

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD2542

Title: Recruitment Surge Capacity Requirements

Executive summary:

Recruitment in the GLA is managed by a small in-house team. For a number of reasons, the team is currently unable to keep up with demand for recruitment. As a result, their target to advertise posts within 10 working days of a post being approved is being breached and it is now taking 35 working days to achieve this, such is the backlog of posts waiting to be advertised.

These delays are in turn negatively impacting the organisation's ability to secure sufficient human resources to deliver the programmes of work already underway and those new for this Mayoral term. To address the demand, and to return to a better position, more capacity is urgently required for the remainder of this financial year.

By outsourcing some of our recruitment activity, as proposed here, the GLA will be able to accelerate recruitment to support our priorities, while at the same time allowing our in-house team to recover their ability to deliver the programme to target going forward.

Decision:

That the Chief Officer approves the GLA entering into a contract with Havas People to deliver recruitment services to the GLA, with a maximum expenditure of £70,000 (including contingency funding) for the delivery of such services between 1 August 2021 and 31 March 2022.

In respect of the above expenditure, a single-source exemption from the GLA's Contracts and Funding Code is approved to engage Havas People in the delivery of recruitment services to the GLA without a competitive procurement exercise.

AUTHORISING DIRECTOR

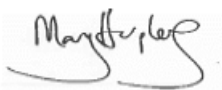
I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Mary Harpley

Position: Chief Officer

Signature:



Date:

20 July 2021

PART I – NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1. Recruitment at the GLA is handled exclusively by an in-house team, with a staffing complement of four permanent full-time equivalents. The team is led by a Resourcing Manager who is supported by three Resourcing Assistants. This structure has been in place since October 2020 when the number of Resourcing Assistants was reduced from six in keeping with decisions made as part of the 2020-21 budget process. However, as a result of the in-year review of the 2020-21 budget due to the impact of the pandemic, it was expected this team would be able to meet the organisation's recruitment demands. This position was reinforced given the review of GLA finances for the budget year 2021-22.
- 1.2. However, GLA jobs were largely protected in the final budget for 2021-22. This, together with a significant number of new posts funded externally, meant that the demands on the recruitment team increased dramatically and performance against the target of advertising posts within 10 working days of posts being created began to slip.
- 1.3. While GLA jobs were largely protected in the budget, there were still posts likely to be deleted and staff at risk of displacement. As a result, we changed our recruitment practices for a period, advertising posts internally and externally simultaneously, but not giving recruiting managers access to any external applicants until a full internal process had concluded with no appointment made. The extra work created by these changes further impacted the Resourcing team's ability to accelerate recruitment activity.
- 1.4. As an interim measure, we hired agency workers to join the Resourcing team. While this was a positive step, it takes approximately six weeks for an agency worker to get fully up to speed. Though agency workers provide a flexible resource, the nature of their work means there is always a flight risk. Of the five agency workers hired so far, three of them have left the GLA to go onto other opportunities.
- 1.5. The requirement for the agency workers in the Resourcing team will be kept under review. The plan going forward is to revert to the GLA contracted in house team as soon as possible. This will happen once the recruitment backlog reduces, and the pipeline returns to a position where the GLA can deliver recruitment services to the organisation in accordance with the agreed Service Level Agreement of approval to advert within 10 working days without the need for either agency workers or the surge capacity function referred to below.
- 1.6. We have now considered a number of alternative ways of providing greater capacity to support the organisation's recruitment demands, having modelled likely demand over the next few months. This modelling considered: turnover; board appointments; back-filling for maternity/sabbatical/external secondments; new posts arising from the 2021-22 budget; and our organisational change programmes. Moderation of the modelling also considered further potential impacts on turnover linked to the GLA's relocation and fluidity in the labour market as the capital emerges from COVID-19 restrictions.
- 1.7. The following five options were considered:
 - outsourcing to Transport for London (TfL)
 - outsourcing to Reed Employment Services, the GLA's new supplier for contingent labour
 - outsourcing to an employment business with experience of public-sector recruitment
 - outsourcing to Havas People, which supplies the GLA's recruitment system and has experience of public-sector recruitment

