



Derby City Council

**COUNCIL CABINET**  
**13 April 2016**

Report of the Cabinet Member for Jobs and Fair  
Employment

# ITEM 9b

## **Employment Charter – response to recommendations from Supporting Derby’s Workforce Overview and Scrutiny Board**

### **SUMMARY**

- 1.1 The Council launched the Employment Charter in May 2015, with ten principles. The Council’s aspiration is to apply the principles in the Derby City Employment Charter to all directly employed staff at the Council and to staff working for companies that the Council have a business relationship with through procurement. Derby City Council also encourages all employers across Derby to adopt the Charter as best practice.
- 1.2 In order to deliver the principles in the Charter, an Employment Commission was established, with Members, officers and Trade Union Representatives. A substantial action plan has been developed, as a result of the work of the Commission. Significant progress has been made already, in delivering the action plan. This will continue.
- 1.3 Specifically within the Charter are the following commitments.
  1. We will work to minimise the use of agency workers and ensure agencies we engage use professional methods and follow fair employment practices.
  2. We will strive to be as self-sufficient as possible and minimise the usage of external consultants by developing the skills and capacity of our own employees. We will seek value for money when using consultants whilst ensuring that they also follow fair employment practices.
- 1.4 The Overview and Scrutiny Board (OSB) chose to concentrate on those two principles for consideration and discussion. These are the subject of a separate report to Cabinet.

### **RECOMMENDATION**

- 2.1 To note the information in the report and support the work of the Employment Commission to deliver the Employment Charter.

### **REASONS FOR RECOMMENDATION**

- 3.1 The work of the Commission is vital in meeting the needs of the Council’s Employment Charter. There are significant benefits, both financial, in terms of staff

retention and development and improving the efficiency of the Council in delivering its services.

<b>SUPPORTING INFORMATION</b>
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- 4.1 The OSB set up a working panel to review the data related to and operational use of agency workers and consultants within the Council. There were a number of key objectives. These are detailed in the accompanying report to the Cabinet report from the OSB.
- 4.2 Following the review of the data and information presented to them, the Board agreed a number of recommendations, to be presented to Cabinet for consideration. These are detailed in the above report.
- 4.3 The Cabinet Member thanks the Board for the scope and depth of the work undertaken and wholeheartedly shares the concerns raised about the use of agency workers and consultants. The Member would like to stress that the importance given to these issues, are demonstrated by the inclusion of specific principles within the Charter.
- 4.4 The Cabinet Member notes that the valuable analysis undertaken by the panel will support the current on-going work of the Employment Commission and the achievement of the Charter Principles.
- 4.5 Having reviewed the recommendations from the OSB, the Member would like to make the following comments.

1. To ensure that workforce planning is a priority within the OD framework supporting the implementation of the Delivering Differently programme.

Response - Workforce planning is one of twelve key priorities of the 'Our People' strand of the Delivery Differently Programme. Best practice is already being shared across the authority and there are examples of good work being carried out in departments. The Member applauds the response to suggested improvements, from managers.

2. Finance and HR Operations to establish a way to identify consultants engaged through various means for audit and reporting purposes.

Response – A working group is to be established to determine a robust process for the above.

3. Procurement to complete a review of invoices/payments in line with contract management procedures, to ensure consultancy services are value for money.

Response – This will be picked up as part of the working group above.

4. Finance to benchmark the Council's spend on consultants in comparison with other local authorities to seek best practice.

Response – This will be picked up as part of the working group above.

5. Management to consider all workforce options prior to engaging consultants.

Response – There is a significant amount of work already being undertaken to review the use of non-employees. Work will continue to support this and in conjunction with the use of agency and zero hours workers.

6. Audit and Accounts Committee to review the procurement process in relation to the recruitment of consultants.

Response – The Chair of the Committee has been asked to consider this and is wholeheartedly in favour of supporting the proposal.

7. Working Party to consider recommendations from this report in the review of the neutral vendor contract to seek cost savings.

