

# Agenda

## *EXAMINATION OF RECRUITMENT CONTRACT TASK & FINISH GROUP*

**Date:** Tuesday 23 November 2010  
**Time:** 10.00 am  
**Venue:** Mezzanine Room 1, County Hall, Aylesbury

<b>Agenda Item</b>	<b>Time</b>	<b>Page No</b>
<b>1 APOLOGIES FOR ABSENCE/CHANGES IN MEMBERSHIP</b>		
<b>2 DECLARATIONS OF INTEREST</b>		
<b>3 MINUTES</b> of the meeting held on Tuesday 26 October 2010 to be agreed.		<b>1 - 6</b>
<b>4 EXCLUSION OF THE PRESS AND PUBLIC</b> To resolve to exclude the press and public as the following item is exempt by virtue of Paragraph 3 of Part 1 of Schedule 12a of the Local Government Act 1972 because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information)		
<b>5 CONFIDENTIAL MINUTES</b> of the meeting held on 26 October 2010, to be agreed.		<b>7 - 12</b>
<b>6 FEEDBACK FROM MEETING WITH HAYS</b> The Chairman will highlight the key points raised during a recent meeting he attended with the Senior Client Director at Hays, Head of HR Services at Buckinghamshire County Council, and Mary Baldwin.		
<b>7 GILL HIBBERD - STRATEGIC DIRECTOR RESOURCES AND BUSINESS TRANSFORMATION</b> <b>Context:</b> Gill was the original project sponsor for the Hays 'New Ways of Working' project and has been at the forefront of delivering the	<b>10.15</b>	<b>13 - 14</b>



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new system of recruitment at the Council, with a view to streamlining the process and reducing costs.

**Purpose:**

For members to discuss with Gill the key points raised at the end of the Task and Finish Group meeting in October, and to find out more about the governance arrangements for the contract.

**Contributors:**

- Gill Hibberd

**Papers:**

Review of key points

8 **INCLUSION OF PRESS AND PUBLIC**  
To resolve to include the Press and Public

9 **PRESENTATION BY RICHARD HALL - HEAD OF RESOURCING, HERTFORDSHIRE COUNTY COUNCIL** 10.45

**Context:**

During the evidence gathering process, members discovered that Hertfordshire is the only authority with the same recruitment model as Buckinghamshire – using Manpower instead of Hays. It was agreed that Hertfordshire should be contacted for a visit to find out more about their experience of outsourcing.

**Purpose – for members to hear about:**

- The background to the Hertfordshire County Council contract
- Scope and rationale of the contract
- Contract management process / performance and KPI's
- Benefits and financials
- Joint working / partnership - adapting to future challenges
- Governance arrangements.

**Papers:** None

10 **FEEDBACK FROM QUESTIONS TO COUNCILS AND PRIVATE INDUSTRIES** 11.45 15 - 22

**Context:**

At the September meeting members decided on the questions that they wanted raised with a selection of Councils and private industries to find out about their recruitment systems for comparison purposes.

**Purpose:**

For members to discuss the key points raised from the responses.

**Papers:**

Responses from Councils and private industries

## 11 REVIEW REPORT

11.45

### **Purpose:**

For members to discuss key findings and form the recommendations for the review report.

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If you would like to attend a meeting, but need extra help to do so, for example because of a disability, please contact us as early as possible, so that we can try to put the right support in place.

*For further information please contact: Katy MacDonald on 01296 383604  
Fax No 01296 382538, email: [kmacdonald@buckscc.gov.uk](mailto:kmacdonald@buckscc.gov.uk)*

### **Members**

Mrs M Baldwin  
Mr N Brown  
Mr T Butcher  
Mr D Dhillon  
Mr F Downes

Mr P Hardy (C)  
Mrs W Mallen  
Mrs F Roberts MBE  
Mr R Scott



# Minutes

## *EXAMINATION OF RECRUITMENT CONTRACT TASK & FINISH GROUP*

**MINUTES OF THE EXAMINATION OF RECRUITMENT CONTRACT TASK & FINISH GROUP HELD ON TUESDAY 26 OCTOBER 2010, IN MEZZANINE ROOM 1, COUNTY HALL, AYLESBURY, COMMENCING AT 10.00 AM AND CONCLUDING AT 12.40 PM.**

