Haringey Council

Agenda item

General Purposes Committee **On 18th April 2011**

Report Title: **Procurement – Support Functions Review (SFR)**	
Report of: Director of Corporate Resources	
Wards(s) affected: All	Report for: Key Decision

1. Purpose of the report (That is, the decision required)

1.1 As part of the Haringey Efficiency and Savings Programme (HESP) a review of the Procurement function (including transaction processing) across the Council has been undertaken in order to arrive at a revised Procurement structure and new model of delivery of the Procurement function.

1.2 Members are asked to agree the proposed centralised Procurement structure as shown in Appendix 1 and delivery model, to come in effect from 1 June 2011.

2. Recommendations

2.1 That the Committee approve the proposed new centralised procurement structure.

2.2 That the Committee notes the timetable for implementation.

Report authorised by: Julie Parker – Director of Corporate Resources

P.P. Swintons

Contact officer: Michael Wood - Head of Procurement Telephone 020 8489 2120

3. Executive Summary

3.1 As part of the Haringey Efficiency & Savings Programme (HESP) a review of the Procurement function (including Transactional Processing) of the Council has been carried out in order to provide a new delivery model that is more efficient than the current model.

3.2 It is proposed that the new Procurement service will be a centralised procurement division of the Corporate Resources directorate. It will include the functions below:

- **Procurement -** including Category Management, Contract Management and competitive tendering.
- **Transactional Processing -** Centralised Accounts Payable.

3.3 Appendix 1 contains the proposed procurement structure which if implemented would see all staff located together in Alexandra House.

3.4 A full consultation process with all effected staff and the trade unions has been carried out and was completed on the 8th April.

3.5 On the basis of this proposal savings of £312k will be achieved in 2011-12 with a full year saving of £350k (15%).

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

4.1 Proposed changes to Contract Standing Orders are being recommended to Council to enable the centralised procurement function to operate with maximum efficiency while ensuring that Value for Money outcomes are achieved for the Council

5. Local Government (Access to Information) Act 1985

Not Applicable

6. Background

The Council has identified the need to make significant efficiency savings in the period 2011/12 - 2013/14 to meet an identified funding gap as set out in its Medium Term Financial Plan approved by Full Council on 24 February 2011. The cross cutting HESP efficiency saving for the Procurement SFR was agreed in principle at £416k across 2011/12 & 2012/13.

In 2007, there were 54 staff in the Corporate Procurement Unit (CPU) but by 2010 this number had been reduced to 37 (a reduction of 25%), through process and systems efficiencies.

There are currently 67 officers across the Council who undertake Procurement and Transactional processing for more than 20% (1 day per week) of their time including the 37 staff currently in CPU.

The proposed new structure will centralise and reduce the overall number of officers undertaking the procurement and transactional processing for the Council to 48.5 in 2011/12. The model also meets the vision set out in the Haringey procurement strategy for 2010 to 2013

Towards the vision

Achieving the vision of procurement excellence involves a medium to long term strategy to create a more corporate and integrated approach to commissioning and procurement and to develop greater procurement capability within the organisation. It is a Council wide strategy that results in more effective strategic management of Haringey's procurement by:

- Further centralisation of procurement and category management
- Increased control over purchasing decisions and approvals
- More centralised commercial management of contracts but with relationship management remaining within service departments
- Business process improvements through technology
- Improved efficiency and lower costs of the procurement process
- Minimising and managing risks inherent in our supply chains
- Providing greater transparency and compliance
- Being innovative and responsive to changing priorities, business needs and market conditions.

This report sets out a proposed model for streamlining the function

The proposed model for the Procurement function

It is proposed that the new Procurement service will be a centralised division of the Corporate Resources directorate. It will include the functions below:

- **Transactional Processing -** manage the flow of payment transactions and invoice payments to ensure prompt and accurate processing for the Council, prompt payments (e.g. grants) to payees and assuring cash flow for suppliers.
- **Procurement:**
  - Supplies and Services - to undertake the tendering process from placing of advert to authorisation to award of contracts for all Supplies and Services Procurement projects over £100k.
  - Supplies and Services to undertake all quotations for expenditure between £50k - £100k through the 'CompeteFor' portal
  - Construction, Property & Civil Engineering - to manage all commissioning and competitive tendering processes across the Council.

- **Commercial Contract Management -** undertake commercial contract management of contracts for the Council, to continuously evaluate VfM, market conditions, service re-design and innovation. This function will utilise category management tools and techniques to optimise return from both existing and new procurements.
- **Category Management -** undertaking the category management responsibilities for all market segments.
- **Energy Management -** bill validation and query management, energy efficiency projects within the Councils' Corporate Property Portfolio including schools, hostels and compliance with energy and carbon reduction regulations.

All of the above will support the "One Council" approach in achieving VfM outcomes from procurement projects and will mitigate risk of legal challenge to the Council.

Criteria for functions to be included in the new unit

This review has been looking at the arrangements for procurement and transactional processing and this includes, but is not restricted to contract management (including category management), competitive tendering, payment of invoices to suppliers and non-commercial payments e.g. grants, foster carers.

The review is not picking up within its scope Commissioning (other than for Construction commissioning which is already centralised), Bill Validation (other than energy which is part of the energy management function), Shopping (raising of Purchase Orders), or day to day supplier relationship management, all of which will remain within the business units

The review put into scope any officers who spent 20% of more of their time undertaking any of the procurement functions identified.

The ways of working and accommodation

To deliver the above functions and ensure that there is a consistent approach across the Council, a different way of working is needed to be undertaken by business units. The key determinants to ensure the success of this approach are based on some key principles:

- Changes to contract procedure rules that increases the level at which a competitive tender needs to take place from £25k to £100k and such tenders all being managed centrally by the new procurement function.
- Increased efficiency from the mandatory use by Central Procurement of the CompeteFor portal to request competitive quotations for values between £50k - £100k.
- Increased efficiency from the mandatory use by business units of the CompeteFor portal to request competitive quotations value under 250k.
- The implementation of an electronic invoicing system for the receiving and processing of invoices (yet to be sourced and approved).
- The central Procurement teams service offering is outlined in appendices 1 and 2
- It is proposed that the new procurement team will be centrally located within Alexandra House to ensure that the new service has maximum flexibility and that service specific knowledge can be shared amongst all procurement staff. The smart working principles will be employed (including hot desking) to ensure procurement staff operate alongside service staff when necessary.

The proposal in detail

It should be noted that certain staff that currently carry out procurement roles have been removed from the scope of this review by their directorates in favour of services based reviews / reshaping.

The table below shows the number of posts and costs both currently and once the proposed structure has been implemented. It should be noted in addition to the staff included within this review there is also a significant amount time spent by staff in the service areas in setting up contracts. However, the staff concerned have fallen outside of the review because the average time involved when calculated over a financial year is below the deminimus (and thus savings cannot easily be realised). Nevertheless, all this low level activity will still be absorbed within the new centralised unit.

	Posts	Value (£'000)
In Scope	**67.0**	**2,292**
Proposed New Centralised Structure	48.5	1,956
Reduction/Saving	**18.5**	**350**

The Procurement HESP saving target is £312k in 2011/12 and £104k in2012/13. The table above shows that £350k will be achieved in a full year (15% in cash terms). However, there are further potential savings from transaction processing activity **council-wide** as outlined in the paragraphs below, but dependent upon the implementation of an e-invoicing solution.

These reductions will introduce a risk to service delivery that will need to be managed including a risk to meeting Invoice Payment deadlines. Further reductions would compromise our ability to work within UK procurement legislation and EU Procurement directives, thus increasing the risk of legal challenge to the Council (with likely consequences of fines and claims for damages) and compromising the ability of the service to procure Value for Money services for the Council.

A further reduction in staffing levels for Transactional processing should take place in 2012-13, once an e-invoicing solution has been approved and implemented and a review of CYPS Transactional processing has taken place. The efficiency is likely to be 3 posts with a financial value of up to £100k.

7. Consultation Results

7.1 A full 30 day consultation has taken place and finished on the 8th April 2011.

7.2 During the consultation process, the following activities were carried out in order to provide all staff with the opportunities to comment on the proposals:

- Two general consultation events were arranged to which all staff and the trade unions were invited.
- Individual 1-2-1 meetings were made available for staff to either meet the Head of Procurement or HR.
- Comments were received from individual and responses have been collated and will be despatched with the updated SFR pack subject to GPC authorisation

- Comments have been received from the union and are attached with responses (Appendix 5)

- A change log has been used to track the amendments an is attached as appendix 6.

8. Risks

8.1 The reduction in Procurement staff of the level set out in the above table will mean that the level of service provided by Procurement will reduce from the current position.

