

**DERBYSHIRE COUNTY COUNCIL**

**CABINET**

**24 May 2016**

**Report of the Strategic Director of Corporate Resources**

**CONTRACT FOR THE SUPPLY AND SUPPORT OF A REPLACEMENT  
RECRUITMENT SYSTEM (COUNCIL SERVICES)**

**1 PURPOSE OF THE REPORT**

To seek Cabinet approval for the procurement of a replacement recruitment system (the **New System**) for use by the Council and its partner organisations.

**2 INFORMATION AND ANALYSIS**

The contract to provide the current Abacus recruitment system (the **Current System**) has been in place since 2003 and has been subject to a number of agreed extensions. The current contract is due to expire on the 31 December 2016 at which point an upgrade costing in the region of £70,000 will be required in order to continue using the current system.

It is essential for the Council to have a new system that meets both its current and future needs to ensure that it can continue to recruit effectively both internally and externally. In 2015-16 the current system was used to process 3,733 advertisements for the Council and 25,161 applications for these posts were submitted online which represented 84% of all applications received. This includes Derbyshire Schools and the recruitment system is the cornerstone of the service that is delivered for Schools and which has a large buy back and therefore income. The system is reflected on the Council's website and plays an important part in showing the Council as an employer of choice. Significant savings in postage and stationary which are on-going have been generated as a result of the reduction in hard copy packs that were previously issued to prospective candidates. Not having a system for recruitment would impact on the Council's ability to attract high calibre applicants as well as increasing the cost of processing manual applications. Schools would be less likely to purchase the recruitment service.

Although the Current System allows for advertisements to be placed externally on the Council's website and enables applicants for external vacancies to submit online applications, the Current System does not accommodate

internal vacancies including re-organisations and restructures which totalled 807 advertisements in 2015-16 with 2,675 applications. Since the implementation of the current system the Council's recruitment requirements have changed significantly with an increasing focus on internal vacancies, the development of an internal jobs market with an increasing number of restructures and re-organisations. In addition, the new system will provide more 'visibility' for the Manager, similar to Manager self-service which has been used to communicate pay related issues between managers and the Shared Services Centre. There is no equivalent system for recruitment and Managers, therefore, have to track the progress of recruitment exercises via the SSC. The new system will also integrate with the SAP HR and payroll system, meaning that the same data will not be entered several times during the appointment process.

The Council's Partners also 'share' the Current System and advertise vacancies and receive applications accordingly. (Derbyshire's District and Borough Councils, with the exception of High Peak Borough Council, along with the Peak District National Park Authority). The Current System's support and maintenance contract costs the Council £10,800 per annum, with a further £1,848 being paid by the Partners.

In April 2010 the SAP 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 the current SAP products has concluded that they would not meet the Council's requirements without expensive and extensive 'customisations' being carried out.

In order to establish what is available the Cabinet Member for Council Services approved a soft market testing exercise be undertaken and this took place during February and March 2016. Thirteen responses were received from organisations offering recruitment systems and from these it has been established that the following functionality could be accommodated within 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 as well as speeding up the recruitment process and enabling quicker appointments:
- 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 rekeying 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.
- A self-service element to allow the recruiting manager to commence the recruitment process, access application forms and shortlisting packs and also notify the Shared Services Centre of shortlisted and successful candidates.
- Access to external, internal, ring-fenced and 'at risk' advertisements to be via the Council's external website so that all Council employees can apply for all jobs on-line with different access levels ensuring that only eligible employees have access to the internal, ring-fenced and 'at risk' vacancies.
- 'At risk' individuals would be given access to all ring fenced vacancies in addition to prior access to all internal vacancies.
- Improved management information, for example reporting on key performance indicators for both managers and the Shared Services Centre, as well as recruitment timescales and costs of media advertising.
- An improved experience for applicants including the option to receive communications (e.g. interview notifications) by email rather than letter and access their online account to check the status of their job application.
- The ability for the system to fully accommodate paper applications.
- A detailed business case is being prepared and will be finalised once approval to go to the market is given. A summary of the requirements is attached at **Appendix 1**.