### **MEMBERS PRESENT**

Mr T Butcher, Mr D Dhillon, Mr P Hardy (Chairman), Mrs W Mallen, Mrs F Roberts MBE and Mr R Scott

### **1 APOLOGIES FOR ABSENCE/CHANGES IN MEMBERSHIP**

Apologies of absence were received from Mary Baldwin and Noel Brown.

### **2 DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **3 MINUTES**

The minutes of the meeting held on 21 September 2010 were agreed.

### **4 FEEDBACK FROM INTERVIEWS WITH SERVICE REPRESENTATIVES**

Mrs M Baldwin met with a Finance Customer Support Manager and the following points were highlighted:

- Prior to the introduction of Hays, the service produced its own advert and would advise HR on where the post should be advertised. HR then sent out the applications and the service carried out the shortlisting and interview process.
- The service now identifies the need for a post which is authorised by the Transformation team. Hays then take over the process and also carry out the shortlisting.
- The previous method was time consuming.
- No benefits were identified from the new way of recruiting.
- Issues identified since Hays include:
  - Hays not getting right candidate



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- Service had some temporary staff which they had previously used but could not be used without going through Hays
- No cost benefits of the contract identified
- The quality of candidates was regarded as worse through Hays - but this could be because the service area had not identified what it needed
- Overall the Officer felt the introduction of the Hays model was a good idea but said it needs fine tuning.

Mrs F Roberts met with a Team Manager, Safeguarding, Children and Young People and the following points were highlighted:

- Prior to Hays the Officer liaised directly with the agencies and relationships were built up.
- Now that Hays have taken over this role the service no longer have direct contact
- There were no issues raised with the previous system
- Issues identified since Hays include:
  - Lack of personal contact with agencies detrimental to service as the agencies knew the service area and were able to identify candidates
  - Trouble obtaining references through Hays
- The Officer was unsure if the cost to service has been reduced as the service has effectively stopped recruiting due to budget constraints. There was however an issue raised regarding the service being charged when temporary workers already in place are made permanent
- The quality of candidate was deemed poorer through Hays
- The system was not regarded as more efficient
- The service has been trying to find ways to work around Hays

Mr P Hardy met with a Team Leader, Adults and Families and the following points were highlighted:

- Their team does not use external temporary staff
- Prior to Hays the system worked well.
- The service since Hays has not been good. Requirements are inputted on the workflow system but the response is slow. There is also no evidence that Hays do any real shortlisting.
- It appears that Hays are paid to do the work but that Officers in service areas still do most of the work themselves.
- It can 2-3 weeks to fill a temporary post. The delay can result in an unnecessary increase in overtime.
- There is now effectively a recruitment freeze and many of the issues have gone away

Mr N Brown met with a Senior Legal Assistant in the Legal Department and the following points were highlighted:

- The previous system was time consuming
- Since implementation the service the department has had a good experience and the service provided has been efficient and friendly and has also freed up Officer time.
- Hays also carried out the CRB check
- Issues identified since the Hays include:
  - Uncertainty about who should approach which candidates and at what point.
- There is an issue with costs as when someone is already temping in a position and then made permanent Hays still receive payment and they have not carried out much work to justify the cost.

- No benefit of the contract was identified. It was highlighted that the positions being sought by that service are quite specialised
- Overall the system was better before as the service had more control over the process.

A Member said that a number of themes were emerging from the feedback and asked if they would be pulled together. The Chairman said that the Task and Finish Group had agreed to look at the quality of service provided and that this process was still ongoing.

## 5 QUESTIONS FOR COUNCILS/PRIVATE INDUSTRIES

Members had received a draft of questions for comparator councils. Members considered the suggested questions to be posed to Councils / private businesses. Members were advised that the aim of the questions is to find out about their recruitment systems, which can then be used for comparison purposes to help inform the review.

