

DERBYSHIRE COUNTY COUNCIL

CABINET MEMBER MEETING FOR COUNCIL SERVICES

25 January 2016

Report of the Strategic Director of Corporate Resources

CONTRACT FOR THE SUPPLY AND SUPPORT OF A REPLACEMENT RECRUITMENT SYSTEM

1 Purpose of the Report

To seek Cabinet Member approval for soft market testing which may potentially lead to the procurement of a replacement recruitment system (the “**New System**”) for use by the Council and its partner organisations (Derbyshire’s District and Borough Councils, along with the Peak District National Park Authority – together, the “**Partners**”).

2 Information and Analysis

The contract to provide the current recruitment system (the “**Current System**”) has been in place with Abacus e-media since 2003 and has been subject to a number of agreed extensions. This contract is due to expire on the 31 December 2016.

In 2014/15, the Current System was used to process in excess of 3,500 vacancies for the Council, and Derbyshire schools. In total 30,690 applications for these posts were submitted online, which represented 86% of all applications received.

A large number of the Partners also ‘share’ the Current System, and advertise vacancies and receive applications accordingly. The Current System’s support and maintenance requirements cost the Council approximately £10,000 per annum, with approximately £1,800 being paid by the Partners.

In 2010, the HR, payroll, finance, procurement and business warehouse modules went live with the intention of implementing SAP recruitment functionality at a later date. Consideration has been given to this, but a recent review of both of the current SAP products has concluded that they would not meet the Council’s requirements without expensive and extensive customisations being carried out.

It is essential for the Council to have a new system that meets its requirements, so that it can continue to recruit effectively both internally and externally. Whilst the Current System has served the Council well, in both providing the facility for adverts to be placed externally on the Council's website, and, enabling applicants for external adverts to submit online applications, the Current System does not accommodate internal vacancies; these totalled a further 640 advertisements in 2014/15, which were all Council vacancies. Since the implementation of the Current System, the Council's recruitment requirements have changed with an increasing focus on internal vacancies and the further development of an internal jobs market.

It is apparent that recruitment systems currently on the market offer the type of improved functionality needed to meet the Council's requirements. The following benefits could be achieved by the implementation of a New System:

- Integration with SAP HR and Payroll modules at the start and the end of the recruitment process, eliminating many of the current difficulties experienced by managers and the Shared Services Centre;
- Pre-population of key fields to assist with efficiencies as the amount of manual inputting for both the recruiting manager and the Shared Services Centre would be reduced;
- A single entry process to avoid the re-keying of the same information, providing greater accuracy and producing efficiency savings;
- The ability to automate the 'chasing' of outstanding pre-employment checks e.g. reference requests;
- Recruiting managers would be able to use the self-service element of the New System to place adverts, access application forms and shortlisting packs, as well as notifying the Shared Services Centre of interviews and successful candidates;
- Internal and 'at risk' applications would be administered in the New System;
- 'At risk' individuals would be given access to all ring fenced vacancies in addition to early access to all internal and external vacancies;
- Improved management information would be available, e.g. recruitment timescales, indicative costs of advertising etc;
- An improved experience for applicants, including the option to receive communications (e.g. interview notifications) by email, rather than letter; and
- The ability to access their online account to confirm their attendance at interview, or see the status of their job application.

In light of the length of time since the previous procurement exercise (2002/3), it is proposed that the Council approach the market and undertake a soft market testing exercise, in order to:

- Understand what solutions the market can offer;

- Gain a better understanding of the potential range of costs for different solutions; and
- appreciate the advantages and disadvantages of hosting the solution on the Council's premises, or as part of the solution with an external provider

The Council's Partners have been given the required notice to inform them that the current arrangements will cease on 31 December 2016. As well as a small annual charge payable to the Council for hosting the Current System, a payment is also made to the software supplier Abacus for the support and maintenance of the system itself.

It is intended that there would be an option available for the Partners to use the New System, but they will be required to cover their respective proportion of any additional costs incurred. This charge is likely to be substantially more than the amount each Partner currently pays.

It is envisaged that the implementation of any New System will reflect the proposed changes to the recruitment process and policy currently being considered by the Council, along with the additional functionality which may support the further development of the internal jobs market. The procurement of the New System will be jointly managed between the Shared Services Centre, and the Innovations Team. Implementation and/or interfaces to the existing SAP solution will be managed by Transformation Services with additional costs met from the project implementation budget. A stakeholder group, including operational managers, has been established.

3 HR Considerations

The possible deployment (if subsequently approved by Cabinet) of the New System following soft market testing will streamline and reduce the amount of manual processing throughout the recruitment process, along with providing integration with SAP HR and Payroll. It is estimated that these changes would generate efficiency savings of 2 full-time posts within the Shared Services Centre, which would be managed through staff turnover and if necessary redeployment.

4 Financial Considerations

The current system's support and maintenance costs are approximately £10,000 per annum. Whilst this funding will continue to be available, additional funding may need to be identified.

The exact cost of a new system will not be known until the procurement process is complete; it is intended that indicative costs will be available following the soft market testing exercise, at which point a report will be submitted to Cabinet to approve the procurement of a new system.

Funding of £74,000 was earmarked from the 14/15 underspend towards the system implementation costs.

5 Legal Considerations

The Director of Legal Services will ensure that appropriate contracting arrangements are in place with the successful contractor (following further Cabinet approval) to procure for the provision of the New System and ongoing support.

6 Other Considerations

In preparing this report, the relevance of the following factors has been considered: prevention of crime and disorder, equality of opportunity, environmental, health, property and transport considerations.

7 Key Decision

No

8. Is it necessary to waive the call-in period

No

9 Officer Recommendation

That the Cabinet Member approves an exercise to undertake soft market testing to establish the availability and merits of the options available, following which, a further report will be presented to Cabinet to commence a formal procurement.

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