

Contract and Financial Procedure Matters Report – Addendum

SUMMARY

- 1.1 This addendum deals with an additional item that requires reporting to and approval by Council Cabinet under financial procedure rules. The report seeks to:
- seek endorsement for a submission for 'Train to Gain' financing from the Derbyshire Learning and Skills Council - LSC
 - gain approval for an additional one off contribution to Derby Playhouse towards its refurbishment
 - gain support for some further investment in improvement to recruitment or advertising on an invest to save basis.
- 1.2 Subject to any issues raised at the meeting, I support the following recommendation.

RECOMMENDATION

- 2.1 To endorse the submission made by the Council, jointly with Derbyshire County Council for 'Train to Gain' funding and to agree to commence the programme if approved by the LSC on a self-financing basis to the Council, subject to the risks outlined in paragraph 1.1.7
- 2.2 Approve a capital contribution of £50,000 towards internal building Improvements to the Playhouse Theatre to be undertaken during Spring/Autumn 2006. Funding will come from underspends in Council expenditure in 2005/6.
- 2.3 Approve proposals for a expenditure of £90,000 in corporate HR budgets in 2006/7 of which £30,000 would be ongoing in future years, as set out in Section 2, and the method of funding any such expenditure.



Contract and Financial Procedure Matters Report – Addendum

SUPPORTING INFORMATION

1.1 Train to Gain Tender

- 1.1.1 “Train to Gain” is a Learning and Skills Council (LSC) initiative to provide skills training and development in and for the workplace. The LSC were inviting bids, to a minimum of £500,000, to be submitted by 24 May 2006. Due to the short timescale between the publication of tender documents and submission date, a tender has been submitted to the regional LSC, subject to Cabinet confirmation.
- 1.1.2 The minimum level of the tender meant that it was essential to tender as part of a consortium, comprising the Council’s Adult Learning Service, Read On Write Away! and Derbyshire (County Council) Community Education Service. The lead partner is Derbyshire Community Education Service.
- 1.1.3 Derby Adult Learning Service’s commitment in the first year is provision for 125 learners, generating maximum funding of £129,600 and working in areas of strength for the service. This consists of:
- NVQ 2 Early Years Care and Education = 20 learners x £1500 = £30,000
 - NVQ for ICT users (ITQ) = 50 learners x £1200 = £60,000
 - Skills for Life (National tests in Literacy and Numeracy levels 1 and 2) = 55 learners x £720 = £39,600.
- 1.1.4 The Early Years and Childcare Team will be taking responsibility for delivering the NVQ Early Years courses. The IT and Skills for Life courses will be delivered by the Adult Learning Service.
- 1.1.5 The outcome of the tendering process will be made known by the LSC on 23 June 2006. Contracts for successful tenders will be signed on 7 July 2006 and the full Train to Gain Service will be operational from 1 August 2006.
- 1.1.6 Derbyshire Community Education Service, as the lead partner, will be responsible for the contract. A service level agreement will be made between the partner organisations if the bid is successful.

- 1.1.7 The risks associated with the tender are similar to those attached to other sources of LSC funding that we access. Staff time needs to be committed and tutors appointed, with the chance that learners will not be recruited or will fail to complete the course and achieve. However, demand for Train to Gain is employer led and will be organised through a brokerage scheme, which reduces the risk of not recruiting. Payments are made on the basis of 50% when a learner starts and 50% on achievement. Targets for recruitment of learners are a normal feature of LSC funding streams and this activity would represent only a small proportion of ALS activity.
- 1.1.8 The Adult Learning Service has also been allocated £16,600 to appoint or second a member of staff to work on capacity building for workplace learning, regardless of whether the bid for Train to Gain is successful, and this should help to minimize risk. Train to Gain also offers the opportunity to replace some of the activity that has been affected by the reduction in LSC funding for the main ALS budgets and to redirect some staff to new areas of work rather than having to consider redundancy if fee income targets are not met.

1.2 Derby Playhouse

- 1.2.1 Over the last year, Derby Playhouse has been reviewing its operations in order to develop a new business plan to help it to achieve a sustainable future. In March 2006 the theatre obtained the formal support of the Arts Council for England to its plans for change which brought with it substantial one-off investment over the three year business plan period.
- 1.2.2 Part of the Plan involves significant capital investment to the building which the theatre would like to undertake between July and December. The works include improvements to internal office layouts, rewiring, box office and telephone, security, stage and auditorium and will be phased in this order of priority depending on the success of current fundraising efforts.
- 1.2.3 The Council has been approached for a capital contribution and Cabinet is asked to consider allocating a sum of £50,000 towards the total £610,000 costs. Other contributions can be made available from the Arts Council's committed investment and are being sought from other Arts Council programmes, Westfield and other sources.
- 1.2.4 The Council is also working with the Theatre and Westfield on proposals to improve the area of Theatre Walk immediately outside the Playhouse as part of the Section 106 benefits secured from Westfield's successful planning application for a new multiplex cinema.

1.3 Advertising and Recruitment Strategy – Savings and Costs

Introduction

- 1.3.1 Following the report to Cabinet at Item 14 on this agenda regarding the Council's recruitment advertising strategy, this report seeks approval for further spending against the savings to facilitate the introduction of e-recruitment to realise further savings.

