basis to attract candidates when the role was still fixed term. This approach also protects the Council from termination costs at the end of the project(s). The resources are also reviewed alongside the projects' progress to ensure optimum utilisation. Other usage is to cover hard to recruit vacancies, particularly within the four borough South London Legal Partnership and shorter-term cover to meet work demand.

Environment and Regeneration

Usage is relatively low in E&R. A number of workers are covering positions which are subject to a service review, and others are providing specialist skills or are covering externally funded roles. 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 has changed employment patterns.

Work on a shared Planning and Building control service together with the finalisation of the Phase C externalisation will assist in reducing the need for interim appointments.

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

3. CONSULTATION UNDERTAKEN OR PROPOSED

- 3.1 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 has put 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. 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, and remains under regular review.

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 None