This risk however can be mitigated to a large degree by removing the current system of procurement being based on directorate structures and adopting a centralised flexible pool of suitably trained and qualified procurement officers that will enable resources to be better managed to meet changing demands and workloads.

Inevitably, the capacity of the Council to retain specialist knowledge and respond to new national and local agendas as well as ad hoc requests will be diminished. It is therefore proposed that the arrangements are reviewed within a year of implementation.

9. Next steps

An indicative timescale for the implementation of the proposed model is shown below.

Activity	Timescale
Proposal paper to CEMB	8th March 2011
Formal consultation (30 days)	10th March – 8th April 2011
Communication meetings with stakeholders on the new service offer and implications	March 2011
General Purposes Committee	18 April 2011
Interviews and appointments	May 2011
Implementation date	1 June 2011
Review of Transactional processing to include CYPS once e-invoicing system is installed	Jan – March 2012 (subject to the implication of an e-invoicing solution)
Review of new function	2012

10. Chief Financial Officer's Comments

10.1 The proposed changes to the procurement activity outlined in this report will enable £350k on-going savings against staffing budgets to be achieved in a full year with up to a further £100k achievable from 2012-13 onwards assuming that the e-invoicing proposals are implemented as planned.

10.2 Given the implementation date of 1 June 2011 the savings in 2011-12 will be £312k which is in line with the HESP savings proposal.

11. Recommendations

11.1 That the Committee approve the proposed new centralised procurement structure.

11.2 That the committee notes the timetable for implementation.

12. Comments of the Head of Legal Services

12.1 It is proposed to raise the level at which a competitive tender needs to take place from £25k to £100k. It will be necessary to ensure that this complies with the obligation for transparency under EU law. The Head of Procurement has confirmed that there will be a sufficient degree of advertising based on the circumstances of each case to allow the procurement to be opened up to competition and the impartiality of procedures to be reviewed.

12.2 In reaching its decision on Recommendation 11.1 the Committee should take into account the outcome of consultation set out at Appendix 5 and have due regard to the authority's public sector equality duties, taking into account the attached equalities impact assessment at Appendix 4. The position of any employee whose post is affected as a result of the implementation of these proposals should be considered under the terms of the Council's policies and procedures regarding redeployment and redundancy.

13. Appendices:

- Appendix 1: Proposed Business Offering - Procurement
- Appendix 2: Proposed Business Offering - Central Accounts Payable
- Appendix 3: Proposed Organisational Chart
- Appendix 4: Equalities Impact Analysis
- Appendix 5: Consultation Union comments and management responses
- Appendix 6: Change log

Support Functions Review
Procurement
SERVICE OFFER

1) Current Arrangements

1.1 The Councils procurement function is presently supported by the Corporate Procurement Unit (CPU). CPU is responsible for setting up and managing corporate contracts and frameworks that are made available for use across all business units. It also provides guidance and support across the Council and depending on the risk and value of the contract will be directly involved in the tendering process or offering guidance and support where necessary.

1.2 Corporate procurement has also supported local suppliers to develop in order to bid for Council work.

SME support has recently included a "Meet the Buyer" programme which in February 2010 was attended by over 100 Haringey-based companies; plus the maintenance of the Trade Local database, workshops and classes for SMEs with the availability of one-to-one support and workbooks on how to bid for Council contracts. CPU has organised events for local SMEs to introduce them to its procurement procedures to ensure that they are able to maximise their chances of competing successfully, and CPU representatives attend similar events elsewhere. CPU has produced a supplier engagement strategy setting out how it intends to assist SMEs over the next three years- examples of actions resulting from this strategy include the simplification of the pre-qualification questionnaire and the development of flow-down legal clauses obliging prime contractors to open up their supply chains to SMEs.

1.3 Corporate procurement also contains the Energy & Sustainability Team that is responsible for energy procurement strategy, supplier contract management, bill validation, energy management and carbon reduction across 1,750 meter points for gas, electricity and water; covering all Council buildings, hostels, schools, street lighting etc and for managing the 40% carbon reduction target in relation to Council assets.

1.4 In recent years CPU has been responsible for driving forward the introduction and use of Category Management that sees Council spending with suppliers divided into 16 market segments; each having a designated Category Manager (BU Manager). CPU has developed sourcing plans to rationalise buying and drive efficiencies within each of these categories.

1.5 Under the Support Functions Review, Procurement is now charged with centralising the procurement process – including transactional processing.

However, to different extents the various specialised areas of procurement are already centralised, e.g. Construction and Property and energy procurement, but we are now looking to bring the remaining devolved functions into the centre.

2) Scope of the Review

2.1 This review is concerned with the arrangements for procurement which includes: Procurement Strategy, Competitive Tendering Processes, Contract Management, Category Management, and Risk Management & Compliance,

Excluded from the review are Shopping (SRM) and Commissioning.

3) Service Offering

The effects of this review will be the centralisation of all procurement tendering for supplies and services valued over £100k and for related category & contract management arrangements. It will also centralise the quotation process for all expenditure between £50k - £100k which will be undertaken through the use of the CompeteFor process

For supplies and services procurements valued below £50k which involve the quotation process, Directors will need to reorganise and concentrate reduced numbers of staff to use the mandatory CompeteFor portal and to raise purchase orders.

CPU will centrally undertake the following services:

3.1 Procurement Scope

3.1a Supplies & Services – manage all procurement tenders with a value above £100k. There should be no such tendering being performed in business units.

3.1b Supplies and Services – manage the quotation process for all expenditure between £50k and £100k

3.1c Construction – currently 95% of activity is processed via CPU but we shall now manage 100% of all commissioning and tendering in regards to works, property and civil engineering.

3.2 Procurement Process:

3.2a **Procurement activities as outlined below:**

- Publication of tender notices & compilation of the tender packs.
- Receive and open tenders and quotations.
- Collate responses to suppliers as part of the procurement process.
- Manage the evaluation of PQQ's and tender submissions with clients.
- Production of the contract award report and obtaining the necessary approvals (except for construction "as is" at a project level, where this will be carried out by the Client).
- Ensure re-engineering and project management is undertaken to streamline external and internal processes in any new contractual relationship and related change management.
- Procurement and management of Framework Agreements and contractors lists for tender.
- Inspection of project documents for Construction Procurements
- Advice and support to clients.
- Submit annual returns to the EU commission and work with Government as necessary.
- Handle any challenges by suppliers.

3.2b **Commercial Contract Management:**

- Undertake strategic contract / framework reviews and chair management meetings
- Compliance with contractual terms and conditions
- Market development and risk management.
- Price benchmarking and the demonstration of best value
- Category Management of 16 market segments (thus removing this responsibility from Heads of Service).
- Supplier relationship management
- Performance and continuous improvement negotiations.
- Contracts will be managed on a prioritised risk/value basis.

3.2c **Managing Systems / Databases**

- E- pre-qualification process

- E- tendering process
- Maintaining the Contracts Register
- Managing the Master Vendor Database
- Managing E-auctions
- Maintenance of construction tender register
- Purchase Cards administration

3.2d Technical Systems & Spend Analysis

- Management of procurement & related transactional processes & interfaces
    - With suppliers
    - Internal users
    - Between Council systems and modules i.e. SAP: Framework-i
- The production of procurement data from SAP e.g.
    - Compilation and publication of spend over £500
- Production of spend analysis reports to support BU managers and contract managers etc

3.2e Corporate Functions

- Procurement strategy and forward plan
- Market evaluation and sourcing strategies.
- Collaboration and sharing best practice with other authorities.
- Lead role within the North London Strategic Alliance.
- Continuing to host the London Energy Project.
- Compliance with UK legislation, EU Procurement Directives.
- Management of Haringey's Contract Standing Orders
- Document management and records
- Mediation in Procurement/contract related disputes.
- On-going risk & credit monitoring.

3.2f Support to Business Units

- Training and procedures on the CompeteFor process (for all quotations valued below £50k)
- Regular Spendtrak reports for Directors and Managers

3.3 **In accordance with the above "Service Offer" and in light of the savings that Procurement must make the following current activities will cease/or not be provided:**

- Managing any supplies and services quotations below £50k (these being handled within BUs).
- There will be no dispute mediation (e.g. Supporting People) other than strictly limited to procurement matters.
- No administrative support for rail, hotel and flights bookings and no dealing with changes to itineraries.