- engaging further agency workers.
- 1.8. In response to the above options, TfL was ruled out as they were struggling to meet their own demands and were therefore unable to provide the GLA with the services required. Outsourcing to Reed Employment Services was ruled out as the contract will not be fully in place until September 2021, and the permanent-hire model we would have to use in the meantime involves a percentage of each hire's salary. As this is an urgent requirement, outsourcing to an employment business was also discounted as this would have required an extensive and protracted procurement programme, and contracts on government frameworks did not offer what the GLA was looking for. Hiring more agency workers was potentially viable but recent experience of the risks associated with agency workers as well as the potential cost as set out in paragraph 1.9 led to this option being ruled out.
 - 1.9. Our modelling of future demand suggested that we would need a further five to seven members of staff to meet the short-term demand. The lower number of five staff members, at a cost of approximately £28k each gave us a project cost of £140k with the turnover risks associated with agency staff which we are already experiencing.
 - 1.10. Havas People, the suppliers of Engage ATS (the GLA's recruitment system), have a track record of successfully delivering recruitment services to organisations in the public sector, including the Probation Service, Ministry of Justice and the College of Policing. They were approached to see if they were able to deliver recruitment services to the GLA to our specification.
 - 1.11. Havas People have proposed providing recruitment services for up to 150 posts on the basis of an applicant-to-hire ratio of 30:1 for an anticipated cost of £70k. An applicant to hire ratio of 30:1 refers to there being an average of 30 applications received for each post being recruited to. Havas can mobilise their services quickly as they have the infrastructure in place, are expert users of our recruitment system and understand the GLA's recruitment methodology. They have also assured us how they would manage our Guaranteed Interview Scheme processes and of the importance they place on ensuring a quality process for recruiters and candidates alike.
 - 1.12. Havas People would manage recruitment campaigns via the Engage ATS system – meaning seamless access to management information, and access among GLA staff to all recruitment information in the same way that staff have through the in-house team's work.
 - 1.13. A single source exemption from the requirements of Section 9 of the Contracts and Funding Code is required to enter into a contract with Havas People for the delivery of recruitment services as the existing contract is for delivery of a system solution. Section 10.1 of the Code provides that an exemption may be approved for contracts below the value of £150,000 where the proposed contractor has had previous involvement in a specific current project or the proposed contract amounts to the continuation of existing work that cannot be separated from the new project/work.
 - 1.14. The proposed exemption applies as Havas People will manage recruitment campaigns via EngageATS the GLA's recruitment platform. That will provide seamless integration and familiarity of the recruitment system for all GLA managers involved in recruitment and will not require new learning. Using the GLA's platform will also facilitate the provision of all management information and avoid the need to aggregate data from different systems. The workflows for candidate interaction will also mirror identically those used by the GLA which makes monitoring of the service simpler.
 - 1.15. Paragraph 1.7 identified five options considered to address recruitment delivery capacity shortfalls. Paragraph 1.8 references why four of those options were ruled out. This is a time critical requirement. Outsourcing to an employment business was discounted as this would have required an extensive and protracted procurement programme and contracts on government frameworks did not offer the services required at this time. Crown Commercial Services Frameworks were reviewed namely:
 - RM3749 – with one supplier Alexander Mann (however really for contingent labour)
 - RM6002 – with 6 lots and 50 suppliers resulting in numerous call off contracts by job role or job type and via multiple suppliers rather than the efficiency of one supplier.

- RM3745 – Management Consultancy (Strategic HR), however this framework was not set up for recruitment services of the type required by the GLA.

1.16. Therefore, competitive routes were reviewed and discounted.

1.17. To deliver approximately 150 recruitment campaigns via the hire of agency workers would, based on the recruitment modelling undertaken have cost over £140k. The quote from Havas People to be able to deliver this for circa £70k which is half the cost represents good value for money.

