

## Report to Cabinet

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<b>Title:</b>	<b>Hays Recruitment Review</b>
<b>Date:</b>	11 January 2010
<b>Author:</b>	Peter Hardy, Chairman of the Hays Recruitment Task and Finish Group
<b>Contact officer:</b>	Sara Turnbull (x2876)

### Hays Recruitment Review: Public Summary

#### **Background to the report**

1. A Task and Finish Group was established by the Overview and Scrutiny Commissioning Committee (OSCC) to undertake a review into the Hays contract. The OSCC appointed the following members Peter Hardy (Chairman), Mary Baldwin, Noel Brown, Tim Butcher, Dev Dhillon, Wendy Mallen, Freda Roberts and Richard Scott.
2. The evidence-gathering took place between September-December 2010. Two evidence-gathering meetings were held with Ann Cobban, Head of Human Resources, and Gillian Hibberd, Strategic Director for Resources. The Task and Finish Group also heard a presentation from Richard Hall, Head of Resources at Hertfordshire County Council, about his council's experiences of outsourcing the whole recruitment service.
3. In addition, the Task and Finish Group also:
  - held meetings with Hays and BCC Human Resources managers;
  - conducted research into practice at other councils and the private sector; and
  - interviewed users of the recruitment services across the council's service areas.

Attached for background information is the report scope as set out in Appendix one. A list of the evidence-gathering is at Appendix two.



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## **Recommendations**

**Recommendation 1:** In any future letting of a recruitment contract, change management processes should be more thoroughly considered and a detailed and robust implementation programme agreed with the supplier.

**Recommendation 2:** In any future letting of a recruitment contract, suppliers' pricing models should be robustly challenged.

**Recommendation 3:** The County Council should ensure that any new recruitment contract includes sufficient flexibility to respond to changing market conditions or need. This should include testing the potential suppliers pricing models and approach to risk to ensure that they are robust enough to respond to changing market conditions.

**Recommendation 4:** The County Council urgently needs a "Plan B" to ensure that contingency plans are in place to run the recruitment service if the Hays contract were to come to an end.

**Recommendation 5:** In any future letting of a recruitment contract, the County Council should ensure that sufficient weighting is given to using suppliers that are experienced in delivering a complex product, which is the case with public sector recruitment. It is also important that the County Council checks references to ensure that they are applicable to the specific recruitment requirements of the Council.

**Recommendation 6:** The County Council should ensure that any new recruitment contract includes Key Performance Indicators (KPIs) that are simple to understand and easy to measure.

**Recommendation 7:** There should be a stronger governance structure and processes in place to manage the current and any future recruitment contract. This should include having an effective strategic board that undertakes formal and regular contract monitoring, with Cabinet Member or Spokesman representation.

**Recommendation 8:** The governance arrangements for managing the recruitment contract should include clear procedures for escalating issues upwards, to the Strategic Director and Cabinet Member or Spokesman responsible, if the contract requirements are not being met.

## Appendix One: Scope

Subject of the Review	Hays Recruitment
Chairman	Peter Hardy
Review members	Dev Dhillon, Wendy Mallen, Richard Scott, Tim Butcher, Noel Brown, Mary Baldwin, Freda Roberts
Officer contact	Claire Street (x7960)
Purpose of the Review (Reasons for undertaking the review, including where the ideas have come from)	<ul style="list-style-type: none"> <li>• To understand the objectives set out in the New Ways of Recruiting contract - both financial and operational</li> <li>• To understand if the objectives set out in the tender document are being met, whether the quality of service has improved and, in particular, whether the financial objectives are on track</li> <li>• To examine to what extent risk in delivering the service has been transferred to Hays</li> <li>• To identify good practice in recruitment from other organisations (public and private sector) and to review the contract against emerging recruitment strategies</li> <li>• To take a view on the overall benefits of the contract to the Council.</li> </ul>
What is the potential impact of the review on <ul style="list-style-type: none"> <li>• Residents</li> <li>• Equality issues, e.g. access to services, vulnerable groups</li> <li>• Health inequalities</li> <li>• Adding value to the organisation</li> <li>• Partners</li> </ul>	<ul style="list-style-type: none"> <li>• If the contract is functioning as set out in the tender document and contract then the Council will have a high quality recruitment service being delivered at a lower cost than when it was provided in-house</li> </ul>
Link to Council Corporate Plan priority	Deliver Effective and Efficient Services
Consideration of Local Area Agreement targets	None
Link to Sustainable Community Strategies outcomes	None
Key Issues for the review to address	To find out how the Contractor has performed against

	the requirements of the contract in the first year
Methodology	<ul style="list-style-type: none"> <li>• Desk based research</li> <li>• Benchmarking with other local authorities, public sector bodies and the private sector</li> <li>• Evidence gathering meetings</li> </ul>
Press & Publicity	<ul style="list-style-type: none"> <li>• Press release to advertise the outcomes of the review</li> </ul>
Key background papers	Hays Recruitment Contract Cabinet Member Decision and associated appendices
Use of demographics/ needs data	N/A
Written evidence to be provided by:	Public and private sector organisations, Ann Cobban - Head of Human Resources, BCC, Frank Downes – Cabinet Member for Resources
Oral evidence to be provided by:	Ann Cobban, Deborah Andrews - Senior Project Accountant, BCC Heads of Service and officers directly using the Hays service, Hays Client Manager
Potential partners	None
Resources required	Policy Officer Democratic Services Officer Support
Timetable	September- December 2010
Reporting mechanism	Overview and Scrutiny Commissioning Committee- December 2010 (provisional) Cabinet - January 2011 (provisional)

## Appendix Two: Evidence process

### *Task and Finish Group meetings<sup>1</sup>*

Tuesday 21 September 2010	Meeting held to agree the review scope.
Tuesday 26 October 2010	The following people attended: Ann Cobban, Head of Human Resources Patricia Hook, Senior Procurement Manager Sue Oswell, HR Manager Recruitment Compliance Deborah Andrews, Senior Project Accountant
Tuesday 23 November 2010	The following people attended: Gillian Hibberd, Strategic Director Resources and Business Transformation Richard Hall, Head of Resourcing, Hertfordshire County Council

### *Additional meetings*

- Mrs M Baldwin and a Finance Customer Support Manager, Resources and Business Transformation
- Mrs F Roberts and a Team Manager, Safeguarding, Children and Young People
- Mr P Hardy and a Team Leader, Adults and Families Wellbeing
- Mr N Brown and a Senior Legal Assistant, Legal Department, Resources and Business Transformation
- Mrs W Mallen and a manager in property services, Resources and Business Transformation
- Mrs W Mallen and a team manager, Children's and Young People's Services
- Mr P Hardy and Sue Oswell, Human Resources Manager—4 October 2010.
- Mr P Hardy and Gillian Hibberd, Strategic Director for Resources and Business Transformation—8 October 2010
- Mr P Hardy, Mrs M Baldwin and Ann Cobban, Head of Human Resources, and Tina Millis, Senior Client Director—9 November 2010

### *Written evidence*

- Essex County Council
- Portsmouth City Council
- Westminster Council
- BMW group UK
- Virgin Media
- Tesco
- QBE Insurance (International business insurance company)

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<sup>1</sup> The minutes of these meetings are available to view at [www.buckscc.gov.uk/moderngov](http://www.buckscc.gov.uk/moderngov)