Following discussions Members agreed to approach the following Councils:

- Westminster
- Hammersmith and Fulham
- Somerset
- Devon
- Essex
- Portsmouth
- Hertfordshire – it was highlighted that Hertfordshire has a similar recruitment contract but that Manpower are the provider. A visit will be arranged. Mr T Butcher agreed to attend this visit with the Chairman.

It was highlighted that with the exception of Hertfordshire there will be no other visits to the Council offices as contact will be via email and sent to the Head of Human Resources.

Members discussed the suggested questions and agreed to add the following questions to the list;

1. What is your evaluation process?
2. Do you have a talent pool and how effective is it?
3. How do they monitor the level of satisfaction with Recruitment Managers?

It was agreed that the Policy Officer add the additional questions to the list and circulate.

**Action: Policy Officer**

Members then discussed which private organisations they should approach and the following was proposed:

- Lloyds
- Virgin
- Tesco
- BMW

It was suggested that Hays provided a list of private companies and that this could be considered as a reference list. The Group agreed that the list could be agreed outside the meeting between the Chairman and the Policy Officer.

**Action: Policy Officer/Chairman**

The Chairman suggested that a meeting be held with Hays. He said that he would attend along with the HR Manager and asked that another Member of the Group also attend. Mr R Scott agreed to attend this meeting.

## **6 EXCLUSION OF THE PRESS AND PUBLIC**

### **RESOLVED**

**That the press and public be excluded for the following item which is exempt by virtue of Paragraph 3 of Part 1 of Schedule 12a of the Local Government Act 1972 because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information)**

## **7 PRESENTATION BY ANN COBBAN, HEAD OF HUMAN RESOURCES**

Ann Cobban, Head of Human Resources, Patricia Hook, Senior Procurement Manager, Buckinghamshire County Council, Sue Oswell, HR Manager Recruitment Compliance, Buckinghamshire County Council and Deborah Andrews Senior Project Accountant, Buckinghamshire County Council were welcomed to the meeting.

The Officers discussed the background to the introduction of the Hays contract, why the new system was introduced and outlined some of the pros and cons that have been identified since its introduction.

The Officers were thanked for their attendance.

## **8 INCLUSION OF THE PRESS AND PUBLIC**

## **9 REVIEW OF KEY POINTS**

Members considered the key points from the meeting and made the following comments:

- Contract Evaluation Criteria
  - What was the criteria or considerations in place when the decision was made which company to provide the contract to.
  - Could the providers deliver the contract?
  - Does one size fit all?
- Functions of the Governance Board
  - Were problems tackled early enough? – could they have been tackled earlier?
  - A disconnect seems to have developed between the provider and the County Council regarding governance of the contract
- Lack of sense of Direction
  - No sense of direction or cohesion in the management of the contract.
- Contract Drafting
  - Is drafting of the contract an issue?
  - Is there a pattern regarding the same bits being 'loose' and the wrong bits 'tight'?
  - People who draft contracts may not necessarily be those who have to use them
- Implementation
  - The project team should have remained on site longer



- There should have been an initial review – was there?
- Are the KPIs too complicated
- Contract Delivery
  - Are we saving money
  - Are high calibre employees being provided
  - Why are managers not providing feedback

A Member enquired if Hays paid the County Council for office space when based in County buildings.

**Action: Policy Officer**

## **10 DATE OF NEXT MEETING**

Tuesday 23 November 2010, 10.00am, Mezzanine Room 1, County Hall, Aylesbury.