1.18. The GLA will be required to client this service. The client liaison officer will be responsible for: passing recruitment campaigns to Havas People; managing the interface between the GLA and Havas People; and taking on the completion of recruitments after references have been received. At this point the GLA's in-house team will take over in moving conditional offers through to unconditional offers, and onboarding appointees.

2. Objectives and expected outcomes

2.1. The core objective of this decision is to accelerate recruitment to enable the GLA to recruit staff in greater numbers, and in a shorter timescale, than would be the case when solely relying on the in-house team to deliver this.

2.2. In mid-June the GLA was carrying approximately 200 vacancies. In addition, further recruitment requirements will arise due to anticipated board recruitment, turnover arising from leavers, maternity absences, sabbaticals and external secondments.

2.3. Recruitment modelling predicts recruitment volumes ranging between 300 and 400 posts to the end of the current financial year.

2.4. The requirement to recruit staff in volume and at pace is central to the GLA's ability to deliver the programmes of work demanded by its leadership of the London recovery programme and the delivery of Mayoral priorities.

3. Equality comments

3.1. The GLA's recruitment policy is underpinned by the GLA's public sector equality duty requirements under the Equality Act 2010. This includes seeking to have a workforce representative of the community it serves, to promote equality of opportunity, and to work towards eradicating discrimination.

3.2. The GLA offers a guaranteed interview to all disabled applicants meeting the minimum criteria. Havas People have experience of managing this process, which is an important aspect of the GLA's recruitment programme. Havas also understand the GLA's approach to securing diverse candidate pools. The GLA will retain decision-making responsibility for determining where and how the GLA advertises its posts to seek to attract a diverse applicant pool. Havas People will operate within the GLA's requirements.

3.3. The GLA operates blind recruitment with no identifiable candidate information, including diversity information, being available to those involved in the shortlisting of applicants. Shortlists are reviewed to ensure any applicants meeting the requirements of the guaranteed interview scheme are invited for interview.

3.4. The GLA will maintain its normal requirements for diverse panels in terms of both ethnicity and gender. Further, all candidates will be asked about any adjustments they may require to fully participate in the selection process – be that the requirement of the recruitment materials in an alternative format, or adjustments required to attend an interview. All interviewed candidates will be

asked about any requirements they have for flexible working, with workplace adjustments agreed for preferred candidates requiring these.

- 3.5. These standards are all enshrined in the GLA's recruitment policy within which Havas People will operate. An external candidate will not know their application is being handled by an outsourced facility.

4. Other considerations

- 4.1. Continued delays to recruitment impact may jeopardise the GLA's ability to deliver against the ambitious work programme. This constitutes a significant risk.
- 4.2. The demands of existing staff trying to take on work that would otherwise be done by others creates the potential for staff to be working excessive hours, with the resultant impacts upon their wellbeing. The GLA therefore must take action to preserve the wellbeing of its staff while at the same time ensure delivery.
- 4.3. Delivery of Mayoral priorities, including the GLA's contribution to the London recovery programme are all put at risk if the GLA is not able to increase the pace of recruitment to the organisation.
- 4.4. There are no conflicts of interest to note for any of the officers involved in the drafting or clearance of this decision form.

5. Financial comments

- 5.1. Chief Officer's approval is sought for the GLA to enter into a contract with Havas People to deliver recruitment services to the GLA, with a maximum expenditure up to £70,000 (including contingency funding) for the delivery of such services between 1 August 2021 and 31 March 2022.
- 5.2. Additionally approval is being sought for single-source exemption from the GLA's Contracts and Funding Code to engage Havas People in the delivery of recruitment services to the GLA without a competitive procurement exercise.
- 5.3. The cost of up to £70,000 for this recruitment services contract will be funded from the 2021-22 Corporate Recharges budget held within the Executive Director of Resources' budget. The contract will be managed by HR & OD unit that is part of the Chief Officer's Directorate.

