

**General Purposes Committee on 2<sup>nd</sup> March 2006**

Title: <b>HR Policies for the engagement of consultants and agency staffing resources</b>	
Report of: Head of Personnel	
Wards(s) affected: all	Item for: Decision
Consultation (list those consulted): [click here to type]	
<b>1. Purpose</b> 1.1 To propose HR policies for the engagement of consultants and agency staffing resources. This report complements the decisions of General Purposes and Procurement Committees on the award of an agency supply contract. It also accommodates the recommendations of a Member Working Group into consultants, agency and Improver staff.	
<b>2. Recommendations</b> It is recommended that: 2.1 The employment policies for consultant use attached at Appendix 1 are adopted. That business processes to support the policies be introduced, including robust authorisation and monitoring arrangements.  3.5 The reason for use, cost, benefit and duration of consultant use should be reported to General Purposes Committee on a frequency to be agreed by the Committee.  3.6 Members note the progress to date on the award of a contract for the provision of temporary staff. Members may wish to meet with the managed service provider at a future date.  3.7 Employment policies and a business process for agency staff based on those attached at Appendix 2 should be adopted.	
Authorised by: <b>[Designation of Chief Officer (Include signature here)]</b>	
Contact Officer: <b>Stuart Young, Head of Personnel, 020 8489 3174</b>	
<b>3. Executive Summary</b>	

General Purposes Committee and Procurement Committee have previously considered the award of a contract for the supply of agency temporary staffing resources. General Purposes Committee has discussed the associated HR policies to support the contract. In addition a Member Working Group established by the Executive explored the effectiveness of the use of consultants, agency staff, and the Improvers Scheme. This report proposes the resultant HR policies or adoption by Committee.

#### **4. Reasons for any change in policy or for new policy development (if applicable)**

4.1 To improve the deployment of agency, and consultant staffing resources.

### **5. Local Government (Access to Information) Act 1985**

#### **6. Background**

6.1 General Purposes Committee and Procurement Committee have previously considered the award of a contract for the supply of agency temporary staffing resources. General Purposes Committee has discussed the associated HR policies to support the contract. In addition a Member Working Group established by the Executive explored the effectiveness of the use of consultants, agency staff, and the Improvers Scheme. This report proposes the resultant HR policies or adoption by Committee.

#### **7. Consultants**

##### **7.1 Survey**

7.1.1 A survey of the use of consultants was carried out in May 2005 on behalf of the Member Group established by the Executive. The survey collected data about the reason for usage, duration of engagement, cost, and benefits derived from consultants.

7.1.2 The survey defined a consultant as, “ all freelance and company provided individuals typically charged at hourly, daily, or weekly rates for senior and specialist positions costing £250 or more per day.” The survey aimed to capture data about consultants engaged with the Council on a single day, 27<sup>th</sup> April 2005. The survey definition excluded junior positions typically resourced through high street employment agencies, and consultants engaged following a procurement exercise.

7.1.3 The survey found that on the survey date 82 consultants were engaged with the Council meeting the definition above. Of those, the predominant reasons for use were:

To provide skills/experience unavailable within the Council	28 consultants
To resource a finite project	24 consultants
To provide added capacity/peak of work	12 consultants
To cover a vacancy during recruitment	9 consultants
Other	9 consultants

7.1.4 The duration of engagement ranged from 2 days through to long term engagements of more than one year. 75% of consultants were used between 23 and 52 weeks; with an average duration of 38 weeks. It should be noted that the duration of engagement was varied.

7.1.5 Various analyses were carried out on the costs to the Council of consultant use. Consultant day rate charges were compared to salaried costs so as to compare against jobs within the Council. Once on-costs were accounted the comparison was broadly equitable. A comparison was also conducted with the market by contacting various employment agencies to tests their charges for comparable occupations. Again, Haringey consultant rates were comparable to employment agency costs when expressed as salaried charges.

## **7.2 Conclusions**

7.2.1 There is a need to introduce & monitor employment policies for the use of consultants. The policies should be supported by business processes for the authorisation and control of the use of consultants. Maximum duration of consultant use should be limited in general to 3 months, any extension beyond this period to be the subject of a business case.

7.2.2 Data should be collated to monitor the use of consultants, costs, benefits, and reasons for use.

7.2.3 The use of consultants should form a part of the general reporting of staff (see agency staffing below) to Members. Members should be involved in the appointment of consultants either in the selection for Chief/deputy chief officer equivalents; or in their Member role overseeing the provision of services for assignments below this level.

