

Committee: General Purposes Committee

Date: 6 November 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 further 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. Further reports were considered at the June and 17 September 2014 meetings. This latest report provides Members with an update of key actions taken by officers and the monitoring data of all current interim appointments (attached as Appendix 1)

2. Details

- 2.1 The Committee considered Ernst and Young's report on their investigation into whistleblowing allegations on the 12th March 2014. The recommendations and subsequent further actions are set below
- 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 Appendix 1 attached to this report sets out the latest data for all types of interim placement across the Council, shown by department. The appendix has been reformatted from the last report to the Committee and includes details of plans for permanent recruitment.
- 2.4 On-going systems development work to capture the data in the C-Net system is being undertaken 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). At present the trajectory is for this system development to go live in December 2014 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. Estimated go live timeframe for making the changes within the C-Net (Comensura) system is by the end of December 2014, if not sooner.
- 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
- 2.9 The trend continues with by far the largest group of interim workers being “on contract” agency and interim staff appointed through the Council’s corporate contracts for the supply of agency staff. These are all engaged with the involvement and oversight of the HR function with a data base that supplies monthly reports to Council managers.
- 2.10 As at 29th September 2014, the Council employed 143 interim workers at £30 per hour (or more) compared to 177 reported at the last meeting of the Committee. This is a reduction of 34 since the last report to Committee (19% reduction). Appendix 1 refers to the detail and composition of the temporary/interim workforce. Of these 143 interim workers, 121 (85%) are engaged through the corporate contracts, compared with 75% reported to Committee in September. Any new ‘off contract’ worker will have had the appropriate exemption form completed and authorised by the relevant Director.

- 2.11 Running concurrently with the work to monitor and control interim placements is a Council-wide establishment exercise to be completed within iTrent to provide a comprehensive view of the workforce and is scheduled for December 2014 completion. Merton 2015 Board recently agreed further additional resource to support the completion of this exercise.
- 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 Following Members' approval at the 26th June 2014 meeting of the Committee the necessary procedural changes have been made and publicised.
- 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. Further review and advice by the Council's retained employment law advisers has recommended a wider policy framework approach to include all conflicts of interest. Work has been completed to redraft the policy into a 'conflicts of interest' policy (to ensure a wider perspective than personal relationships) and is to be reported to CMT in November 2014 for approval.
- 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. Further communications will be made to support the launch of the C-Net system changes set out under section 2.4 above for the December 2014 go live.

3. Consultation undertaken or proposed

- 3.1 CMT is to be consulted on the new 'conflicts of interest' policy and all the work associated with the systems development and supporting communication for managers, for the December 2014 go live.

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 To implement a database to collate accurate and contemporaneous consultant information will require additional funding. To utilise the CNet (Comensura) system to provide this functionality is likely to be in the region of £10,000 (on-off cost) or alternatively on a 'pay as you go' basis of £50 per consultant (maintenance, licence for system access and system administration fee). This funding will be allocated from Merton 2015 Board.
- 5.2 Monies (up to £65,580) have been allocated by Merton 2015 Board in 2014/15 to complete the organisation-wide Technical Staffing Establishment exercise to align staffing composition and budgets in iTrent (paragraph 2.11 refers). This work will be completed in early 2015.

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 provides 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 – Register comprising summary data of the Council's current interim/temporary workforce

11. Background papers

- 11.1 Reports of 12 March, 26th June and 17 September 2014 to General Purposes Committee