Expenditure Proposals

- 1.3.2 This section sets out proposals for expenditure against the agreed savings from the revised approach to advertising job vacancies to overhaul our recruitment processes. The proposals are summarised in the table below and explained in the subsequent text.

	2006/7 £000	2007/8 £000	2008/9 £000
TMP development of on-line recruitment system	25		
TMP Support to recruitment system	10	10	10
Vision development	10		
IT for job fairs	5		
IT for reception areas	10	10	
HR consultancy support	20	20	20
Total Proposals	80	40	30

Improved recruitment

- 1.3.3 The Council's internet jobs page doesn't currently have an on-line application form. People interested in vacancies can download the job details and an application form in pdf or Word format but they cannot actually apply on-line. Modern systems make it possible for applicants to apply using a form which can be saved as the applicant completes it, allowing them to leave it for hours or days before returning to it. Systems can also save all application forms that have been submitted so that applicants could go back to a previous form they have completed for a previous job with us. So they do not have to complete their standard information about personal details, qualifications and employment history every time they want to apply to the Council. By not offering the facility to apply on-line we are almost certainly deterring applications from more IT-literate job seekers. Evidence from adopters of similar systems indicates that over 60% of applications could be made on-line. This facility means that we will be able to realise considerable process-cost savings in printing, postage and staff time. The submission of applications on-line opens the way to paper-less application handling
- 1.3.4 In the short-term we need to offer an on-line application facility. In the longer term we should aim to achieve 100% of applications being either submitted by applicants on-line or inputted on-line on behalf of the applicant by customer-facing HR staff over the phone or face-to-face. But to achieve this we must improve our recruitment technology. There are substantial cashable savings that can be realised by investing some of our advertising savings in e-recruitment. Full savings proposals well in excess of this investment proposal will be presented as part of budget proposals for 2007/8.

Technology

- 1.3.5 Our recruitment partner TMP has a web-based system which would give us automated submission of adverts and external production of camera-ready art-work for our vacancy bulletin at nil cost. It would load to our website and give an on-line application facility. It would give us an effective online recruitment and advertising system at a cost of £25,000 one-off installation fee, plus a £10,000 annual hosting

fee. On-line applications need to feed directly into the Vision system in order to maximise the saving of HR staff time. We may need to spend up to £10,000 to get Vision to interface with an on-line application system.

- 1.3.6 Increasingly we are attending careers events including large jobs fairs and community-targeted events. To meet customers' needs and to further our aim of increasing on-line activity, we need to have IT equipment available at these events. This would allow us to demonstrate our website, view vacancies, download information for customers and let job-seekers apply on-line, with help at hand from people on the stand if they need it. A one-off total of £5,000 has been ear-marked in the summary of costs for IT kit for the job fair stand.
- 1.3.7 To achieve 100% on-line applications, we would need to invest in training and IT equipment for reception areas in various locations around the city, including a job shop in the Council House. The job shop can be staffed from our new HR transactional service centre and will provide us with a gateway into Council employment for people who are unable to make their own application on-line unaided. (This job shop proposal could be created as part of a migration of aspects of the recruitment process to Derby Direct.) One-off expenditure of £20,000 (£10,000 this year and a similar amount next year) has been allowed in the costs to provide for kit and training for reception staff to help job seekers to apply for our jobs. We could put up high impact advertising on the street outside to draw attention to the jobs available and the help at hand to apply for them. The costs for this would be modest and could be contained within the provision referred to in this paragraph.

Human Resources capacity

- 1.3.8 A full review of recruitment is required to bring our processes up to date and to maximise the opportunities presented by e-recruitment and Derby Direct. The end-to-end re-engineering of our approach to recruitment will require spending on external support. This exercise will lead to further efficiency savings that have not yet been quantified.
- 1.3.9 HR's ability to contribute effectively to this and other organisational development initiatives (for example home and tele-working, shared services, talent management, etc.) is constrained by lack of appropriately-skilled capacity. Our ability to contribute effectively to the OD agenda is severely constrained because there is currently no budget within HR for consultancy support to assist with on-going improvement to recruitment or any other OD initiatives. A modest consultancy budget would allow us to respond more quickly to opportunities and demands for new initiatives. £20,000 would create a realistic capacity to carry through the recruitment review and future OD projects linked to savings and efficiency improvements, starting with cost reductions associated with the proposals in this report.
- 1.3.10 The proposals in this report will provide the opportunity to redirect some current HR capacity into activities that deliver greater value and align more closely with corporate priorities. The Consultancy support will pump-prime this shift.

For more information contact:	Carolyn Wright 01332 255349 e-mailCarolyn.Wright@derby.gov.uk
Background papers:	None
List of appendices:	Appendix 1 – Implications

IMPLICATIONS

Financial

- 1.1 As set out in the report.
- 1.2 Funding for Derby Playhouse will come from revenue budget underspends in 2005/6.

Legal

- 2. None

Personnel

- 3. None

Equalities impact

- 4. None

Corporate priorities

- 5. These recommendations, where relevant, are in line with approved budgets which accord with the Council's corporate priorities.