## **8 Agency Staffing**

8.1 The Executive Member Working Group scrutinised the work to date on agency staffing. The Group noted that General Purposes Committee had received reports about the agency procurement. Also that an analysis of agency employment, spend, duration and reason for use had been undertaken. Models of delivering an improved service had been developed and tested to demonstrate their potential for increasing control and reducing expenditure on agency staff. The Group noted that employment policies and a robust business process would be required to ensure that the preferred model of operation was maintained, and that General Purposes committee would be considering the matter.

10.2 The Member Group supported the procurement of a contract for the provision of temporary staff by the Procurement Committee.

10.3 Procurement Committee considered the matter at its meeting in April 2005 and agreed that an advert and procurement should proceed. Hays have been approved by Procurement Committee as the preferred supplier subject to agreeing contract terms. The council is currently in a period of due diligence and implementation of three months, delivering an expected go-live date in April 2005.

10.4 The contract is being let so as to enable other boroughs to join. Interest has been expressed from a number of other London boroughs. Members may note that the project therefore also delivers benefits against the broader efficiency agenda for Councils.

## **12. Financial Comments**

12.1 Savings will be generated mainly from supply agency margins and secondly from internal Council efficiencies by removing a large portion of the recruitment burden from line managers. The Council anticipates annual cashable savings of £800K from the agency contract.

## **13. Legal Comments**

13.1 The agency supply contract has been tendered in the EU, using the restricted procedure under the Public Services Contracts Regulations 1993. As the contract value exceeds £250,000 the proposed award was approved by Members pursuant to CSO 11.3. at the Procurement Committee on 6<sup>th</sup> December 2005.

## **DRAFT POLICY FOR USE OF CONSULTANTS**

### **Introduction**

The Council recognises that the use of consultants can enable the smooth running of Council Services by providing an element of flexibility within the workforce. It is, however, Council policy to ensure non-permanent workers are used within corporate frameworks, which reflect the Council's values and at those times when service delivery would be adversely affected without the additional cover and resource they can provide. The Council policy is also for hiring Managers to ensure the transferral of skills/knowledge from Consultants to Haringey Employees in order to reduce future requirements.

## **CONSULTANTS**

### **Definition**

For the purpose of this document the term 'consultant' relates to those people who are either freelance or supplied by a company, to work on a temporary basis for the Council. Such consultants are normally charged at hourly, daily or weekly rates for senior and/or specialist positions, i.e. costing £250 or more per day.

### *Exclusions;*

- Consultants engaged following procurement exercises e.g. Logica for Managed IT service provision.

## **RESOURCE CENTRE**

### **Definition**

For the purpose of this document the term 'Resource Centre ' relates to the office contracted by Haringey Council to manage the service delivering the Council's temporary agency staff and consultant requirements. The Resource Centre is the link between the recruiting managers and the approved agencies / Consultants and will deal with all agency / Consultant enquiries and vacancies.

## **MANAGERS' RESPONSIBILITY**

It is the responsibility of managers to:

- work within corporate frameworks
- ensure a business case is submitted to the appropriate director for all consultant requirements and involve Members where appropriate
- ensure that all consultant requirements are correctly entered on XXXsystem and then placed with the Resource Centre
- ensure that all consultants are provided with suitable induction
- provide information on the use of consultants as required for monitoring purposes
- supply the Resource Centre with and retain a copy of any authorised Business Case forms for monitoring purposes where e-forms are unavailable
- keep the use of consultants under regular review
- ensure that the maximum duration of any booking is three months

## **AUTHORISATION LEVELS**

- System will allow only authorised officers to place orders for consultants
- Member involvement mandatory for Senior Positions both when the project scope is agreed and during the recruitment stages.
- Only Directors or Heads of Service may authorise extensions to contracts and use of consultants to fill permanent vacancies.
- The budget holder is responsible for ensuring that sufficient funds are available to cover expenditure and that accurate records on use and payment are maintained.

## **USE OF CONSULTANTS**

*All consultant requirements are to be fed through the Resource Centre.*

Consultants can be requested/booked up to a maximum duration of 3 months.

Consultants should only be used in circumstances where:

- (a) the need for the work is expected to be temporary e.g. meeting peak workloads, seasonal requirements, where the duration of the work is limited by finance available, where redundancies / re-organisations are pending or where there is a particular skills gap; or
- (b) the need for a particular individual to do the job is temporary e.g. covering for sickness, maternity, acting up, secondment etc or while a vacancy is being filled; **and** there is no possibility of
  - covering the workload using existing employees
  - appointing a redeployee
  - arranging for an existing worker to 'act up'
  - recruiting through the New Start Scheme

### ***Authorisation of exceptions;***

In such cases where the consultant is required for longer than a 3 month period or to temporarily fill a vacant permanent post, authorisation must be given by a Director or Head of Service using the e-form, or when unavailable; the Consultant Authorisation Form, see *Consultant Authorisation Form, Appendix A*.