3.4 **In accepting the above "Service Offer" Business Units/Commissioners and Shoppers will be responsible for the following:**

- Requests for Quotation (RFQs) and the subsequent raising of a Purchase Order with standard T & C's via CompeteFor for all supplies and services projects under £50k.
- Consultation with service users / public.
- Drafting outcomes based Specifications as needed for a CPU managed tender or quotation exercises.
- Developing the Business Case and gaining budget approval prior to CPU undertaking a tendering exercise.
- Supply of any necessary service related information.
- Accreditation process around the Personalisation of Care.
- Day to day supplier management.
- Escalation of issues to centralised contract managers.
- Sign off of final specifications prior to tendering.
- Participation in tender evaluations and decision making.
- In the case of major procurements that have previously been led by consultants due to lack of resource within the Council i.e. Highways, Waste Management and Temporary Accommodation, these may need to be funded from the business units as and when required in the future.
- Management of Spot Care contracts
- Management of Housing Leases
- Contract management of Urban Environment and IT contracts.
- Bill Validation.
- Management and attendance at leaseholder valuation panels.

3.5 Shared Services

3.5a The Haringey Energy & Sustainability Team provides a recognised best practice service, and whilst externally funded, is able to offer capacity and expertise on a shared service basis with other Councils and thus hopefully attract additional income as a contribution to Council efficiencies. This option will be actively explored as a means of sharing best practice and costs.

3.5b The London Energy Project is externally funded and has been hosted by Haringey CPU since its inception in 2005/6 and last year saved London Councils over £16m. A business case has been put to London Councils for this service to continue to be fully funded on a shared service basis.

Support Functions Review – Central Accounts Payable (CPU)
SERVICE OFFER

1) Current Arrangements

1.1 Central Accounts Payable has the responsibility for processing all of the Council's invoices and payment requests *(146,000 for 2009/10 and circa 120,000 for 2010/11)*, ensuring payment is made in line with the Councils Financial Regulations, Best Payment Practice Code and Written Procedures. It creates daily payment runs that include payments generated by Housing Benefit, Council Tax, Supporting People (SPOCC) and Framework-i systems. It also provides guidance and support on improving payment performance to Business Units across the Council

2) Scope of the Review

This review is concerned with the arrangements for the payment of invoices and internal payments.

Excluded from the review are processes associated with the validation of invoices e.g. for Care packages.

3) Service Offering

3.1 It is proposed that Central Accounts Payable continue with the following, as at present:

- Manage the flow of payment transactions/invoice processing to ensure prompt and accurate processing (*these are currently handled via a manual process which relies heavily on the physical distribution of invoices to Haringey's different geographical locations).*
- Obtain invoice authorisation (through 3 way matching or direct authorisation)
- Process invoices on time to meet due dates
- Verification for accuracy of payment transactions and compliance with legislation and policies.
- Perform payment runs, BACS, Cheques, Inter Company
- Approval and inclusion in payment runs of interfaced payment systems.
- Imprest (Petty Cash Bank Account)
    - Issue procedures/guidelines to Imprest Holders
    - Collate year end certification of Imprest Loans / Advances
- Duplicate Payments prevention / reporting & any recovery
- Filing/archiving of payment related documents
- Liaise with auditors (internal/external) on document retrieval/enquiries

3.2 It is proposed that the following activities continue to be carried out by Central Accounts Payable but in a different way:

- Reimbursement of Imprest Accounts – amend and post to Service Cost Centre / Imprest Holding Code (some consideration for change management must be given here – allow transition period for training in new process)

  Currently Imprest account holders create an excel spreadsheet showing posting requirements to cost centres. This is then replicated by Central Payments on SAP via FB60 transaction. Imprest account holders will be required to replace the excel spreadsheet with a SAP journal transaction, posting charges directly to budgets via a prescribed budget or holding code which will then be cleared down by the processing of a 'Reimbursement Claim' by Central Accounts Payable to said holding code.

3.3 It is proposed that Central Accounts Payable cease to provide the following services (with their proposed replacements in parentheses):

- Online supplier ledger enquiry support (calls to the helpline will be redirected to originating Business Units to handle). The helpline number, currently quoted on all remittances, will be removed.
- Vendor Account reconciliation on 'Aged Debt'(not resourced but where required would need to be charged back to Business Unit / Services).
- Cease maintenance of the 10 day payment target within predicted staff resources it will only be a "best endeavour" target.

3.4 To ensure a uniform approach across the Council for processing of commercial invoices /payments it is proposed that Central Accounts Payable take on the responsibility for;

- 1 x Adult Culture & Community Service Payment Officer
- 1 x Corporate Resources (ITS) Payment Officer.

3.5 **Excluded – :**

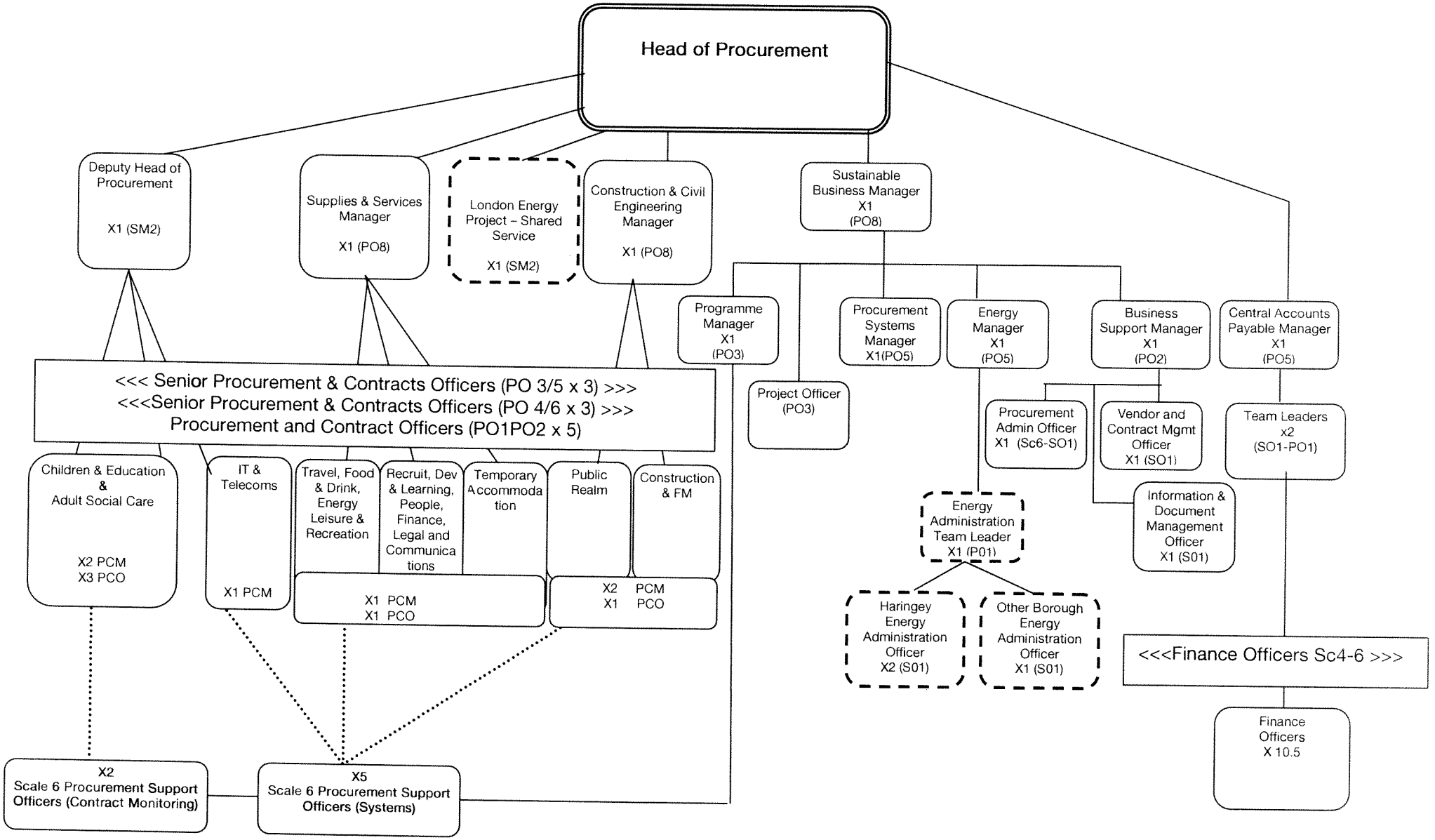
The responsibility for the transactional processing for CYPS this will be reviewed when E-invoicing is implemented.

The responsibility for 'Bill Validation' will remain with the relevant Business Unit / Service.

3.6 **Dependencies:** to enable Central Accounts Payable to achieve the required efficiency savings over 2011/13, there needs to be an e-invoicing solution implemented that removes manual invoice processing in favour of electronic invoices.

Central Procurement - Organisational Chart

= Externally Funded



Version 11. April 2011

Haringey Council

Equality Impact Assessment

Review of the Council's Procurement Function

Service: Council wide

Directorate: All

Title of the proposal: Procurement – Support Functions Review

Lead Officer (author of the proposal): Kim Sandford

Step 1 - Identify the reasons for the proposed changes

a) What are the main aims, purpose and outcomes of the proposed reorganisation, and how does it fit in with the wider aims of the organisation?

