

REPORT OF OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE:
INTERIM MEASURES RESOURCES

EXE120808
ITEM 6(C)

LEAD MEMBER: Cllr P Connolly, Chair, Overview and Scrutiny Management Committee

LEAD OFFICER: Neil White, Scrutiny Support Officer

REPORT AUTHOR: Neil White, Scrutiny Support Officer

SUMMARY: Six members of the Council (Cllrs P Connolly, R Pitt, Mrs Y Clarkson, J Kane, P Whalley and C Whiteside) exercised their right under Overview and Scrutiny procedure rules to call in the Executive's decision of 15 July 2008 (EXE/08/0027) on the Interim Measures Resources. This report gives the findings and recommendations made by the Overview and Scrutiny Management Committee in respect of their enquiries.

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| RECOMMENDATIONS: | That the recommendations made in section 2 be accepted. |
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1. INTRODUCTION

- 1.1 The Committee met on 5 August 2008 to consider evidence.
- 1.2 The Committee considered the following written evidence (Appendix "A"):
- Definition of Interim Managers
 - Applicable part of the Council's Recruitment and Selection Policy
 - The Council's Application for Financial assistance for Study Purposes
 - BBC Article – Agency staff to get equal rights
 - Copeland Borough Council non permanent employees at 05 August 2008 (This shows the amount of staff that are employed directly by the council on temporary or fixed term contracts. It does not show agency or interim staff that are employed through other means such as through an agency).

The Committee heard four hours forty five minutes of oral evidence from five witnesses.

2 RECOMMENDATIONS

The Committee agreed to ask the Executive:

(A) not to implement this decision until the following safeguards have been put into place so that the process of recruitment of agency/interim staff is coordinated and accountable with clear lines of control:

- (1) When agency or interim staff are employed the relevant Manager informs Human Resources of the appointment and informs Accountancy of the amount of payment to ensure it can be correctly coded,

(2) A regular report is submitted to Corporate Team and the Executive on the numbers and costs of appointing agency and interim staff throughout the council so that the costs can be more closely monitored,

(3) A similar process be undertaken where firms are contracted through a procurement method to undertake work where there is a shortage of staff in a department to do that specific work,

(B) to advise Corporate Team:

(1) of its disappointment that the lack of control and accountability has not been addressed,

(2) that it will be expected to consider trends as part of the monitoring report referred to in (A) (2) above and advise the Executive and the Personnel Panel on the appropriate deployment of agency/temporary staff to ensure value for money as well as ensuring sufficient service provision,

(3) that as part of this value for money consideration the costs of employing such staff should be closely controlled to keep costs down such as the payment of accommodation and evening meals for interim staff,

(4) that it will expect, in line with the recent Audit Commission report, that a means for measuring the effectiveness of addressing equality and diversity within the recruitment of interim/agency staff be implemented so that it can be closely monitored and problems resolved if need be,

(5) that such a long suspension of standing orders is not an appropriate use of standing orders and a review of contract standing orders should be undertaken to ascertain whether it is possible for there to be more flexibility in the £10,000 threshold so that it is not tripped retrospectively for recruitment cases,

(C) to request Human Resources to investigate for general recruitment problems:

(1) closer working with the University of Cumbria and Sixth Forms in Copeland to encourage students to take courses in areas where there are shortages such as Regeneration,

(2) a system to encourage those candidates who were a close second in a job interview to reapply for another job at the council,

(D) to note that the relevant Overview And Scrutiny Committee will want to consider the progress of the Housing Action Plan and the Regeneration Delivery Plan in January 2009.

3 KEY POINTS

During the witness session the following key points were considered:

1. Officers were not able to confirm how many agency and interim staff were employed by the council.

2. Officers were not able to confirm how much employing agency and interim staff was costing the council.
3. No one officer or department was accountable or monitoring these costs.
4. The Committee was of the opinion that the council seemed to have too many interim and agency staff but without this information it was not possible to quantify this or benchmark against other similar authorities to work out if the council's use or costs of agency/interim staff was acceptable or not.
5. Human Resources does not necessarily get directly involved in the recruitment of agency workers or interns.
6. The recruitment is handled by the relevant department and Human Resources may or may not be informed.
7. Accountancy does not have a separate coding for agency/interim staff.
8. Human Resources does not get involved in ensuring that agency/interim staff receive induction training particularly equality and diversity issues. It is expected that the relevant managers will give this training.
9. This no specific council policy on the recruitment of agency workers.
10. The Council disbanded its previous graduate training scheme as part of the 2004/5 restructure. There is no formalised relationship between the council and the University of Cumbria. The Council is participating this year in a joint project linked to the national Local Government Graduate Scheme.
11. There are no specific performance indicators that measure the actual impact of equality and diversity training in the work place.
12. Contract Standing Orders are there to give guidance to officers on how to proceed in certain circumstances. Where contracts are estimated to have a value of more than £10,000 and up to and including £50,000 officers have to obtain no less than three tenders, prices or quotations in writing.
13. In recruitment cases this could be tripped retrospectively as an interim staff could be needed for longer than originally anticipated due a delay in recruiting a permanent member of staff.
14. Each manager has flexibility to manage their own budgets. They can keep posts vacant to cover costs. The regular Budget monitoring to the Executive should show such variances.
15. Good audit practise would be for managers to input the correct code for the amount of agency and interim staff so that the expenditure could be overseen.