The recruiting Manager must send any original, signed paper forms to the Resource Centre *before* the consultant is hired.

In the event of an existing consultant requiring an extension, the e-form or paper form must be received, *before* the end of each 3 month period.

Copies of any paper authorisation forms are to be retained by the recruiting Manager for monitoring purposes. E-forms are automatically retained.

A Member must be involved for Senior Positions both when the project scope is agreed and during the recruitment stages.

## **BOOKING A CONSULTANT**

*All consultant requirements are to be fed through the Resource Centre.*

- Managers must submit a business case form for each consultant required. Once authorised, a copy must be sent to the Resource Centre and a copy be retained by the recruiting Manager. The Executive Member of the employing service must be involved for Senior Positions both when the project scope is agreed and during the recruitment stages.
- Managers are responsible for entering the correct vacancy requirements into XXXSystem. Including essential and desirable criteria. The job description template must also be completed. The maximum duration of a booking is three months. All required fields must be entered to place order.
- For exceptions where a longer duration is essential or when a consultant is used to temporarily fill a permanent vacancy, Managers must obtain a signed Consultant Authorisation form / authorised e-form. The original must be sent to the Resource Centre and a copy retained by the recruiting Manager, see *Consultant Authorisation Form, Appendix A*
- The vacancy is automatically sent to the Resource Centre who in turn contacts the Approved agencies or individual consultant on the Manager's behalf.
- In line with Best Value principles of quality and competitive prices, the Council has entered into a number of fixed term contracts with three tiers of agencies. Consultants/ Consultancy firms exist within these tiers.
- In the event that a specific individual is required, then this should be explained on the business case form. The individual will be subject to vetting from the Resource Centre to ensure that they meet the Council's recruitment and procurement standards. They will then be added to the appropriate tier in case of future use. The recruiting manager will be informed should the individual not meet the minimum required standard.

## Response Times

The Resource Centre will respond to the Manager placing the vacancy within the following time scales with a pre-screened CVs via e-mail.

Assignment Start Date	CV Response Time	Shortlist by Council (a further:)
Same day	1 hour	2 hours
Next business day	4 hours	2 hours
1-2 business days	4 hours	4 hours
3-6 business days	1 working day	1 working day
7+ business days	2 working days	2 working days

## Cancellations

The Manager is responsible for ensuring that the Resource Centre is informed of any cancellation of a booking no less than 90 minutes before the assignment is due to begin. This must be via e-form or where unavailable by telephone, to enable the Resource Centre to inform the appropriate agency or individual consultant immediately.

## Day to Day Operational Issues

The Manager is to inform the Resource Centre Account Manager of any day to day operational issues. Escalations must be directed to the relevant Business Services Manager and thereafter to a Director each within 1 business day.

## Induction and Performance Management

Managers using consultants are responsible for the performance of service delivery by the consultants, including an appropriate level of induction. As a minimum, all consultants must be taken through the induction checklist as set out in the attached Induction Checklist, Appendix A2

Where the consultant does not perform to the required standard, the manager should terminate the individual within one working week and inform the Resource Centre immediately. Add in procedure for those working over 1yr.

## Monitoring

The Council's Personnel Service and the Resource Centre will monitor the use of consultants in line with principles established for financial monitoring.



Authorised officers must retain a copy of all authorised Business Case forms and Consultant Authorisation forms. These will be used during audits for matching against orders and invoices. Steps taken to employ alternative recruitment options will also need to be shown when audited.

### **ADDITIONAL INFORMATION SHEETS - (please see Appendix B)**

Appendix B outlines further areas recruiting Managers must take into account when recruiting temporary agency staff or consultants.

#### *Information covered:*

- Equality and Diversity including the Equal Opportunities Statement
- Criminal Records Bureau (CRB) Disclosures
- Records and Data Protection
- Monitoring and Audits
- Recruitment Mission Statement.

## **DRAFT POLICY FOR USE OF AGENCY WORKERS**

### Introduction

The Council recognises that the use of non-permanent workers can enable the smooth running of Council Services by providing an element of flexibility within the workforce. It is, however, Council policy to ensure non-permanent workers are used within corporate frameworks, which reflect the Council's values and at those times when service delivery would be adversely affected without the additional cover and resource they can provide.