The main aim of this restructure is to review the Procurement function across the Council. CEMB have agreed a centralised shared service model. This will maximise limited resources and enable Strategic Procurement and Contract Management, utilising category management tools and techniques to deliver local and sub regional efficiencies. The review also includes invoice processing.

The restructured unit will be crucial in supporting the Council as follows:

Procurement Scope

Supplies & Services – manage all procurement tenders with a value over £100k and RFQ's over £50k. There should be no such tendering or RFQ's being performed in business units.

Construction – currently 95% of activity is processed via CPU but we shall now manage 100% of all commissioning and tendering in regards to works, property and civil engineering.

Commercial Contract Management:

Category Management of 16 market segments (thus removing this responsibility from Heads of Service).

Technical Systems & Spend Analysis

Management of procurement systems, processes and supplier interfaces.

Compilation and publication of spend over £500

Production of spend analysis reports to support BU managers and contract managers etc

Corporate Functions

Head of profession responsibilities

Lead role within the North London Strategic Alliance.

Continuing to host the London Energy Project.

Management of Haringey's Contract Standing Orders

Support to Business Units

Training and procedures on the CompeteFor process (for all quotations valued below £50k)

Regular Spendtrak reports for Directors and Managers

Invoice processing

Processing and payment of invoices from suppliers and the payment of non-commercial transactions e.g. grants, payments to foster carers etc.

The Council has identified the need to make significant efficiencies in the period 2011- 2013 to meet an identified funding gap as set out in its Financial Strategy for 2011-2014. Support services, including procurement are to be reviewed as part of the Haringey Efficiency and Savings Programme and deliver agreed efficiencies. At Cabinet Advisory Board (15 July 2010) Members gave a clear indication of expected efficiencies from support function reviews and a savings target of £416k was established from the procurement review.

a) **What do you already know about the relevance of the proposed reorganisation, i.e. what other services or functions could it impact on?**

Following discussions at CAB and CEMB it was agreed that the new model for the Council's Procurement functions will be a centralised shared service to be known as the **Central Procurement Unit.** It will include:

- **Procurement** – Tendering Process, Procurement policy and contract management (including equalities).
- **Transactional processing** – the directly inputting of invoices into SAP and Frameworki for payment

The following table sets out possible impact and mitigating actions on services or functions:

Risk	Mitigation
The full scale of the procurement service is not fully identified and the new structure becomes overwhelmed by demand.	Phased transfer of responsibilities with regular reviews and lessons learnt report against which any fine tuning can be made.
The centralised team is inadequately skilled and knowledgeable across the	a) Responsibility for front-line services being procured must remain with

full range of Council services.	departments along with the production of the specification. b). Robust recruitment and appointment process
Insufficient levels of procurement and commercial management techniques.	Be prepared to use a mix of internal development and support and if necessary to recruit externally. It is crucial that this strategy is balanced with the need to have the necessary skills available centrally from the outset.
Centralisation of resources creates a bottleneck.	a) Over a period of time, need to vary contract expiry dates to avoid year-end peaks. b) Shopper numbers need to be reduced carefully and linked into SMART Working
Implementing the changes will effect the ability of Central accounts payable to process all end of year of year invoices within agreed timescales	Payment terms may not be meet during year end.
The staffing efficiencies expected from centralisation fails to materialise.	The FTE savings will be calculated by Finance and notified to each Director to manage the release of cashable savings.
Tensions could develop at the interfaces between the in-house teams of commissioners, procurement and construction programme office.	Ensure clearly defined and agreed roles and responsibilities. Organise workshops to test theory and practice.
Transferring any "work-in-progress" against an absolute centralisation deadline could disrupt services	The majority of functions should be transferred centrally but any key "work-in-progress" should be completed before being transferred

b) Are you creating a new structure, and if so please explain how you have come to your decision to include those staff in the proposals for the new structure, and how many staff will be affected?

The following steps were taken to get the most accurate picture possible of the numbers of staff carrying out Procurement activities across the Council:

- Consideration of the initial Support Functions Review activity analysis completed for all support functions in 2009
- Discussions were held with Directors/Assistant Directors
- Working knowledge of who undertakes Procurement was drawn on

- Validation by line managers of all staff identified as undertaking 20% or more of Procurement duties.

The total number of posts affected is 67, two of the posts are vacant therefore 65 staff are affected

c) **Are you closing a unit, and if so how many staff will be affected?** Yes 1. However, as a result of consultation Unit Closures have been reduced from 3 to 1 by opening up ring-fencing opportunities. The remaining member of staff has applied for Voluntary redundancy but if unsuccessful will be able to apply for new posts within the structure and if not successful will be put in to the redeployment forum.

d) **Are there any other issues that you need to consider?** No

Step 2 - Collect and Analyse Information

You should gather all relevant data that will help you assess whether presently, there are differential outcomes for different equality target groups – by age, disability, ethnicity, and gender. For the purpose of staff reorganisations you need to also consider staff groups by grade.

Are you closing a unit?

Yes – details as below. However, as a result of consultation Unit Closures have been reduced from 3 to 1 by opening up ring-fencing opportunities.

Unit Closure	Gender	Age	Race	Disability	Grade
1	F	45<55	BME	N	SM1

a) **Provide a profile of the staff affected by age, disability, gender reassignment, race, religion or belief, sex (gender), sexual orientation and grade.**

The staff included within the scope of the Procurement Support Functions review range from Scale Sc4 to SM2.

Tables below detail equalities information for the officers identified as within scope of the review. This figure may change as a result of consultation the table will be updated at the end of the consultation period.

Age

Transactional Processes							
	TOTAL	16-24	25-34	35-44	45-54	55-64	65+

Grade Group	STAFF	No. Staff	% of Grade Group	No. Staff	% of Grade Group	No. Staff	% of Grade Group	No. Staff	% of Grade Group	No. Staff	% of Grade Group	No. Staff	% of Grade Group
SC1-SC5	6			1	17%	1	17%	1	17%	3	50%		
SC6-SO2	14			4	29%	3	21%	5	36%	2	14%		
PO1-PO3	1									1	100%		
PO4-PO7	2							2	100%				
PO8+													
TOTAL	23			5	22%	4	17%	8	35%	6	26%		

Do any ring-fences dis-proportionally impact on staff from one age group only?

Transactional Processing:

Team Leader:

- 25>34 = 3
- 34>45 = 3
- 45>55 = 4
- 55>65 = 2

Payment's Officer

- 25-34 4
- 34-45 4
- 45-55 5
- 55-65 5

The largest age group in transactional processing is mirrored in the ring-fencing proposal.

Procurement													
	TOTAL	16-24		25-34		35-44		45-54		55-64		65+	
Grade Group	STAFF	No. Staff	% of Grade Group	No. Staff	% of Grade Group	No. Staff	% of Grade Group	No. Staff	% of Grade Group	No. Staff	% of Grade Group	No. Staff	% of Grade Group
SC1-SC5	10			2	20%	1	10%	2	20%	5	50%		
SC6-SO2	7			4	57%	1	14%	2	29%		0%		
PO1-PO3	13			1	8%	3	23%	6	46%	3	23%		
PO4-PO7	8				0%	3	38%	4	50%	1	13%		
PO8+	4			1	25%		0%	2	50%	1	25%		
TOTAL	42			8	19%	8	19%	16	38%	10	24%		

Do any ring-fences dis-proportionally impact on staff from one age group only?

Procurement Support Officer

35>45 = 1
45>55 = 0
55>65 = 0
25>35 = 3

Procurement and Contract Officers

25>35 = 4
35>45 =2
45>55 =4

55>65 =3

Senior Procurement and Contract's Officer – Supplies and Services

25>35 = 1
35>45 = 1
45>55 = 4
55>65 = 1

Senior Procurement and Contract's Officer – Construction

25>35 = 0
35>45 = 0
45>55 = 3
55>65 = 0

Supplies and Services Manager

25>35 = 1
35>45 = 0
45>55 = 0
55>65 = 1

Overall this age profile is in line with the overview procurement age profile. The Procurement Support Officer ring-fence show a younger age profile than the average but this is due to the scale of the role making it an suitable entry level

Race

Transactional processes									
Grade Group	Total No Staff	No. of Race Not Declared Staff	% of Grade Group	White Staff	% of Grade Group	White Other Staff	% of Grade Group	BME Staff	% of Grade Group
SC1-SC5	6	2	33%	1	17%			3	50%
SC6-SO2	14		0%	5	36%	1	7%	8	57%
PO1-PO3	1		0%		0%		0%	1	100%
PO4-PO7	2		0%	1	50%	1	50%		0%
PO8+									
TOTAL	23	2	9%	7	30%	2	9%	12	52%

Do any ring-fences dis-proportionally impact on staff from one race group only?

