

## **Member Briefing**

### **Consultants and Interims**

**8<sup>th</sup> October 2014**

### **Analysis of Interim & Consultant List at 3<sup>rd</sup> October 2014**

#### **Haringey Definitions**

**Interim** - paid on a daily rate and who is contracted via a recruitment agency and is someone who is covering vacancy in an established post in the council.

**Consultant** - paid on a daily rate and who is contracted via a recruitment agency. This person is someone who is providing additional expertise and support to either one of the corporate transformation projects OR providing additional senior capacity for a specific piece of work (ie not covering an established post or working on a transformation project).

Interims and Consultants are provided through a properly procured London Wide Framework and comprises of four recruitment agencies who are Penna, Odgers Berndtson, Hays and Gatenby Sanderson.

**Consultant Firms** – Firms who provide consultancy advice, skills and experience. These firms are procured through appropriate procurement procedures and are paid a fee in accordance with the contract for specific deliverables specified in the contract.

**Agency Staff** – paid largely on an hourly rate but sometimes on a daily rate. More usually these are people covering an established post or a specific piece of short term work at the lower grades.

Agency Staff are provided through a recruitment company called Hays (who are also able to provide consultants & interims)

The Consultants & Interims list DOES NOT include contracted consultant firms.

#### **Analysis of Consultants & Interims**

In 2011, an internal audit report made a number of recommendations to improve the way that consultants and interims are used and managed in the organisation. These recommendations have been implemented. It is fair to say that consultants and interims have not always been managed as closely as they should be however the current management team are providing significant resources to ensure we are utilising interims & consultants appropriately and that their contracts and process are managed effectively.

The Chief Operating Officer (with the AD HR) has provided an up to date list of consultant & interims and have put in place appropriate resources to manage these contracts going forward.

#### **The Detail**

## **Compliance with the Frameworks**

Our analysis has found that 80% of the interim/consultants on the list are contracted via our approved recruitment agencies. The remaining 20% (13 people) are currently provided by a variety of other suppliers, most of whom supply only 1 or at most 2 people. There will be a small number of occasions where we may need to go to recruitment firms outside of our approved list (where a specialist is needed and the approved suppliers are unable to supply) however generally, we require our managers to use the approved supplying agencies. We are working with our managers to ensure that the number of people contracted outside of our approved suppliers is reduced.

The Consultants & Interims List shows the details of all those people hired as an Interim or a consultant. The list has been split into three parts;

- Interims covering an established post
- Consultants hired to work in our transformation programmes
- Consultants who are providing additional capacity.

A summary of the List is shown in the table below

	<b>Interims</b>	<b>Consultants covering Transformation Projects</b>	<b>Consultants providing Additional Capacity</b>	<b>Total</b>
Total number at 01.10.14	27	18	20	<b>65</b>
Number contracted less than 6 months	4 (15%)	3 (16%)	0	<b>7 (11%)</b>
Number contracted 6 months to 1 year	12 (44%)	7 (38%)	12 (60%)	<b>31 (48%)</b>
Number contracted 1 to 2 years	7 (26%)	5 (28%)	6 (30%)	<b>18 (28%)</b>
Number contracted for more than 2 years	4 (15%)	3 (38%)	2 (10%)	<b>9 (13%)</b>
Average day rate	£486	£570	£438	<b>£494</b>
Actual Cost in 1 year	£2,627,212.00	£1,774,088	£1,748,006	<b>£6,149,306</b>
Interim cost off set against established posts	£533,070.39			
Cost in one year with Interim cost off set				<b>£5,616,235.70</b>
Off contract spend	£128,556	£137,963	£202,160	<b>£468,679 (7.6% of total actual spend)</b>

## **Management of Contracts**

The number of consultants / interims has reduced in the last month by 20 people as a result of the work undertaken in the last month.

42% are interims covering established posts, with 70% of these providing continuity of service pending a restructure of the area in which they are placed. As recruitment plans come to completion, these people will be replaced by permanent staff with the resulting reduction of costs.