**CHAIRMAN**



**Agenda Item 5**

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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**Agenda Item 7**

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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## Response from Essex County Council

- **How is recruitment of permanent staff organised within your council, e.g. is it organised centrally or is it organised within services?**
  - Centrally through a managed service provided
- **How concerned is the council about the cost of permanent recruitment and what steps is the council taking to reduce that cost?**
  - We recently outsourced both our temp and permanent recruitment functions to realise significant savings in this area.
- **Have you considered outsourcing permanent recruitment to a third party?**
  - See above
- **What use do you make of the internet for permanent recruitment?**
  - The vast majority of our marketing is done online and our vacancies and applications are managed through an online applicant tracking system.
- **How is temporary recruitment organised within your council, e.g. is it organised centrally or is it organised within services?**
  - See above
- **What steps have you taken to reduce the cost of temporary staff?**
  - See above
- **Have you considered complete outsourcing of temporary recruitment to a single third-party provider?**
  - See above
- **If so, what do you see as the advantages and disadvantages?**
  - Significant cost savings
  - Continuity of service
  - Continuity of safeguarding and pre employment checks
  - Greater control of supply chain
  - Some difficulty around implementation
  - Some resistance to change
- **How do you monitor satisfaction levels of managers that are carrying out recruitment within your organisation?**
  - Regular customer satisfaction surveys conducted by our outsourced team as well as our in-house contract management team.
- **Do you use a talent pool and, if so, how successful has this been?**
  - Yes we do it is relatively new however, is working in certain areas. It is proving particularly useful for safeguarded positions with short timescales.





## Response from Portsmouth Council

**How is recruitment of permanent staff organised within your council, e.g. is it organised centrally or is it organised within services?** Recruitment is organised centrally.

**How concerned is the council about the cost of permanent recruitment and what steps is the council taking to reduce that cost?** Although cost was not the driver our approach has significantly reduced the cost of recruitment £400k less spent on advertising in year 1. We also learnt that online application form was a big driver of waste and we have moved to a process where we develop a job profile of what the job is 'today' (not rely on job descriptions which may have become divorced from the requirements of the job over time). We also only advertise when we need to.

**Have you considered outsourcing permanent recruitment to a third party?** Not at this time, there is no evidence (that holds water) that says outsourcing saves money over time.

**What use do you make of the internet for permanent recruitment?** We publish our available jobs on a [jobsatportsmouth.co.uk](http://jobsatportsmouth.co.uk) website which invites people to apply for positions (no application forms).

**How is temporary recruitment organised within your council, e.g. is it organised centrally or is it organised within services?** Centrally.

**What steps have you taken to reduce the cost of temporary staff?** Internal temporary staff pool and contacts with external suppliers for specialist staff.

**Have you considered complete outsourcing of temporary recruitment to a single third-party provider?** No.

**If so, what do you see as the advantages and disadvantages?** My view is that outsourcing should only be considered when you understand what waste is in your current system, and work to remove it, only then will you know the true cost of an effective service. A good example of this is call centres where the question of outsourcing can be around cost per transaction.

I currently handle 500 calls a day that cost £250 a day (staff costs, overheads etc) so a transaction cost of 50p per call, when someone offers to handle these calls for 30p per transaction this seems to make good business sense. The problem is that when you study call centres over 50% of calls are calls you do not want (failure demand) caused by bad service or communication. if you switch off the causes of this demand you only have to resource for the value calls and your costs fall, customer experience improves, staff morale improves (no more dealing with complaining customers), and expertise retained (putting people in touch with someone who can solve their problem). Outsourcing firms have no incentive to look at the causes of calls as they get paid per transaction not why people are calling, they are also notoriously bad at dealing with variation (if it's not in the script they cannot help).

The question is the same for any service: Do we understand what performance looks like and why it is like that from a customer's point of view?

**How do you monitor satisfaction levels of managers that are carrying out recruitment within your organisation?** Managers are simply asked 2 questions 1)

how satisfied are you (1-10) with the service you received from when you identified the vacancy to when the new employee started, and 2) if less than 10 what could we have done differently for you to have scored a 10.

**Do you use a talent pool and, if so, how successful has this been?** This is being explored.

## **Response from Westminster Council**

### **How is recruitment of permanent staff organised within your council, e.g. is it organised centrally or is it organised within services?**

Each service is responsible for its own recruitment completing a request form which then goes to our shared service centre.