Procurement Support Officer

Team Leader

- BME 7
- White 5

Payment's Officer

- BME 12
- White 6

This proposed ring-fence mirrors the overall profile of the team and should have not adverse impact

Procurement									
Grade Group	Total No Staff	No. of Race Not Declared Staff	% of Grade Group	White Staff	% of Grade Group	White Other Staff	% of Grade Group	BME Staff	% of Grade Group
SC1-SC5	10	2	20%	1	10%		0%	7	70%
SC6-SO2	7		0%		0%	1	14%	6	86%
PO1-PO3	13		0%	5	38%	4	31%	4	31%
PO4-PO7	8		0%	3	38%	2	25%	3	38%
PO8+	4		0%	3	75%		0%	1	25%
TOTAL	42	2	5%	12	29%	7	17%	21	50%

Procurement Support Officers

- BME 4
- White 0

Procurement & Contract's Officer

- BME 3
- White 10

Senior Procurement and Contract's Officers – Suppliers and Services

- BME 2
- White 5

Senior Procurement and Contract's Officers – Construction

- BME 1
- White 2

Suppliers and Service's Manager

- White 2

The ring-fence proposals show a larger proportion of white staff to BME staff although not in line with the overall figures it is representative of the scales at which the posts are graded.

Gender

Transactional Processes					
Grade Group	Total No Staff	No. Male Staff	% of Grade Group	No. Female Staff	% of Grade Group
SC1-SC5	6	1	17%	5	83%
SC6-SO2	14	6	43%	8	57%
PO1-PO3	1		0%	1	100%
PO4-PO7	2	1	50%	1	50%
PO8+					
TOTAL	23	8	35%	15	65%

Do any ring-fences dis-proportionally impact on staff from one gender group only?

Team Leader

- Female 7
- Male 5

Payment's Officer

- Female 12
- Male 6

These posts are broadly in line with the Team profile and should have no adverse effect.

Procurement					
Grade Group	Total No Staff	No. Male Staff	% of Grade Group	No. Female Staff	% of Grade Group
SC1-SC5	10	2	20%	8	80%
SC6-SO2	7	3	43%	4	57%
PO1-PO3	13	4	31%	9	69%
PO4-PO7	8	4	50%	4	50%
PO8+	4	3	75%	1	25%
TOTAL	42	16	38%	26	62%

Procurement Support Officer
- Female 3
- Male 1

Procurement and Contract Officers
- Female 9
- Male 4

Senior Procurement and Contract's Officer – Supplies and Services
- Female 6
- Male 1

Senior Procurement and Contract's Officer – Construction
- Female 1
- Male 2

Supplies and Services Manager
- Female 2

These posts are broadly in line with the Team profile and should have no adverse effect.

Disability

Transactional Processes			
Grade Group	Total No Staff	No. Disabled Staff	% of Grade Group
Sc1-5	6		
Sc6-SO2	14	1	7%
PO1-3	1		
PO4-7	2		
PO8+			
TOTAL	23	1	4%

Do any ring-fences dis-proportionally impact on staff from one disability group only?

Team Leader
- Disability 1

Payment's Officer
- Disability 1

Staff with disabilities are included within both ring-fence opportunities within the transactional processing review.

Procurement			
Grade Group	Total No Staff	No. Disabled Staff	% of Grade Group
Sc1-5	10		0%
Sc6-SO2	7		0%
PO1-3	13	1	8%
PO4-7	8	1	13%
PO8+	4		0%
TOTAL	42	2	5%

Procurement Support Officer

- Disability 1

Procurement and Contract Officer

- Disability 1

Officers with disabilities are represented within 2 out of the 5 ring-fences opportunities which is above the ratio in the team profile.

Assimilation	Gender	Age	Race	Disability	Grade
Transactional Processing					
1	F	45<55	White	N	PO5
1	F	45<55	BME	N	SO2

Do any assimilations dis-proportionally impact on staff from any of the strands of the equalities impact assessment

.

- 2 females 0 males
- 1 BME 1 White
- 1 PO5 1 S02
- 45-55 X 2

These posts are broadly in line with the team profile.

Assimilation	Gender	Age	Race	Disability	Grade
1	F	25<35	BME	N	SC6

1	F	35<45	BME	N	SC6
1	F	35<45	White	N	SO2
1	F	25<35	BME	N	SO1
1	F	25<35	BME	N	SO1
1	M	45<55	White	N	SO1
1	F	45<55	White	N	PO1
1	F	45<55	White	N	PO2
1	F	45<55	White	N	PO4
1	M	35<45	BME	N	PO5
1	M	45<55	White	N	PO5
1	F	45<55	White	N	PO7
1	M	25<35	White	N	PO8
1	M	45<55	White	N	PO8
1	F	45<55	White	N	SM2

- Males 5 Females 10
- BME 5 White 10
- Scales – see table above
- 25>34 = 4
- 35>45 = 3
- 34>55 = 8

There are 15 assimilations proposed in the new structure. Base on the scales and the team profiles these assimilations broadly reflect the overall figures. The figures in regards to white and BME staff are not in line with the overall profile but do reflect the like for like jobs across the current structure.

b) Provide a profile of the staff employed by Haringey Council by, disability, gender reassignment, race, religion or belief, sex (gender), sexual orientation and grade.
See Appendix 1

c) Compare the existing profile of the staff affected by the reorganisation against the agreed baseline.

The baseline against which comparisons are made is both the Council staff profile and the Borough profile.

The table below compares the profile of staff affected against the employee targets where they exist and against the Council employee profile.

Strand	Council staff profile %	Staff affected profile %	Comment
Age			
16 -24	3	0	The affected group is mostly within the 45-54 age group, which is in line with the Council profile.
25-34	18	20	
35-44	25	19	
45-54	35	37	
55-64	18	24	
65+	1		
Race			
BME	54	51	More BME staff are affected by this re-structure.
White	29	29	In terms of representation in the various grades the
White Other	16	14	affected group reflects trends seen in the council staff profile
Not declared		6	
Gender			The most affected group of
Male	33	37	staff are women, which is in
Female	67	63	line with the council profile.
Disability	7	5	The percentage of staff affected mirrors the Council staff profile

d) Is there any other data, information or research relevant to this EQIA?
As part of the consultation process the opportunity to apply or re-apply for VR was given to all staff within the scope of this review.

Step 3- Assessment of impact

Using the information that you have gathered and analysed at step 2, you should assess whether and how the proposal you are putting forward will affect the existing staff structure.

This section will be updated following consultation and completed following the recruitment process by the end of June 2011.

a) Are the proposed changes likely to result in an adverse impact for any staff equality group, and if so please state which groups?
No, all staff with the exception on one unit closure remain the same as the figures given in section 2.

b) Are the proposed changes likely to result in a positive impact for any staff equality group, and if so which groups?
No, all staff with the exception on one unit closure remain the same as the figures given in section 2. There is a positive impact for all staff with the establishment of 3 new posts available to all staff.

c) Are the proposed changes likely to result in a positive / negative impact for service delivery, please explain how?
This is a support service's review that should not have any direct impact on service delivery.

d) Are any of the proposed changes likely to have an impact on community groups, please explain?
This is a support service's review and should not have an impact on community groups.

e) Does there need to be any changes to the interview process or job descriptions, please explain?
Where people are applying for more than one similar role we have decided to compact the interviews into one. An additional person specification criteria in regards to contract management has been developed as a result of consultation.

f) What measures does, or could, the proposed reorganisation include to help promote equality of opportunity?
The reorganisation includes a majority of Open ring-fences to ensure equality of opportunity for staff with different skill-sets.

Will the proposed changes produce any differential impact across the groups, that can be justified, and explain why?
There have been minimal changes as a result of consultation. The major change being 2 originally proposed unit closures now being put into Open ring-fences. There are also 3 new posts available to all staff. This does not have a differential impact across the groups.

g) Will the proposed changes produce any differential impact across the groups that cannot be justified, and explain why?
There are no unjustifiable changes as all changes have been made as a result of consultation feedback.