The soft market testing exercise asked for the indicative costs of a new system to be provided. The costs varied but the exercise identified that the Council should be able to implement a new system with implementation costs being in the region of £100,000, and annual costs of around £100,000. It is considered that the implementation and first five year costs will not therefore be expected to exceed £600K. The full procurement exercise will ensure that the new system accommodates the functionality that is both affordable and essential to the Council's current recruitment requirements as well as ensuring that the New System is flexible enough to accommodate any change in requirements of the Council, over the lifetime of the contract.

The budget identified does not include the costs of the Partners utilising the New System. They have been given the required notice to inform them that the current arrangements will cease on 31 December 2016. It is intended that the Partners will have the option to be party to the implementation of the new system and it is apparent that they would like to continue to share the Council's recruitment system. However they will be required to cover their respective proportion of any additional costs. As detailed within the Financial Considerations these charges are likely to be substantially more than the

amount each Partner currently pays and it is not possible at this stage to assess any potential buy back.

A recent audit review of the recruitment process and specifically the interface between Managers and the Shared Services Centre has highlighted the need for a New System.

The soft market testing exercise also established that many of the recruitment systems that are available are externally hosted; four of the seven suppliers that provided costings only offer an externally hosted solution with the other three offering both options. Externally hosted systems will not require any investment in, or use of the Council's IT infrastructure and usually benefit from quicker implementation timescales and roll out to other organisations. Externally hosted systems generally have extremely good security for both stored data at rest and in transit as well as for access to the premises themselves. There are a number of other benefits of externally hosted systems including easier implementation of any required fixes or updates and easier access by mobile devices.

A review of Equality, Diversity and Inclusion within the Recruitment process was undertaken by the Improvement and Scrutiny Committee in 2014 and identified the implementation of a new system to assist Managers and improve the advertisement of internal vacancies as an area for improvement. The implementation of the new System will reflect the requirements of that review together with the revised Recruitment and Selection Policy. Work undertaken by the Innovations team is nearing its conclusion but the need for a replacement system is clearly apparent at this stage on account of the benefits to applicants recruiting Managers and the Shared Services Centre. It is intended that the deployment of a new system will benefit from process maps developed by the Innovations Team as part of their review of the recruitment process. The implementation will be managed by the Shared Services Centre with input from the Innovations Team and a stakeholder group of operational managers has already been established. The development of interfaces to the existing SAP solution will be managed by the Transformation Service.

### **3 HR CONSIDERATIONS**

The deployment of a new system will streamline and reduce the amount of manual processing throughout the recruitment process as well as providing integration with SAP HR and payroll. It is estimated that these changes would generate efficiency savings of two full-time posts (saving approximately £50k) within the Shared Services Centre which would be managed through staff turnover and redeployment and will form part of the Shared Services Centre's contribution to the efficiencies programme. Managers will benefit from the deployment of a new system by time saved in automated communication with

the Shared Services Centre and eliminating time consuming manual processes.

#### **4 FINANCIAL CONSIDERATIONS**

In view of the significant benefits that a recruitment system can provide as identified in the report, and the potential damage to reputation that could be caused to the Council reputation through not having a recruitment system that is fit for purpose, it is intended that the costs of implementation (estimated at £100K) will be met by £74K which has previously been earmarked for this purpose from the 2014-15 outturn report with the additional costs (estimated at £26K) being met from the HR Division budget. The on-going costs will be met from General Reserves.

The initial contract will be for a period of five years with the option to extend on an annual basis for a further five years. The implementation cost along with the first five year costs is not expected to exceed £600,000 in total.

#### **5 LEGAL CONSIDERATIONS**

The Council's Financial Regulations state that where the value of the services in question is above the OJEU threshold of £164,176, it is for Cabinet to decide whether to award a contract for those services.

The Director of Legal Services will ensure that appropriate contracting arrangements are in place with the successful contractor for the provision of the New System and on-going 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 RECOMMENDATION**

That Cabinet approves the procurement of a new externally hosted recruitment system for the use of the Council and Partners subject to a further report to confirm the preferred provider and detailed costs.