The number of consultants in each of the main areas is as follows:

	Interim	Transformation Projects	Additional Capacity
COO	13	13	8
DCE	14	1	7
Regeneration	0	4	5

### ***Replacing Interims with substantive staff***

70% of Interim workers have active recruitment plans in place to ensure recruitment takes place over the coming months. 11 roles currently covered by an interim have no plan for the following reasons;

- The individual is covering long term sick leave
- One post is due to be deleted at the end following the completion of a restructure
- The remaining are awaiting the outcome of IT design work to ensure the move to the Support Service Centre takes place

In future, we will be ensuring that every interim joins with a recruitment plan already in place.

### ***Services with specific recruitment issues***

#### ***Children's Services***

There are significant issues with recruitment to established posts in the Children's social work area. This is a national issue. There are a number of issues, highlighted below.

**1. Achieving High Quality Performance-** Children's Services had a number of core (managerial) performance issues which has meant that many senior managers have moved on, we have been vigorously trying to recruit to Heads of Service posts.

**2. The Social Work recruitment market:** all are hard to recruit to posts, given the legacy and reputational issues associated with Children's Services, let alone the fact that regional demand for good quality social workers and managers far outstrip supply. However, we have taken robust steps over the past few months speed up our recruitment process and improved all aspects of recruitment.

**3. Managing Well:** monthly clinics have been established with all tiers of management and together with our Human Resources lead, these are in place to tackle agency usage and reduce absence. Some London councils have reported up to 40% agency staff usage, Haringey is currently running at circa 10%.

**4. Retention & Performance Management Improvement:** the DCS launched a First line managers programme in July 2014 aimed at improving and developing core managerial and practice skills.

**5. The Social Work position:** We have a Frontline Social Work Programme (like Teach First), a fast track social work recruitment process in place and we had several new starters 2 weeks ago. Through service transformation, improving our practice and case planning and reducing the number of Looked After Children, we will in time, require a reduced number of social workers, but, this systems and embedding of good practice, will take some time

**6. Ofsted and expected requirements on workloads:** Ofsted is very stringent on the

number of cases a social worker can hold. To ensure compliancy and safety, we must have the requisite number of social workers. Newly qualified staff have an even stricter and more reduced caseload for their first post qualification year.

**7.Preparation for Ofsted:** We had a number of areas to quickly improve and needed to buy a higher level of expertise in some areas

### ***ICT***

Consultants are providing additional capacity for the Council's Business Infrastructure Programme which includes transitioning IT Services into the Support Service Centre (SSC) for which the current date is April – June 2015.

Some of the posts in IT currently covered by contractors (e.g. project support) may not be required in the SSC and so any recruitment is on hold until the future structure of IT has been determined.

There are also a number of technical skills that are hard to recruit in the market (e.g. Citrix) and contractors are being used to provide these skills whilst internal staff are trained to cover these roles – provision of these hard to recruit skills will be reviewed as part of the transition into the SSC.

### ***Off Contract Spend***

Engaging staff via the approved suppliers ensures the Council gets 'value for money' through preferential, pre-negotiated mark-up rates on each engagement and also as a framework contract, removes the need to potentially carry out a tendering exercise on each consultant / interim role, making the process more efficient for the Council.

Considerable work has recently been undertaken within the Children's Services to reduce the number of senior managers and social workers engaged via off-contract spend. 28 workers have recently been transferred to the Hays Framework, giving the Council approximately £60,000 in annualised savings due to reduction in mark-up rates. Over the next few weeks, all other off contract spend will be reviewed in conjunction with Procurement.

### ***Corporate Transformation Programmes***

61% (11 people) of consultants who are working on a corporate transformation project are working on the B.I.P project. The remaining 7 are working on the following:

- 3 working on the Tottenham Regeneration project,
- 1 on the Customer Services Transformation
- 2 working on Traded Services
- 1 working on the Housing Unification project

### ***Contract Length***

The average contract length across all three categories is 15 months. There are several people who are due to end their contracts between now and the end of the year and as Interims are replaced by substantive staff, the average length of contract will reduce.

### ***Future management of contracts***

The Chief Operating Officer and the AD HR are developing a more formal process to manage spend in this area. A high level summary of the proposed process is attached.