Step 4 – Consider other measures and implications

Following from stage 3 you need to be able to show what actions you are taking to mitigate against any adverse impact.

a) **If you are closing a unit can the staff be accommodated elsewhere within the service, business unit or organisation, please explain your answer?**
As a result of consultation we have reduced the originally proposed unit closures from 3 to 1. The one remaining unit closure has applied for VR. There are also 3 new posts available to all staff.

b) **Has the ring fencing maximised the opportunity for all staff to apply for relevant jobs, please explain your answer?**
According to the Council's procedure staff have been included in ring-fences one grade higher and one lower from their current substantive post. It has also allowed 2 originally proposed unit closures to be included in the ring-fence opportunities. There are also 3 new posts available to all staff.

c) **What have you done to mitigate against any negative impact for employees and service users?**
There has been formal and informal consultation allowing staff and service managers to input into the design of the new service. The outcome of these consultations has resulted in changes in:

- *The Job Descriptions*
- *Contract Procedure rules.*
- *Transactional processing hubs remaining within ACCS although they are managed centrally. (to be reviewed when electronic scanning system is in place).*
- *Minimisation of unit closures*
- *3 additional assimilations have also been identified.*
- *3 new posts have been established giving the opportunity for all staff to apply.*

There is not direct impact on service users.

d) **Is there any evidence that the proposals could discriminate unlawfully directly or indirectly?**
No – but this needs to be reviewed following completion of the recruitment process.

Step 5 – Consultation on Proposals

Consultation is an essential part of impact assessment. If there has been recent consultation which has highlighted the issues that you have identified in Steps 2 & 3, use it to inform your assessment. If there has been no consultation relating to the issues, then you may have to carry out consultation to assist your assessment. Make sure that you reach all of those who are likely to be affected by the proposal, ensuring that you cover all equality strands. Do not forget to give feedback to the people you have consulted, stating how you have responded to the issues and concerns that they have raised.

a) What involvement and consultation has been done in relation to; councillors, staff, service users, community groups, partners and stakeholders?

The following have been consulted:

Councillors:

- *Proposals were submitted to the **General Purposes Committee:** 22 March 2011*

CEMB: *on 15th Feb 2011*

Managers and staff:

- ***Informal consultation** in November and December 2010*
- ***Formal consultation:***
  - 30 days of formal consultation concluded on the 8th April.
  - *2 open consultation sessions on the 22nd and 24th March 2011 with individual sessions offered.*

b) What are the results of involvement and consultation?

Issues raised during stakeholder consultation are presented below.

'You said'		
Wants/Needs	**Implications**	**What we are proposing**
Commercial contract management. Have high levels of commercial and market awareness and capability	Must allow the business daily contact with suppliers to enable the smooth running of service and to resolve day to day operational issues.	Operational contract management stays within the business units. Issues are escalated to Central team for contract resolution.
Request for more Closed ring-fences	Open ring-fences were used to ensure maximum amounts of staff were able to be offered the chance to interview for the posts on offer.	We are proposing to stay with using a majority of Open ring-fences to ensure maximum inclusion.
Ability to work with commissioners to develop VFM contracts for the Council and Haringey Residents	Commissioners are not skilled at procurement and need support from Procurement staff to ensure VFM outcomes.	Structure aligned to commissioners to ensure direct and open lines of communication based on market segments
EIA risk assessment to be changed to include Training and support	We said we would work with people's transferable skills and would change the risk assessment to reflect this.	Risk assessment changed.

In addition, as a result of consultation, we have:

- *Amended job descriptions*
- *Proposed amendments to Contract Standing Orders (CSOs)*
- *Transactional processing hubs remaining within ACCS although they are managed centrally. (to be reviewed when electronic scanning system is in place).*
- *Minimisation of unit closures*
- *3 additional assimilations have also been identified.*
- *3 new posts have been established giving the opportunity for all staff to apply.*

Appendix 2 to this EqIA sets out our full responses to the formal staff consultation.

The following table outlines that no groups have been adversely impacted as a result of the consultation process. The only change is to the number of staff in this review has been 1 unit closure.

	Pre Consultation	Post Consultation
Total staff	67	66
BME	33	32
White	9	9
Female	41	40
Male	24	24
Age 16-24	0	0
25-34	13	13
35-44	12	12
45-54	24	23
55-64	16	16
Disabled	3	3
VR is not included in these figures		

c) How have you used the information from the data analysis to inform the consultation?
We formally consulted all affected staff rather than targeted groups.

d) What further involvement and consultation will be needed, and how will it be undertaken?
A review will be undertaken within a year of the new model being put in place and staff and stakeholders will be consulted.

Step 6 – Monitoring and Reviewing

Set out the arrangements for reviewing the actual impact of the new structure or changes to the structure once the recruitment process has been completed and the new structure has been implemented.

a) Complete the data analysis in relation to step 3, to show the final employment profile of the new structure by equality strands and grade.
The data analysis will be undertaken following recruitment.

b) Decide if there is any positive or adverse impact from the new structure on staff or service delivery.
To be completed following recruitment.

c) Monitor and review of the implementation of the new structure.

The new way of working will be reviewed within the first year of implementation.

d) Consider any areas where more additional information may need to be reviewed and monitored (e.g. future cuts, other restructures, the impact on

services).

There will be a rolling programme of SFRs and restructures each of which will undertake an EqIA. The inter-dependencies and equalities implications of these will need to be analysed once the reviews are completed.

Step 7 –Action Plan

An action plan should be developed monitored and reviewed. This should include evaluation of the changes, to measure whether they have had their intended effect, and the outcomes achieved.
Please list below any recommendations for action that you plan to take as a result of this impact assessment.

Action Plan for the review of Policy & Performance Functions				
Actions required	**Lead person**	**Expected outcomes**	**Timescale for implementation**	**Resource implications**
Carry out analysis of staff profile and complete STEP 3 of this EqIA on completion of the recruitment process	Deputy Head of Procurement	No equality strand is disproportionately affected.	July 2011	
Following recruitment data analysis will be undertaken of the new staff establishment	Deputy Head of Procurement	No equality strand is disproportionately affected.	July 2011	
Monitor and review of the implementation of the new structure	Deputy Head of Procurement	As above	ongoing	

Step 7 – Sign off and publication

There is a legal duty to publish the results of impact assessments. The reason is not simply to comply with the law but to make the whole process and its outcome transparent and have a wider community ownership. You should summarise the results of the assessment and intended actions and publish them.

ASSESSED BY (Author of the proposal)

NAME: DESIGNATION: SIGNATURE:

DATE:

QUALITY CHECKED BY (Equality Team)

NAME:

DESIGNATION:

SIGNATURE:

DATE:

SIGNED OFF BY (Directorate Management Team)

NAME:

DESIGNATION:

SIGNATURE:

DATE:

Appendix 1

Council Staff Profile 2009/10

Haringey employs 4561 staff (excluding casual/sessional employees) as at 31/03/2010. There is currently no information on gender re-assignment, religion or belief or sexual orientation.

Age

- 3% of staff are aged under 25.
- There are currently 56 staff over the age of 65 who have taken advantage of the age discrimination legislation and requested to work over 65 years.
- 35% of 45-54 year olds are in grade band SC1-SC5, this is higher than in other age bands
- 35% of staff are aged between 45-54 years, the highest % in any age band
- Staff 45-54 have the highest representation in grade band PO8+ compared with other age groups

	16-24		25-34		35-44		45-54		55-64		65+		TOTAL
Grade Group	No. Staff	% of Grade Group	No. Staff	% of Grade Group	No. Staff	% of Grade Group	No. Staff	% of Grade Group	No. Staff	% of Grade Group	No. Staff	% of Grade Group	STAFF
MANUAL	42	39	21	19	16	15	19	18	9	8	1	1	108
SC1-SC5	77	5	254	15	354	21	599	35	371	22	36	2	1691
SC6-SO2	14	1	287	24	338	28	367	31	178	15	9	1	1193
PO1-PO3	5	1	150	22	188	28	236	35	86	13	5	1	670
PO4-PO7	0	0	90	14	179	28	249	39	111	18	3	0	632
PO8+	0	0	10	4	49	18	130	49	76	28	2	1	267
TOTAL	138	3	812	18	1124	25	1600	35	831	18	56	1	4561

Ethnicity

- 54% of the Council workforce are from black & minority ethnic groups (BME).
- There are 45% staff from white and non declared backgrounds
- % of BME and all white staff are similarly represented in the lower grade bands
- There is a greater disparity between BME and all white staff in grade bands PO4-PO7 and PO8+
- Of the PO8+ staff in the Council 19.00 are BME staff

	Asian	Black	Mixed	Other	BME sub total	White	Not declared	TOTAL

Grade Group	No. Staff	% of Grade Group	No. Staff	% of Grade Group	No. Staff	% of Grade Group	No. Staff	% of Grade Group	No. Staff	% of Grade Group	No. Staff	% of Grade Group	No. Staff	% of Grade Group	STAFF
MANUAL	6	6	33	31	6	6	5	5	50	46	51	47	7	6	108
SC1-SC5	113	7	885	52	70	4	57	3	1125	67	551	33	15	1	1691
SC6-SO2	102	9	492	41	50	4	35	3	679	57	505	42	9	1	1193
PO1-PO3	48	7	222	33	20	3	20	3	310	46	357	53	3	0	670
PO4-PO7	43	7	161	25	25	4	16	3	245	39	380	60	7	1	632
PO8+	11	4	28	10	7	3	6	2	52	19	208	78	7	3	267
TOTAL	323	7	1821	40	178	4	139	3	2461	54	2052	45	48	1	4561

Gender

- 67% of the workforce are women.
- 37.9 of women are employed at SC1 –SC5

	Female		Male		TOTAL
Grade Group	No. Staff	% of Grade Group	No. Staff	% of Grade Group	STAFF
MANUAL	53	49	55	51	108
SC1-SC5	1153	68	538	32	1691
SC6-SO2	878	74	315	26	1193
PO1-PO3	414	62	256	38	670
PO4-PO7	402	64	230	36	632
PO8+	140	52	127	48	267
TOTAL	3040	67	1521	33	4561

Disabled staff

- 7% of staff declared they are disabled, this % has reduced from last year, the actual number of disabled staff has decreased from 408 March 2009 to 329 March 2010.