6. Legal comments

- 6.1. The foregoing sections of this report indicate that the decisions requested of the Chief Officer fall within the statutory powers of the Authority to promote and/or to do anything which is facilitative of or conducive or incidental to social development, economic development and wealth creation and improvement of the environment within Greater London and in formulating the proposals in respect of which a decision is sought officers have complied with the Authority's related statutory duties to:
 - (a) pay due regard to the principle that there should be equality of opportunity for all people
 - (b) consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom
 - (c) consult with appropriate bodies.
- 6.2. In taking the decisions requested of her, the Chief Officer must have due regard to the Public Sector Equality Duty; namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity between persons

who share a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and persons who do not share it and foster good relations between persons who share a relevant protected characteristic and persons who particular regard to section 3 (above) of this report.

6.3. The procurement of the recruitment services from Havas People is valued at up to £70,000. Section 10 of the Authority's Contracts and Funding Code (the "Code") requires that the Authority undertake a formal tender process or make a call off from an accessible framework for procurements with a value between £10,000 and £150,000. However, section 10 of the Code also provides that an exemption from this requirement may be justified on the basis of the proposed contractor's previous involvement in a specific current project or the continuation of existing work that cannot be separated from the new project. The officers have set out at paragraphs 1.12 to 1.17 above the reasons why the procurement of Havas People falls within the said exemption. Accordingly, the Chief Officer may approve the exemption, if she be so minded.

7. Planned delivery approach and next steps

Activity	Timeline
Procurement of contract	July 2021
Delivery start date	1 August 2021
Delivery end date	31 March 2022
Project closure	31 March 2022

Appendices and supporting papers:

None.

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 – Deferral

Is the publication of Part 1 of this approval to be deferred? NO

If YES, for what reason:

Until what date: (a date is required if deferring)

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Patrick Alleyne has drafted this report in accordance with GLA procedures and confirms the following:

✓

Assistant Director

Charmaine De Souza has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Financial and Legal advice:

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

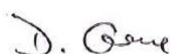
Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 12 July 2021.

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature



Date

20 July 2021

COST PROPOSAL FOR DISCUSSION	
Client	GLA
Phase	Surge Recruitment
Date	29.06.21
Version	1.0
Budget	TBC

DESCRIPTION	RESOURCE	Unit - Hours/Days/Months	RATE	COST	TOTAL	SCOPE
Campaign Set-up						
Campaign Set-up	Executive Sponsor	7.5	£273.00	£2,047.50	£3,457.50	To include: briefing and planning session, set up of project plan, budget management
	Senior Project Manager	15	£94.00	£1,410.00		
Engage Set-up	Engage ATS Ops/Delivery Manager	7.5	£133.00	£997.50	£2,407.50	To include: process route planning, application form revision, candidate comms implementation, Engage ATS testing, liaison and review.
	Senior Project Manager	15	£94.00	£1,410.00		
Candidate Management and Communication						
Project & Account Management	Executive Sponsor	30	£273.00	£8,190.00	£54,990.00	Based on working 0.5 days per month @ 3.75 hours for 8 Months (August 2021 - March 2022)
	Recruitment Project Manager	720	£65.00	£46,800.00		Based on working 12 days per month @ 7.5 hours per day for 8 Months (August 2021 - March 2022)
Contingency Budget						
Application Management	Cost per application	500	£1.50	£750.00	£2,250.00	Based on any applications received over 4500 (Estimated: 30 apps expected per post -150 posts) - to be costed as required
PM Support required outside of agreed SLA	Project Manager	7.5	£67.00	£502.50		Engage set up include any additional variations outside of agreed SLA - to be costed as required
Engage Setup	Engage ATS/Ops Delivery Manager	7.5	£133.00	£997.50		Engage set up include any additional variations outside of agreed SLA - to be costed as required
TOTAL (Excluding Contingency)					£60,855.00	
TOTAL (Including Contingency - additional 500 applications and 2 x days PM support)					£63,105.00	

COSTS EXCLUDE: Travel, expenses, illustrations, website build etc for creative work – these would be scoped and costed once a full brief has been delivered. Please note costs are based on our assumptions. Following the immersion session. full scopes of work and budgets will be provided.