### **How concerned is the council about the cost of permanent recruitment and what steps is the council taking to reduce that cost?**

We reduced our recruitment to a very low level some months ago as part of our cost saving exercise and so this is not the concern it once was. However I was concerned about the cost of hard copy advertising and on line. The difficulty we have is that we currently cannot buy bulk deals as each department is responsible for its own budget. Previously I worked for Surrey CC where I centralised all recruitment budgets several years ago and this saved significant amounts as we could use our buying power to purchase bulk on line advertising.

### **Have you considered outsourcing permanent recruitment to a third party?**

Yes this is currently under consideration and we are looking at a number of options.

### **What use do you make of the internet for permanent recruitment?**

We use our own site extensively and are trying to persuade managers not to use hard copy.

### **How is temporary recruitment organised within your council, e.g. is it organised centrally or is it organised within services?**

We have a neutral vendor arrangement with Hays which means we have one invoice, little administration, reduced on costs and HRMI. However the downside is we have lost our relationships with providers directly and some of our best providers would not agree to the terms.

### **What steps have you taken to reduce the cost of temporary staff?**

See above. This has also given more visibility to numbers in the organisation and we can check whether a post exists if a manager wishes to recruit a temporary member of staff.

### **Have you considered complete outsourcing of temporary recruitment to a single third-party provider?**

Already done see above.

### **If so, what do you see as the advantages and disadvantages?**

See above-there is more control, reduced costs, single invoicing etc but the down side is that we have lost good suppliers and we are no longer allowed to speak directly with suppliers.

### **How do you monitor satisfaction levels of managers that are carrying out recruitment within your organisation?**

Through staff surveys which specifically ask for satisfaction levels for each service.

### **Do you use a talent pool and, if so, how successful has this been?**

We use only an internal redeployment/talent pool but do not yet have the facility for an external pool.



**Response from BMW****How is recruitment of permanent staff organised within your company, e.g. is it organised centrally or is it organised within services?**

All recruitment for BMW and Rolls-Royce Motor Cars Ltd permanent staff is organised and managed by the Central Recruitment Team, based in Oxford.

**How concerned is your company about the cost of permanent recruitment and what steps is it taking to reduce that cost?**

Currently, we do not have any external recruitment. This has been the case since October 2008. All permanent staff are recruited from within.

**Have you considered outsourcing permanent recruitment to a third party?**

The Central Recruitment Team has only been in place since September 2008 and was put in place as part of a German directive, therefore we would not consider outsourcing to a third party.

**What use do you make of the internet for permanent recruitment?**

If we have any external permanent recruitment, we utilise our external websites. We would use [bmw.co.uk](http://bmw.co.uk), [mini-production-triangle.com](http://mini-production-triangle.com) and [rolls-roycemotorcars.com](http://rolls-roycemotorcars.com)

**How is temporary recruitment organised within your company, e.g. is it organised centrally or is it organised within services?**

All temporary recruitment for BMW and Rolls-Royce is organised and managed by the Central Recruitment team.

**What steps have you taken to reduce the cost of temporary staff?**

We utilise temporary staff at our MINI Plant in Oxford due to the nature of the business. We have a master vendor who work on site and organise this for us. Elsewhere across the business, we do not have any temporary vacancies.

**Have you considered the complete outsourcing of temporary recruitment to a single third-party provider?**

The Central Recruitment Team has only been in place since September 2008 and was put in place as part of a German directive, therefore we would not consider outsourcing to a third party.

**If so, what do you see as the advantages and disadvantages?**

N/A

**How do you monitor satisfaction levels of managers that are carrying out recruitment within your organisation?**

Currently, we haven't taken steps to monitor satisfaction levels of managers specifically, as all recruitment has been internal, however, as part of the Employee Satisfaction Survey that takes place every 2 years, we have a section on recruitment. These answers are measured and changes are implemented accordingly.

**Do you use a talent pool and, if so, how successful has this been?**

We have a talent pool which we update on a regular basis, however, this is only really utilised for our Apprentice Scheme and Undergraduate Placement Scheme in Oxford as we haven't had any external recruitment.