	Disabled employees		TOTAL
	No. Disabled Staff	% of total staff	STAFF
TOTAL	329	7	4561

Appendix 5

Haringey Local Government Branch, 14a Willoughby Rd, London N8 OHR
Tel : 0208 482 5104, 0208 482 5105, 0208 482 5106, Fax 0208 482 5108,
E-Mail:branchsecretary@haringeyunison.co.uk

UNISON COMMENTS ON PROCUREMENT SUPPORT FUNCTIONS REVIEW

General Comments

Q: This is the fourth SFR we have dealt with and we note with concern that a very different approach appears to have been taken to ring-fencing when it is compared to the others. Primarily our concern relates to the apparent approach of slotting in the vast majority of staff who are currently employed within Corporate Procurement meaning that other staff who are brought into the process are left at a disadvantage, both by having to compete for a small number of jobs and in the sense that they have been in many cases open ring-fenced, leaving the possibility that posts may remain unfilled.

We are aware that staff both as individuals and collectively have expressed similar concerns and have submitted extensive comments/concerns as part of this process, since we have been copied into a number. These documents raise a variety of valid queries and questions regarding process and structure and need to be answered in some detail.

The process therefore appears to favour those in the centre over those currently employed in similar tasks within directorates. In particular, it potentially protects higher paid people from the centre as opposed to higher paid people from the directorate teams. A good comparison here would be the Finance SFR where the majority of posts were "open" ring-fenced so as to avoid such allegations of favouritism. While UNISON argued for closed ring-fences the process was at least set up in a way that gave equal access to opportunities; the same is not true in this case. In the Finance SFR there were a very small number of assimilations proportionately, and in some cases where we made the case for assimilations these were rejected in spite of the roles being almost identical, due to there being other staff from outside the Corporate centre who it was felt deserved the opportunity to apply within ring-fences.

R: It is management's view that we have complied with the Council's restructuring policies and guidance regarding recruitment methods We firmly refute the suggestion that the policy has been detrimentally applied to staff currently employed within Directorates and to the advantage of those currently working in the Corporate Procurement team. We have received extensive comment and many questions from individual members of staff and we have responded to them individually. It is management's intention to try to fill all positions from within existing procurement staff or, where new positions have been identified, from current Haringey employees.

Redundancies

Q: We recognise the difficult financial situation the Council is currently in; however in all such proposals we are formally restating our complete opposition to compulsory redundancies as a way of achieving reductions. It is our belief that the Council should be operating a joined up approach to managing change. This should include creative use of "bumping" to facilitate voluntary redundancy applications and to avoid compulsory redundancies.

We are aware that there has been a number of renewed applications for voluntary redundancy and would seek an assurance that these will be resolved in advance of any ring-fence process beginning. We would hope these would be supported in preference to making compulsory redundancies. Please provide a full list of post-holders who have opted for and been granted VR from within the Procurement SFR groups.

R: We are not currently aware of any approaches from individuals or from the Trade Unions regarding "bumping", however, we will try to accommodate bumping opportunities following the consultation period and will facilitate wherever possible to mitigate compulsory redundancies.

We are in agreement with the comments made about voluntary redundancy and we will endeavour to ensure that, wherever possible, decisions regarding VR applications will be communicated to the relevant staff before recruitment commences.

Q: Allied to this, proactive consideration of options such as voluntary reductions in hours, flexible working, etc. should be considered. Where staff support these, the normal business case process should not be applied. The presumption as a family friendly good employer should be that the manager is required to make a business case AGAINST the staff's proposals. We are concerned that the current approach in this respect may in fact cause unnecessary redundancies rather than preventing them. In essence it requires staff to be appointed, then to apply for reductions in hours, rather than allowing them true creative and meaningful consultation on alternatives to the cuts.

Please confirm whether there are any staff that currently work less than full time and how they will be dealt with in the recruitment process?

R: A number of staff currently work less than full time. All staff will be treated equally within the recruitment process. If staff are successful at interview and request a flexible working arrangements these will be considered in accordance with existing Council policy on flexible working.

Levels of Staffing

Q: Please provide a full breakdown of the number of posts at each grade in the existing arrangements and the proposed ones, with confirmation of costs for each tier of the previous and proposed structures. How will the service be funded going forward? Will it have a budget of its own or will it be recharged to the services based upon their need for Procurement support?

R: *The majority of the service is funded from its own budget, but some posts are reliant upon volumes of work and funding from other sources; typically, invoice processing for Homes for Haringey.*

Job Descriptions

Q: We note that a number of job descriptions contain references to working in other Boroughs in accordance with potential Shared Service arrangements. We are requesting that these comments be withdrawn. It is inappropriate to put such requirements in job descriptions in advance of any shared services being proposed and in advance of full consultation being undertaken with both staff and Trade Unions. Apart from anything else, any such arrangements may cause issues for staff in terms of out of pocket costs, location and family commitments. Such attempts to add this to a Haringey job description are not reasonable or fair.

R: *It is accepted that any service provided to other boroughs, that may require staff to work at locations outside of Haringey, should be the subject of separate consultation and therefore the request to remove references to Shared Service working is agreed.*

Q: There seems to be a lack of clarity in the job descriptions about who will have responsibility for managing staff. This has caused us some concerns, as noted in comments we have made separately on the job evaluations. These clauses should be revised as appropriate and clarity should be provided to staff. Once this has been done it will allow us to revisit our job evaluation queries. This is particularly key in relation to the roles of Procurement & Contracts Officer and Procurement & Contracts Manager.

R: *We have accepted these comments and job descriptions have now been amended to ensure clarity of line management roles and responsibilities.*

Q: Concern has been expressed about the Procurement & Contracts Officer role. The candidate specification for these posts has the following requirement: *"Ability and experience of managing right first time procurement projects with minimal supervision."* However, this requirement has been excluded from the Construction post. This requirement should be in all the posts or none of them. We think that it is questionable whether posts that are at PO1-PO2 should have this level of responsibility.

R: *This point is agreed and the requirement has now been added to the construction post. The job evaluation process has shown this to be the correct grade for the post.*

Grades

Q: Staff have noted various anomalies in the titles and grades of posts, which they have raised in their own comments. These issues clearly need to be resolved and ring-fences and job descriptions need to show a consistent set of job roles. Similarly, different grades for the same job shown in a variety of documents need to be standardised.

R: *Agreed and have been actioned.*

Q: A number of posts have range-grades. Please confirm whether there is any presumption as to the number of post-holders who will be at each level of the range or whether this will be determined solely by ability. Where ring-fences are being used we are assuming that post-holders will be appointed at their own grade or above, other than where they may have cascaded downwards; please confirm whether this is the case

R: There is no presumption as to the number of staff on each level. Staff will be appointed based on their ability and match against the person specification..

Single Status

Q: It is stated ***"Employees will be allowed to appeal against the job evaluation the first time the post is evaluated using the new GLPC job evaluation scheme."*** Does this mean that staff will be afforded the full right of appeal in respect of any post they are successful in obtaining, since I am not clear whether any of the existing procurement posts have ever previously been evaluated under the GLPC job evaluation scheme. If there is any variation in the appeal rights please provide a full list of the approaches being taken to each post.

Has any work been done on the existing posts to ensure that there are no anomalies that arise from similar roles having historically been on different grades? If this were the case it would reproduce disadvantage for individuals, as they may have been incorrectly ring-fenced.

R: *Post in new structure have been awarded according to GLPC job evaluation scheme and job + job analysis for these post have been forwarded to the T/Us as part of the consultation process.*

We can confirm that there is a right of appeal on posts in the "old" structure but there is no such right in relation to posts in the new structure, in accordance with the local agreement.

We have not so far received any comments regarding job anomalies on existing roles during the course of consultation.