Response – The details in the report will be shared with the working group, currently reviewing the neutral vendor contract.

8. The Zero Hours Project Team to consider the contents of this report to avoid negative impact on the recommendations.

Response – All factors covered in the report will be analysed and reviewed. There is a substantial project plan in place to review the use of zero hours. This has a number of workstreams. Significant progress has already been made in this area and the number of zero hours workers has reduced markedly.

9. HR to complete a strategic review of the policies and procedures relating to agency workers.

Response – This issue will be reviewed as part of the work of the Employment Commission. Significant analysis has already been undertaken, through the provision of information to the panel.

10. Review recommendations for Refuse & Waste Management as part of Employee Commission Working Group.

Response – The work carried out in the department is fundamental to the health and wellbeing of the city. The services currently achieve a very high level of customer service. To do so they have to ensure that they have sufficient resource to deliver the service. Short notice absence of staff has to be managed by other means. The service has welcomed the opportunity to look at any ways that could maintain this high level of efficiency, whilst meeting the commitments within the Charter. Plans are already in place to review workforce planning. It is recognised that this could result in reduced costs and a more sustainable approach to staff management.

The Member is actively involved in supporting the department in achieving this.

- 4.6 The Cabinet Member will ensure that if Cabinet are in agreement with the recommendations, they will be included in the Charter action plan.

<b>OTHER OPTIONS CONSIDERED</b>
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- 5.1 None

**This report has been approved by the following officers:**

<b>Legal officer</b> <b>Financial officer</b> <b>Human Resources officer</b>  <b>Estates/Property officer</b> <b>Service Director(s)</b>  <b>Other(s)</b>	Janie Berry, Director of Governance and Monitoring Officer Martyn Marples, Director of Finance and Procurement Diane Sturdy, Acting Head of Service – OD, Employee Relations and Pay and Reward Strategy  Gordon Stirling, Director of Strategic Services and Organisational Development Tim Clegg, Director of Strategic Partnerships, Planning and Streetpride Zoe Bird, HR Operations Manager
<b>For more information contact:</b> <b>Background papers:</b> <b>List of appendices:</b>	Diane Sturdy 01332 643660 diane.sturdy@derby.gov.uk Cabinet report from Supporting Derby's Workforce Overview and Scrutiny Board Appendix 1 – Implications

<b>IMPLICATIONS</b>
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### **Financial and Value for Money**

- 1.1 Both consultant and agency work spends are sizeable. Work is on-going to ensure the council's contract arrangements offer value for money, although potentially greater savings will arise from reducing demand for agency workers. The responses to the recommendations and the proposed future actions will have a cost saving impact with reductions in agency costs. Any revenue savings will be fed into the medium term financial plan as they arise.

### **Legal**

- 2.1 Legal advice will be obtained, as required, as detailed proposals to implement the future actions continue to be developed.

### **Personnel**

- 3.1 The work of the Employee Commission will monitor the balance of agency workers and zero hours workers. Improved contract management of non-permanent staffing arrangements will help to ensure that vacant posts are filled sooner so that the council has a reduced reliance on non-permanent staff. Corporate Joint Committee also regularly reviews the status of agency workers and interims and regular discussions take place at Departmental Management Team meetings, all with the purpose of reducing spend on agency workers and consultants.

### **IT**

- 4.1 None directly arising from this report.

### **Equalities Impact**

- 5.1 By using the Council's Master Vendor, Matrix-SCM we can be assured that they operate fair and equitable recruitment policies and practices when recruiting temporary agency workers on our behalf. Temporary agency worker cover is especially scrutinised during periods of restructuring where compulsory redundancies are possible.

### **Health and Safety**

- 6.1 The proposals will support the Health and Wellbeing Strategy.

**Environmental Sustainability**

7.1 None directly arising from this report.

**Property and Asset Management**

8.1 None directly arising from this report.

**Risk Management**

9.1 The proposals will help to reduce financial risk and support the development of in house expertise.

**Corporate objectives and priorities for change**

10.1 A skilled and motivated workforce.