**Judith Greenhalgh  
Strategic Director of Corporate Resources**

## APPENDIX 1

### Specification for the New Recruitment System

The following functionality will be required of the new system to ensure the system will be flexible enough to meet the Council's current and future recruitment needs.

#### Permissions and System Access

To maintain the security of the system and in keeping with data protection legislation, various levels of administrative access are required. There should be a number of levels of access for Council staff accessing the system. Additionally there should be a number of different roles for applicants to allow appropriate access the different webpages.

#### Individually at Risk, Ring Fenced, Internal and External Recruitment Webpages

Different job categories will be advertised on the different webpages. All webpages should be accessed by the Council's external website and access restricted by applicant role. The current requirements are

Individually at Risk Webpage - All vacancies, with the exception of ring-fenced vacancies, will be required to appear on the individually at risk webpage prior to appearing on either the internal or external webpages, with access limited to employees who have individually at risk status. Individually at risk employees will be required to register an interest in a job within a specified number of days prior to submitting a full application. If no interest is registered within the specified period the Shared Services Centre (SSC) should be able to move the advert to the internal or external webpage.

Ring-Fenced Vacancies Webpages - As part of a re-organisation or restructure of a department, adverts should be limited to groups of eligible employees (group at risk) along with those that are individually at risk. Several ring-fenced groups may exist at any one time and those with the group at risk role should only have access to jobs in their specific ring-fence but individually at risk employees should have access to all the groups.

Internal Vacancy Webpage - For jobs that are to be available to Council employees only in the first instance. The SSC should be able to move jobs that have been advertised on the individually at risk webpage to the internal vacancy webpage without the need to rekey.

External vacancies - For vacancies that are available to both external applicants and Council employees.

Council employees should be able to use the same logon to access all the different webpages.

#### Advertising

Recruiting managers should have access to the system to enable them to start the recruitment process. Using the position number the recruitment system should integrate with SAP to pre-populate specified fields, also providing standard clauses and standard advert text, where available. Recruiting managers should complete the request by entering any required additional information. The system should allow documents to be attached to an advertising request and also hold a document library in which job profiles are stored.

The SSC should be able to produce a draft advert for the recruiting manager prior to the advert appearing 'live' on the appropriate webpage.

Workflows - There will be a requirement for a number of workflows for example, internal advert or ring-fenced advert.

The system should accommodate re-advertising of posts and the recruiting manager or SSC should be able to access the previous advert details so there is no need to re-key information previously provided.

Application Forms and CVs - The system should hold a number of different types of application forms for example general, teaching, bespoke school/academy forms.

Application forms should be able to accommodate fields or questions on the application form that are either hidden or displayed depending on the previous answer, a 'killer question' or mandatory fields all of which will vary depending on the type of application form.

The ability to include a preference form for re-structures or re-organisations allowing the applicant to apply for multiple positions but only complete one application form.

The system should allow for CVs to be submitted for some workflows with the applicant only required to enter minimal personal and equalities information in the system.

Job Bulletin and Media Requirements - The system should generate the required job bulletins for distributed by email and as hard copies.

Ability to have feeds to Facebook, Twitter and other social media for all or selected adverts as required or the ability to place messages on Facebook, Twitter and other social media alerting users to adverts on the Council's website.

### **Shortlisting and interviewing**

On line applications and all other shortlisting information including preference forms, CVs or other attachments, should be available to the recruiting manager as soon as the job closes and off-line applications as soon as they are scanned into the system by the SSC. All advertising information and attachments should also continue to be available to the recruiting manager.

The system should display a full list of all applicants along with system markers to indicate, for example, if they are disabled (2 ticks) or individually at risk.

The recruiting manager should be able to share the shortlisting information electronically with other system users.

The recruiting manager should use the system to notify the SSC of candidates shortlisted for interview along with all interview details. They should also be able to indicate that they have not shortlisted anyone.

Interview notifications should be auto generated with minimal input from the SSC. The notification should be by email unless no email address is provided when a letter should be produced.

The option should exist for candidates to be able to select an interview slot on line for some interview processes or for the SSC to select an interview slot on a candidate's behalf.

