

Committee: General Purposes Committee

Date: 17 September 2014

Wards: All

Subject: Follow up actions to Ernst and Young report - "Review of anonymous whistleblowing statement"

Lead officer: Dean Shoesmith, Joint Head of Human Resources

Lead member: Cllr Mark Allison

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Recommendations:

1. To note progress made in response to the recommendations 1-7 set out in the Ernst and Young report "Review of anonymous whistleblowing statement" considered at the 12th March 2014 meeting of General Purposes Committee.
 2. Attached as appendix 1 to the report is the current position regarding interim appointments in the Council for Members to note.
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1. Purpose of report and executive summary

- 1.1. At its meeting on the 12th March 2014 the Committee received a report from the Council's external auditors Ernst and Young "Review of anonymous whistleblowing statement".
- 1.2. A further report was considered at the 26th June 2014 meeting and this report provides Members with an update of key actions taken by officers and the monitoring data of all current interim appointments

2. Details

- 2.1 The Committee considered Ernst and Young's report on their investigation into whistleblowing allegations on the 12th March 2014. Following approval of the recommendations made by the auditor officers have been developing actions to address these issues and this report provides an update for Members. An update is provided below taking each of the original recommendations (shown in bold below) in sequence.

- 2.2 **Recommendation - that officers should report all prospective interim and consultancy positions to HR and that HR should be responsible for maintaining a central database of all prospective and live roles filled by interim and consultancy appointments; and that a mechanism is built in to allow monitoring of this register at Member level;**
- 2.3 Work has been undertaken for all interim and consultancy positions to be captured by HR. At the 26th June 2014 Committee, a summary of those positions was reported to Members and a further update as at 8th September 2014 is provided through this report – see attached as Appendix 1.
- 2.4 Moreover, work is also being undertaken by HR with the Council’s agency work supplier, Comensura, to develop electronic systems to support the maintenance of the central database that will allow reporting and analysis of the various types of interim and consultancy positions. At present the system is being developed in order to achieve a single database for the purpose of monitoring interim appointments and also to have one, unified, authorisation process embedded within the system – whether for new appointments or for the six-month extension review (as previously approved by Members), to be reported when ready as part of the quarterly Financial Performance reports to Cabinet and the Financial Monitoring Task Group.
- 2.5 **Recommendation - HR should challenge departments on their use of long term interim appointments, the rates which are being paid and ensure that external recruitment is considered.**
- 2.6 The new business case review and approval process was agreed at the 26th June meeting of the Committee and the Comensura system is being developed to embed such approvals as standard procedure. Appendix 1 details the current status of attempts to permanently recruit to roles currently filled by consultants.
- 2.7 **Recommendation 4 - HR should be involved in any recruitment process, including the recruitment of interim managers.**
- 2.8 Arrangements are in place for HR to be involved in all interim appointments and the single database provides a means of HR taking an overview of such appointments, together with the means to ensure compliance. HR will continue to work with Department Management Teams to ensure that the management of costly consultant usage is justified and adds business value. The collation of a central Register, updated on a monthly basis, will provide the visibility necessary to challenge long term consultant usage and spend.

- 2.9 By far the largest group of interim workers are “on contract” agency and interim staff appointed through the Council’s corporate contracts (Comensura and the London Boroughs’ Recruitment Partnership) for the supply of agency staff. These are all engaged with the involvement and oversight of the HR function with a data base which supplies monthly reports to Council managers. Comensura provides agency workers at all levels and occupational categories up to senior manager level and the London Boroughs’ Recruitment Partnership provides senior managers on an interim basis from a preferred suppliers’ list of four executive search agents. In both cases there are requisition and approval processes in place that hiring managers need to follow with appropriate controls, including the reasons for the hire and the business case for such hire.
- 2.10 In the week beginning 8th September 2014 the Council employed 178 interim workers (paid over £30 per hour) through its agency contracts.. 178 interim positions represents 8.4% of the total non-schools workforce (headcount as at 1 September 2014 being 2,103) Of the 178 positions, 65 are currently the subject of active permanent recruitment (see Appendix 2), and the other 112 will be reviewed in accordance with the new review and authorisation requirements. It should be noted that not all interim positions cover permanent jobs – other reasons include: maternity leave, secondments, sickness leave and specific time-defined project work. Wherever possible the Council seeks to transfer suitable staff from temporary to permanent status, subject to the usual recruitment policy requirements. Particular work is currently being developed in Children Schools and Families for children’s social workers to move from temporary to permanent status, where possible. Appendix 1 refers to the detail and composition of the interim workforce. Of these 178 interim workers, 75% are engaged through the corporate contracts -that is Comensura and the London Boroughs’ Recruitment Partnership (LGRP). The remaining 25% are drawn from other suppliers where supply has not been possible through the main corporate contracts. In terms of controls, hiring managers need to demonstrate that they have sought to source suitable candidates from corporate contracts before approaching other “off-contract” suppliers. Further controls require hiring managers to seek approval to placement extensions after six months.
- 2.11 The Consultants’ Register enables the HR function to record every interim role from authorisation and report to Directorates on the number of interims appointed in each of the four ‘sourced’ categories of Local Government Recruitment Partnership (LGRP); Comensura; self-employed and ‘off contract’.

