
Report To:	Policy and Resources Committee	Date:	17 August 2010
Report By:	Head of Organisational Development Human Resources and Performance	Report No:	HR/09/10/AM
Contact Officer:	Alasdair Moore	Contact No:	01475 712015
Subject:	Procurement of Consultancy Advice – Homologation of Decisions Relating to Recruitment		

1.0 PURPOSE

- 1.1 The purpose of this report is to ask members to homologate decisions taken to procure consultancy advice in relation to the recruiting of certain Chief Officer positions.

2.0 SUMMARY

- 2.1 As a result of implementing the revised Corporate Management Structure agreed by the Council costs have been incurred in relation to specialist recruitment advice as a result of filling of three vacant Chief Officer posts.
- 2.2 In addition two Chief Officer posts have become vacant due to an employee retiring and an employee leaving the Council, both posts require to be filled and further psychometric testing costs will be incurred.
- 2.3 The Council's Standing Orders Relating to Contracts require that where the value of a contract relating to services exceeds £10,000 a tendering exercise must be carried out as specified therein.
- 2.4 The costs incurred in relation to the posts have exceeded the limit specified in para 2.3 of this report, without a proper tendering exercise having been carried out. The costs incurred to date are as outlined in the body of this report.
- 2.5 Members are asked to homologate the spend to date, notwithstanding the failure to comply with Standing Orders Relating to Contracts.
- 2.6 Members are also asked to note that the Scottish Government are due to award a National Procurement Framework which will include Human Resources Consultancy and to agree that this contract be utilised in future recruitment exercises, notwithstanding the terms of Standing Orders Relating to Contracts.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that members :-
- (i) Homologate the procurement of consultancy advice in relation to the recruitment of Chief Officer positions, notwithstanding the terms of Standing Orders Relating to Contracts; and
 - (ii) Approve the utilisation of the National Procurement Framework being established by the Scottish Government in relation to the procurement of consultancy advice in future recruitment exercises.
 - (iii) Note the funding route for the projected costs of £11,083.

Head of Organisational Development,
Human Resources and Performance

4.0 BACKGROUND

4.1 At its meeting on 19 November 2009 the Council agreed the revised Corporate Management restructure.

4.2 The Council has an approved procedure for filling Chief Officer posts and this includes psychometric testing. Organisational Development, Human Resources and Performance do not have the expertise in house to provide psychometric testing and therefore require to utilise external consultants.

4.3 An outcome of the agreed Corporate Management restructure was the necessity to fill certain Chief Officer posts, listed below and consultancy costs have been incurred in respect thereof :

Corporate Director Education and Communities
Head of Education
Head of Educational Planning and Culture

4.4 In addition to the posts in 4.3 above, the following Chief Officer posts require to be filled due to an employee taking up a post with another Council and another employee retiring later in the year and these posts have and will incur further consultancy costs the posts are:

Head of Property Assets and Facilities Management (Currently being filled)
Head of Environmental and Commercial Services (Post just advertised)

4.5 Initially, it was believed that the costs associated with filling the posts referred to in para 4.3 above would not exceed £10,000. That being the case, in terms of Standing Orders Relating to Contracts, three written quotes were obtained before appointing a consultant to be used for conducting the psychometric tests which is the normal procedure.

4.6 However, the need to seek external advice in relation to the additional posts referred to in para 4.4 has led to further costs being incurred. The total costs incurred are presently in the order of £18,333 in the financial year 2009/10 and £12,016 in financial year 2010/11 and in terms of Standing Orders Relating to Contracts any expenditure over £10,000 requires to be subject to a tendering exercise.

4.7 It is not anticipated that further posts will require to be filled at this time but the Scottish Government are currently undergoing a National Procurement Framework for Business Management Consultancy which includes Human Resources Consultancy. It is believed that this framework, once established, could be used in future recruitment exercises.

5.0 IMPLICATIONS

5.1 The cost incurred for consultancy services in recruiting the currently stands at £18,333 in the financial year 2009/10 and £12,016 in financial year 2010/11 and with the filling of two heads of service posts still to go through the psychometric testing stage it is anticipated that costs will be in the region of £ 11,083 K.

5.2 Finance:

Financial Implications – One off Costs

Cost Centre	Budget Heading	Budget Year	Proposed Spend this	Virement From	Other Comments
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Ear marked reserves	Implementation of savings Work streams	2010/11	£12,016 £11,083		Actual costs incurred for this financial year to date. Anticipated expenditure within this financial year

Financial Implications – Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments

6.2 Human Resources:

6.3 Legal: The Head of Legal and Democratic Services has been consulted on this report.

6.4 Equalities: There is no equality issues linked to this report.