The recruiting manager should have access to view which candidates have confirmed or declined their attendance at interview.

### **Successful Candidate**

The Recruiting Manager should notify the SSC of the successful candidate(s) by selecting them from the list of candidates interviewed and should also have the ability to attach



relevant documentation to the successful candidate's record eg Asylum and Immigration documentation.

### **Pre-employment Checking and Proceed to Offer Letter**

The solution should be able to produce, manage and record pre-employment documents and checks if required. The requirements are

- On receipt of the successful candidate notification the system should, with limited input by the SSC, generate a 'proceed to offer' letter or email
- The ability for reference requests to be produced either as an email or a letter from the information provided by the candidate with limited input by the SSC.
- For a system generated email to be sent to a referee to remind them to provide the reference if no reference has been returned within a specified period
- The ability for the recruiting manager to be able to view the progress of all pre-employment checks including any references.
- Once all checks are completed the recruiting manager should use the system to confirm the start date.

### **Applicant Requirements**

In addition to viewing and applying for jobs the system should also allow applicants to

- Add an attachment to an application
- Track their job application or appointment
- View a previously submitted application forms
- View all the details of a job they have applied for even though the job has closed
- Confirm attendance at interview.

For each new job application the application form should be pre-populated with the applicant's personal details, education and qualifications and previous employment record.

### **Off-line Applications**

The Council is committed to continuing to accept off-line applications and the requirements for these are as follows

- The SSC should set up and maintain an account on their behalf
- Equalities information should be entered by the SSC but not be visible once entered and saved
- Each off-line application form should be scanned into the system, linked to the account and held against the relevant advert.

### **Management Information**

The system should have a reporting tool to produce management information and have the ability for the Council to develop and run bespoke or scheduled reports as and when required. All fields within the system should be reportable.

The ability for the reporting facility to be given to managers or headteachers and limited to their area within the system.

### **Unsuccessful Candidates/Talent Pool**

Unsuccessful/Appointable Candidates - The ability to

- Tag a candidate who was unsuccessful but reached an appointable level and hold their details in a reserve pool
- Move them to the successful candidate stage if a similar vacancy occurs within an agreed timescale.

Talent Pool/Job Matching Functionality – The ability to

- Hold different 'categories' of people within the pool eg those individually at risk, internal, external
- Hold information about an individual's skills, qualifications, experience and assessment data.
- Build a talent pool, by specific role or job family
- Hold the 'key requirements' for vacancies
- Identify potentially suitable candidates for a specific vacancy based on a match between the individual and post requirements

### **SAP Integration**

The system integration requirements are as follows

Front end integration - SAP position numbers should be entered into the recruitment system and then used to recall information from SAP. This information should then pre-populate specific fields in the recruitment system for example job title, grade, base, hours.

Back end integration - Data held in the system for the successful candidate should be moved to SAP to create the payroll record. The required fields include personal information, position information, starting date.

System access roles – Internal and external applicant roles should be managed by a report run in SAP which should then update records in the recruitment system.

### **Search Facilities and Email Alerts**

Search Facility - The system requires an applicant search facility which should be able to use a number of fields at any one time. The search should be role sensitive, so only jobs the applicant is eligible for appear in the search results.

All fields to be searchable for SSC or recruiting managers.

Email alerts - Applicants should be able to set up email alerts for job adverts which should be role sensitive

### **Other System Requirements**

Retention - The system should archive information in accordance with the Council's retention policy and retention periods should be able to be changed if required.

Email, letters and other system communications - The ability for the system administrator to be able to permanently amend the templates for all system generated communications.

The ability to send some email templates as encrypted.

### Substitution Requirements

A manager substitution process should be available.

### Equality and Diversity

The system should automatically hide all equalities information which should only be made available for reporting purposes.

**The Partners Requirements**

Partner organisations may not require all of the system's functionality but they should be able to utilise it fully if they choose to do so. Required features are as follows

- for adverts to appear on webpages with the partner organisation branding
- for webpages to hold information and links specific to that organisation
- bespoke online application form/s for each partner organisation with the organisation's branding
- For each partner organisation to have their specific workflow/s.