IT Services

Q:: We are advised that some of the IT Functions have now been withdrawn from the process. Please confirm which (if any) posts have been withdrawn and the impact on ring-fences. Does this have any effect on the overall number of posts contained within the new structure?

R: *No IT staff have been withdrawn from the process and therefore there is no impact on the overall number of posts*

Shared Services

Q: A post of Bill Validation Officer is shown as being subject to discussions with the Shared Service partner. We assume that this is Waltham Forest. Please confirm whether these discussions have concluded and whether this post will in fact be available for staff to apply for. We are assuming this is a third post in addition to the two already shown as being subject to assimilation.

R: *Discussions are still in progress with regards the potential for Shared Services, but nothing is yet agreed. This post is shown on the organisation chart for illustrative*

purposes and should our discussions come to fruition, then this would be a new post and subject to the usual appointment procedures. There is currently no budget provision in the structure for this new post.

Recruitment Methods

Q: We note that a standard paragraph has been used to describe the methods of recruitment, which has been lifted directly from the Reorganisation policy. Both staff and Trade Unions would like further detailed information about the recruitment processes for each post and to have the ability to comment on whether these are in fact appropriate. With regards to any tests, these should be job based and examples should be provided to any affected staff so that they may familiarise themselves with the type of test they may expect.

In respect of interviews, staff should be afforded access to any training or support they identify at an early stage. It should be recognised that some staff may not have undertaken interviews or recruitment for a considerable length of time.

In terms of recruitment, sufficient time needs to be set aside in the time-line to provide staff with any support they may require.

R: *Following the approval of the final structure a detailed recruitment timetable will be issued along with full details of the process involved. The selection process will follow the Council's re-structuring policy and guidance.*

There is a range of support for staff available via the Supporting Change pages on Harinet.

Ring-Fence Proposals

Q: As we noted in our opening comments we have concerns regarding the current ring-fence proposals. It would be our expectation that where a number of interchangeable posts exist these would be subject to a ring-fence arrangement rather than the usage of assimilation for some. It has been noted that 13 out of the 15 staff it is currently proposed to assimilate derive from the current Corporate Procurement Unit. We would therefore propose the replacement of some of the assimilations with closed ring-fences across posts of a similar type. It is noted in management's own document that there are changes to all roles. While we would dispute the level of change there needs to be consistency. If through staff movement and VR requests numbers of applicants and posts converge we would propose a process of seeking preferences from staff and if required undertaking closed ring-fences to determine which area staff will be allocated to.

R: *Whilst we note the general comments made above, we have not received any comments from staff or trade unions. putting forward any specific justification on why staff believe they should be considered for the posts that are currently identified for assimilation.*

Q: Closed ring fence for Procurement Contracts Officers across all post holders contained within the current ring-fence and the postholder who it is proposed to slot in for the public realm role. We are proposing a closed ring-fence as opposed to an open ring-fence since detailed analysis of the new roles by staff indicated there is a very close match and that in reality all that has significantly changed is words used to describe activities. I have enclosed under separate cover some

comparative analysis from staff.

R: *The post that is identified for assimilation will have the JD updated to clarify the difference in both responsibilities and knowledge of the construction market. The open ring-fence gives more staff the opportunity to be considered for posts.and is not intended to disadvantage staff and where transferable skills exist training and support will be given. Following feedback from this consultation a former unit closure has now been added to the open ring-fences for the Senior Procurement and Contract's Officer and the Contract's Officer.*

Q: Closed ring-fence for all posts titled Procurement Contracts Managers across the new structure and a withdrawal of the proposed assimilation for two staff.

R: *As a result of consultation the method of recruitment for the Senior Procurement and Contract's Officer in Construction will be changed from assimilation to closed ring-fence for 3 staff.*

Q: We recognise that there may be some cascading required between these two groups but believe the process can be managed to facilitate this with little disruption.

Amendment of the current open ring-fence for Procurement Support Officers to a closed ring-fence. Please clarify the total number of posts with this title. Two post-holders are contained within a closed ring-fence for Vendor & Contract Manager, meaning that there would be in effect five potential posts which were filled leaving two vacancies to be considered for alternative employment options (unless the total of 7 includes the post-holder it is proposed to assimilate in this role for Public Realm.) This post-holder should not be assimilated and should instead be included in the closed ring-fence in order to provide consistency and equality.

R: *There are 7 posts in total with the title of Procurement support officers in the new structure. The officer being assimilated into the Public Realm post has no impact on these posts. It would be the decision of the officers within the closed ring fence for the vendor and contract manager as to whether they wish to be considered for both posts. The open ring is not intended to disadvantage staff and where transferable skills exist training and support will be given.*

Q: Team Leader Transactional Processing assimilation: Is it the case that this post-holder is on PO1 and therefore cannot be considered for the Sc6 roles?

R: *Yes*

Q: Team Leader Transactional Processing closed ring-fence: we have no objection to this proposal and assume that all included are within one grade of the proposed range-grade?

R: *This was an error. Please see appendix 4 where you will now see that this post is listed as an open ring fence. Appendix 5 has now been amended to reflect this.*

Q: Payments Officers: Please clarify why this has been drawn as an open ring-fence as it seems to be more logical to apply a closed ring-fence in common with the proposal for the team leader, particularly as there is a range grade meaning no applicant would be more than one grade up or down from the grade available.

R: *Please see 5 above this is now in line with the open ring fence for the team leader*

Recruitment to Vacant Posts

Q: We would suggest that the expressions of interest for the vacant posts is carried out in advance of other ring-fence interviews occurring, as it may reduce or eliminate the need for these to take place. Is it intended to open up the expressions of interests to all staff covered by the Procurement SFR regardless of current grade?

R: *We do intend to open up expressions of interest in the 3 new posts identified to all staff within the scope of the Procurement SFR. Whilst we initially proposed that the interview timetable be set up as a cascading process to allow the appointed manager to participate in the interviews, we will try to facilitate this request.*

Deployment/Other Options

Q: We are conscious that a broad assessment of 20%+ has been used to include or exclude staff in this process. This low threshold would suggest that there is a high likelihood of staff being included in other processes within their current departments. Where this is the case we would seek assurances that they may chose to either opt into both recruitment processes or to express a preference where they are likely to have more than the Procurement SFR as an option. Furthermore, that where this occurs that staff will not be deemed to have failed to cooperate with the process (we recognise that in the case of staff currently in the CPU this option is unlikely to apply.)

R: *We can confirm that, where staff are included in this SFR and other reviews they may chose to either opt into both recruitment processes or to express a preference where they are likely to have more than the Procurement SFR as an option.*

Yours sincerely

Seán Fox
Branch Secretary

Chris Taylor
Assistant Branch Secretary

Appendix 6

METHOD of Identification	Changed FROM	Changed TO
Consultation	Job title: Procurement and Contract manager	Senior Procurement and Contract officer
Consultation	Remove from Appendix4 and 5 – IT & Telecoms' Manager.	Removed from Appendix 4/5.
Consultation	Job title: Procurement and Contract manager Additional duty added to original JD's for	Senior Procurement and Contract officer **Additional duty of:** To monitor spend against contract values and to take timely action to ensure that service managers are informed and actions taken compliant with E.U. regulations and CSO's to ensure that this is remedied.
Consultation	Job title: Bill validation officers	Energy Administration Officer
Consultation	Job Title: Energy shared service team leader	Energy Administration Team Leader
Consultation	EIA risk log	Expanded to include internal training
Consultation	Job Description Procurement and Contract officers: Additional requirement added to the Person Specification	**Person spec amended:** To include experience of contract management
Consultation	Job description Procurement Admln officer Additional requirement added	**Additional duty of:** Undertake web updating duties as required
Consultation	Job description Procurement Support officers Additional requirement added	**Additional duty of:** Undertake web updating duties as required
Consultation	Job description Purchasing and Contract officers Additional requirement added	**Additional duty of:** Undertake web updating duties as required

Appendix 6

Consultation	Job description Procurement and contract officer (construction) Person spec amended to add additional requirement	**Additional experience added to Person Spec:** Ability and experience of managing right first time procurement projects with minimal supervision
Consultation	Job description Senior Procurement and Contract officer (IT) and (Construction)	**Additional duty of:** To manage procurement projects to Best Practise standards to maximise and maintain the efficiency of the procurement process and ensure Best Value outcomes
Consultation	Job description Programme Manager Additional requirement x 2	**Additional duties added** 1. To manage a team of officers undertaking a diverse range of tasks including implementing and managing E–procurement systems, managing corporate contracts and undertaking the storage, retention and destruction of documents for the team. 2. To ensure that all procurement systems and process are compliant with EU procurement legislation and that all projects being managed through these systems are also fully compliant
Consultation	Changes to appendix 5 Job title amended - Management Information officer	**Job Title changed to:** Information and Document Officer **Recruitment method:**