### **AGENCY WORKERS**

#### **Definition**

For the purpose of this document the term 'agency worker' or 'agency staff' relates to those people who are managed and in some instances employed by an agency to work on a temporary basis for the Council.

### **RESOURCE CENTRE**

#### **Definition**

For the purpose of this document the term 'Resource Centre ' relates to the office contracted by Haringey Council to manage the service delivering the Council's temporary staff requirements. The Resource Centre is the link between the recruiting managers and the approved agencies and will deal with all agency enquiries and vacancies.

### **MANAGERS' RESPONSIBILITY**

It is the responsibility of managers to:

- work within corporate frameworks
- ensure all agency requirements are correctly entered on SAP and then placed with the Resource Centre
- ensure that any non-permanent worker is provided with suitable induction
- provide information of the use of non-permanent workers as required for monitoring purposes
- keep the use of non-permanent workers under regular review
- ensure that the maximum duration of any booking is three months

**Only authorised officers may place orders for agency workers.**

The budget holder is responsible for ensuring that sufficient funds are available to cover expenditure and that accurate records on use and payment are maintained

### **USE OF AGENCY WORKERS**

*All agency requirements are to be fed through the Resource Centre.*

Agency workers should only be used in circumstances where:

- (c) the need for the work is expected to be temporary e.g. meeting peak workloads, seasonal requirements, where the duration of the work is limited by finance available, where redundancies / re-organisations are pending or where there is a particular skills gap; or
- (d) the need for a particular individual to do the job is temporary e.g. covering for sickness, maternity, acting up, secondment etc or while a vacancy is being filled; **and** there is no possibility of
  - covering the workload using existing employees
  - appointing a redeployee
  - arranging for an existing employee to 'act up'
  - recruiting through the New Start Scheme

In such cases where the agency worker is required to temporarily fill a vacant permanent post, authorisation is required by a Director using an authorisation e-form or where unavailable; an Agency Worker Authorisation Form as set out in the attached *Agency Worker Authorisation Form, Appendix A1*

## **BOOKING AN AGENCY WORKER**

*All agency requirements are to be fed through the Resource Centre.*

- Managers are responsible for entering the correct vacancy requirements into XXXsystem. The maximum duration of a booking is three months.
- The vacancy is automatically sent to the Resource Centre who in turn contacts the Approved agencies on the Manager's behalf.
- In line with Best Value principles of quality and competitive prices, the Council has entered into a number of fixed term contracts with three tiers of agencies. The tiers consist of Primary Vendors, Secondary Tier and 3<sup>rd</sup> Tier.
- The Resource Centre will offer 50% of all vacancies to the Primary Vendors in their areas of expertise. There is a Primary Vendor for the following areas: Care, General, Schools and Professional.
- The Resource Centre will offer the remaining 50% competitively to the Second Tier of agencies.
- In the event that neither the Prime Vendor nor the Second Tier can provide the appropriate resource then the Resource Centre will pass the requirement to the 3<sup>rd</sup> Tier. Only approved agencies will supply workers.

## Response Times

The Resource Centre will respond to the Manager placing the vacancy within the following time scales with named workers or CVs when requested.

<b>Assignment Start Date</b>	<b>CV Response Time</b>	<b>Shortlist by Council (a further:)</b>
<b>Same day</b>	<b>1 hour</b>	<b>2 hours</b>
<b>Next business day</b>	<b>4 hours</b>	<b>2 hours</b>
<b>1-2 business days</b>	<b>4 hours</b>	<b>4 hours</b>
<b>3-6 business days</b>	<b>1 working day</b>	<b>1 working day</b>
<b>7+ business days</b>	<b>2 working days</b>	<b>2 working days</b>

## Cancellations

The Manager is responsible for ensuring that the Resource Centre is informed of any cancellation of a booking no less than 90 minutes before the assignment is due to begin. This must be via telephone to enable the Resource Centre to inform the appropriate agency immediately.

## Day to Day Operational Issues

The Manager is to inform the Resource Centre Account Manager of any day to day operational issues. Escalations must be directed to the relevant Business Services Manager and thereafter to a Director each within 1 business day.

## Induction and Performance Management

Managers using agency workers are responsible for the performance of service delivery by the agency workers including an appropriate level of induction. As a minimum, all agency workers must be taken through the induction checklist as set out in the attached Induction Checklist, Appendix A2

Where the agency worker does not perform to the required standard, the manager should terminate the individual with immediate effect and inform the Resource Centre immediately.

## Monitoring

The Council's Human Resources Group and the Resource Centre will monitor the use of agency workers in line with principles established for financial monitoring.