16. Interim and agency staff are best employed when there is a specific set of deliverables for that member of staff to deliver on and can be judged on their ability to do so.
17. Interim or agency staff could fill short term needs where there are peaks and troughs in the council's work loads. It could provide flexibility where the permanent process is expensive and long winded.
18. One particularly good example of this is the use of the Planning Delivery Grant to fund officers to deal with specific projects over a year or two.
19. There are national shortages in Regeneration, Planning and Housing staff.
20. Some interim staff have the cost of overnight accommodation and evening meals paid as part of their contract.
21. The Council's Procurement Strategy states that procurement should take account of the balance of cost, quality and impact on strategic objectives and choose the options, goods or services which provide the best overall value to the citizens of Copeland.
22. A system of procurement that is coordinated and accountable with clear lines of control should be led from the top of the organisation and have someone responsible for monitoring and checking progress.
23. Contracts should include appendixes that deal with the Council's equality and diversity requirements and contractors need to comply with these.
24. The Executive had been concerned with the recruitment problems and saw the relaxation of the contract standing orders as away of getting over this problem. They would not expect this to be a permanent situation and would want to be sure that departments were staying within their set budget.
25. The Committee were told that there is a problem in recruiting permanent staff to Copeland yet noted that the posts in Regeneration and Housing, once an action plan and a structure was agreed, has happened quickly and that all the permanent senior posts are going to be filled.

Copeland Borough Council

Non-permanent Employees @ 05 08 08

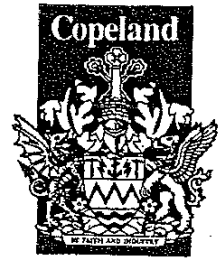
| | |
|---|--|
| Total Workforce Headcount | 382 |
| Job-share | 7 jobs (14 employees) |
| Non-permanent employees: | |
| Leisure & Environmental Services | 31 Fixed-term (includes seasonal staff) 4 Temporary |
| Policy & Performance | 1 Fixed-term 1 Temporary |
| Finance | 1 Fixed-term |
| Legal & Democratic Services | 1 Fixed-term |
| Regeneration | 9 Fixed-term |
| Customer Services | 7 Fixed-term |
| Public Service Delivery | 3 Fixed-term |
| <u>TOTAL</u> | <u>58</u> |

"Finders' Fees"

So-called "Finders' Fees" charged by agencies where the Client recruits the agency worker as a permanent employee range typically from 5% to 10% of the annual salary of the post they are recruited into. Often, in practice, agencies which have on-going business relationships with Clients are open to negotiation of the fee in the interests of good will.

LWG 05 08 08

COPELAND BOROUGH COUNCIL



APPLICATION FOR FINANCIAL ASSISTANCE FOR STUDY PURPOSES

Name:
Address:
Directorate: Post:

Details of Course/Qualification you wish to undertake

Title:
Length of Study: Method of Study:
College/Institute:
Approximate Cost (If Known):

I understand that, if the Council agrees to pay for this Course it does so on the condition that I will:

- 1) Satisfactorily complete the Course;
- 2) Remain within the Authority (or another local authority) for the duration of the Course and for a further two years from the date of my qualification, and that if I do not, I may be required to repay all monies paid in respect of fees on my behalf;

I agree to be bound by this condition, and in the event of any money owing, it being deducted from my salary or wages.

Signed:(Employee) Date:

Agreed By:(Director) Date:

Agreed By:(Personnel Officer) Date:

Interim Management

Interim Managers are generally used to undertake assignments, often with change management as the common theme. Typically, assignments broadly fall into two categories - Project or Programme Management and Gap Management.

Project/Programme Management - Interim Management as an alternative to retaining a management consultancy

Interims are often used in this context when:

- The Client is planning to undertake a strategic or tactical project and is broadly clear on what needs to be achieved but the organisation does not possess the relevant knowledge and proven skills to deliver. Assignments range from tactical project management to full business transformation.
- The Client needs a person to lead programmes to create or extend shared services; manage outsourcing (UK and offshore); carry out merger and acquisition due diligence to integration; facilitate and lead restructuring; organise relocations; implement new technology, risk and regulatory systems.