- 2.12 This is being done in the short term until the Council-wide establishment exercise is completed within iTrent to be able to give a comprehensive view of the workforce of the Council for managers and Members. At present the establishment reconciliation process is making steady progress to ensure that budgets, establishment data, vacancies and structures are all aligned. The process is 99% complete for Corporate Services, 80% complete for Children Schools and Families, 20% complete for Community and Housing and yet to commence for Environment and Regeneration .
- 2.13 **Recommendation 5 - The Council should review its interview process and its policy on the number of interviewers required, including in relation to the appointment of interim managers.**
- 2.14 Members approved at the 26th June 2014 meeting of the Committee changes to the current procedure to explicitly state that it applies to any recruitment process, including the appointment of interim managers. This has been updated in light of Members' approval and is available on the Council's intranet for guidance and reference.
- 2.15 **Recommendation 6 - The Council should review its policy on declarations of interest to include personal friendships.**
- 2.16 Members approved changes to the Council's "Managing relationships at work" policy to ensure that an emphasis was placed on avoiding personal bias in the appointment of all interim positions. Since Members' approval further work has been undertaken with an external employment law specialist, Moorhead James LLP, and with emphasis on avoiding conflicts of interest. This will be implemented after presentation to the Corporate Management Team on 23 September 2014 subject to any comments or amendments that might arise.
- 2.17 **Recommendation 7 – The Council should communicate to all officers any revisions it makes to its procurement procedure.**

Interim measures, including the maintenance of the new database, and policy changes have been made. As covered above, work is also being undertaken to embed as standard procedure a single authorisation process in the Comensura, C-Net, system. In order to assure officer compliance the new policy guidance and authorisation process approved by Members will be embedded via the C-Net system and will be delivered no later than December – see 4.1 below.

3. Consultation undertaken or proposed

- 3.1 Consultation has been undertaken with various officers including the Assistant Director Legal and Corporate Governance Joint Head of Human Resources. The purpose of this consultation has been to agree a consistent approach to defining and approving the procurement of interim workers for the Council. Changes to this approach will involve on-going engagement with relevant senior managers.

3.2 Further consultation is being conducted with managers to be able to rollout the new procedures to support their understanding and compliance

4. Timetable

4.1 Work to develop a single, electronic database and authorisation process within the Comensura system, C-Net, is progressing and it is anticipated this should be ready to go live by December 2014.

5. Financial, resource and property implications

5.1 There are no specific financial implications arising from the actions contained in the report.

6. Legal and statutory implications

6.1 There are no specific legal implications arising from the report

7. Human rights, equalities and community cohesion implications

7.1 The amendments to the Council's HR policies will improve confidence in the Council's HR recruitment procedure and the maintenance of the interim position database the means to ensure compliance.

8. Crime and Disorder implications

8.1 None

9. Risk management and health and safety implications

9.1 These are detailed in the Ernst and Young report.

10. Appendices – the following documents are to be published with this report and form part of the report

10.1 Appendix 1 - Summary data of the Council's current interim positions (to follow)

11. Background papers

11.1 Reports of 12 March and 26th June 2014 to General Purposes Committee

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