Gap Management - Interim Management, the alternative to hiring on a permanent basis

Interims are often used for "gap management" where:

- The Client has a vacant leadership role in a function or business area, which can have been created by a variety of different circumstances - promotion, secondment, restructure, resignation, peaks of activity, maternity leave or health related issues. The client does not have the in-house resource capable of undertaking the role and progress must not be lost.
- The Client requires a suitably qualified and experienced individual to fulfil the brief to recover, accelerate or maintain momentum, and for the exact period required. The Interim Manager can also help to hire the replacement, mentor and coach the team.

Perceived advantages to the Client of the use of Interims in these situations include the simplicity of the contract, and the Interim Manager's relevant experience and focus on delivery.

1. INTRODUCTION

The success of any organisation relies on having the right number of employees with the right skills and abilities at the right cost. Recruitment of employees is part of every manager's job and is a combination of adopting good practices, following organisational policies and procedures and adhering to specific legal requirements. This document details the policy and the different aspects of the recruitment and selection process within Copeland Borough Council.

2. COPELAND BOROUGH COUNCIL'S RECRUITMENT AND SELECTION POLICY

Copeland Borough Council aims to maintain a competent, flexible, quality-conscious and cost-effective workforce. It will select the best available person for each vacancy, regardless of sex, race, colour, religion, ethnic origin, age, disability, sexual orientation or membership or non-membership of a trade union.

The Council's recruitment and selection procedures will provide a fair, systematic and reliable basis for selecting the most suitable candidate for any given vacancy. It will give all employees opportunities to develop their careers and achieve their work potential. In filling any vacancy, unless otherwise agreed, applications from suitably qualified internal candidates will initially be considered.

All candidates will be required to follow selection procedures to assess their suitability against a range of specified criteria identified in the job profile.



Agency staff to get equal rights

Agency workers will be given the same employment rights as permanent staff after 12 weeks under proposals agreed between the government and unions.

Ministers plan legislation this autumn to guarantee agency staff equal treatment but this depends on a similar EU directive being passed before then.

Unions, which have campaigned for the measure for years, said the agreement offered much stronger legal protection.

Employers groups described the agreement as the "least worst option".

Political pressure

There are estimated to be about 1.4 million agency workers in the UK.

The breakthrough on agency workers' rights came after fierce wrangling between unions and employers and amid growing pressure by Labour MPs on ministers to broker a deal.

Under the proposals, agency workers will be given equal pay and holiday entitlements after 12 weeks in a job.

However, the agreement will not cover sick pay or pension payments while temporary staff will have to work the same length of time as full-time workers to enjoy paid maternity leave.

It will give people a fair deal at work without putting their jobs at risk
John Hutton, Business Secretary

Employers groups, led by the CBI, had lobbied for a period of at least six months arguing that it could lead to firms taking on fewer employees or even letting staff go.

Prime Minister Gordon Brown has said a situation in which agency workers can be paid less for doing the same job as full-time staff is "unfair".

There has been intense pressure from Labour backbenchers over the issue with more than a third of MPs, including John Prescott and Peter Hain, backing a private members' bill on agency workers rights in February.

The proposals hinge on an Europe-wide agreement on agency workers' rights.

EU members are currently debating legislation on the issue and a number of key issues remain undecided. Only when Brussels passes a directive will the UK government be able to put forward "implementing" legislation of its own.

'Fair deal'

Ministers said Tuesday's agreement was the "right deal" for British industry.

"The agreement achieves our twin objectives of flexibility for British employers and fairness for workers," said Business Secretary John Hutton.

"It will give people a fair deal at work without putting their jobs at risk or cutting off a valuable route into employment."

Too many agency workers in the UK face unfair treatment and injustice

Brendan Barber, TUC General Secretary

The TUC said the issue had been "crying out for attention for far too long".

"Too many agency workers in the UK face unfair treatment and injustice," said general secretary Brendan Barber.

"The agreement now opens the door to the much stronger legal protection that agency workers deserve, as our Commission on Vulnerable Employment so graphically highlighted."

The CBI said half of agency placements lasted fewer than 12 weeks, meaning that firms would be protected while trying to fill short-term vacancies at busy periods.

"The government's proposals represent the least worst outcome available for British business," said John Cridland, CBI deputy director-general.

"Agency work is good for temps and for the firms that use them and forms a central plank of the flexible labour market that is so important to our country's prosperity."

One employment analyst said the proposals threatened to burden business at a time when it was feeling the strain of the economic slowdown.

"It would make our labour market less flexible, threaten existing jobs and make it all the more difficult to stave off recession," said Mike Stevens, head of support services at professional services firm KPMG.

Story from BBC NEWS:

<http://news.bbc.co.uk/go/pr/fr/-/1/hi/business/7410127.stm>

Published: 2008/05/20 11:43:07 GMT

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