

<b>Subject:</b>	<b>Recruitment Advertising Marketing &amp; Communications contract</b>		
<b>Date of Meeting:</b>	<b>23 September 2010</b>		
<b>Report of:</b>	<b>Acting Director of Strategy &amp; Governance</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Lance Richard</b>	<b>Tel: 295925</b>
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<b>Key Decision:</b>	<b>Yes</b>	<b>Forward Plan No: CAB16937</b>	
<b>Wards Affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE****1. SUMMARY AND POLICY CONTEXT:**

- 1.1 To seek approval from members for Brighton & Hove City Council to jointly contract with East Sussex County Council and Sussex Police Authority for the provision of Advertising Marketing & Communications Services. In doing so to negotiate more favorable terms of quality and cost in relation to the placement of recruitment adverts, public notices and media advertising on behalf of Brighton & Hove City Council and other participating authorities.
- 1.2 To enable other contracting authorities within the following areas to participate in the contract: Berkshire, Buckinghamshire, Hampshire, Isle of Wight, Kent, Oxfordshire, Surrey and East and West Sussex.

**2. RECOMMENDATIONS:**

- 2.1 That Cabinet gives approval for Brighton & Hove City Council to enter jointly into tendering and letting a contract in conjunction with East Sussex County Council and Sussex Police Authority (the Consortium) for the provision of Advertising Services. Contract award is anticipated to take place during July 2011. The contract will be for five years with an option to extend for a further two years
- 2.2 That, following a full European tender process, delegated authority be given to the Head of Human Resources to award the contract on behalf of the Consortium.

**3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:**

- 3.1 The current Advertising Services contract with Five by Five People has been in operation for 4 years and is due to expire on 30<sup>th</sup> June 2011.
- 3.2 The contract includes all aspects of advertising i.e. design, copy and the placing of adverts with media discount negotiated through the appointed advertising agency. The services extend to Marketing & Communication services expected from a contract with a digital media and communications background.

- 3.3 East Sussex County Council and Sussex Police Authority are also with Five by Five under a contract ending 31 June 2011 There is interest in accessing any new contract amongst the 5 District & Borough Councils in East Sussex as well as the Pensions Regulator and South Down's National Park Authority. It is anticipated that other contracting authorities in the South East may also be interested in accessing the contract.
- 3.4 The current arrangements enable us to only pay for what we use there is no standing charge for the service.
- 3.5 The resultant contractual will be available to the council's communications team who are partnering on the tender process and other departments who may wish to access the services.

**Recruitment advertising spend analysis:**

- 3.6 Advertising costs have reduced significantly over the past six years with expenditure on media advertising expenditure exceeding £900,000 in 2006. This has been achieved through a move to composite adverts and subsequently a move to job board postings.

Period	Advertising spend	Year on Year% variance	Year on Year £ variance
1 <sup>st</sup> April 2008 – 31 <sup>st</sup> March 2009	£580,807		
1 <sup>st</sup> April 2009 – 31 <sup>st</sup> March 2010	£236,909	- 59%	- £343,898

**Results & Benefits:**

- 3.7 During the financial years of 2007 and 2008 the council spent approximately £500,000 on recruitment advertising (predominantly newspapers and journals). Recognising the significant shift in jobseeker preferences for online alternatives we acted to implement an "online first" recruitment advertising strategy.
- 3.8 Analysis of our media spend revealed the average cost of placing a recruitment advert in the press was £2,231 compared to just £500 on a job board. The potential for major cost saving for the authority was clear.
- 3.9 Our recruitment advertising expenditure in 2009 fell to £236,909 a reduction of over 59% or £343,898 compared to the previous year. Feedback from our Managers regarding the online approach has been wholly positive with no reduction in either the volume or quality of candidate applications being received.

**3.10 Key benefits:**

- Improved speed of appointment – The service standard currently in operation with the recruitment Team is working to a six week cycle from placing to appointment.

- Quality of Candidates-There has been no reduction in the quality of applicants applying for vacancies within the council.
- Number of applicants applying – The number of applicants applying for roles within the council has increased from 16 to 34 on average for each vacancy.
- Cost – A standard charge of £400.00 is now charged for job board placement. A cost for an advertisement placed in the local media would be in excess of £1,000.
- Appointment to difficult to fill role- This migration to online advertising of vacancies has increased our success in filling vacancies.
- Some vacancies are still best recruited through an open day and the council will continue to recruit in a variety of ways. This enables us to recruit in a variety of ways and work with partners such as JobCentre Plus and continue to attract a diverse group of applicants.

3.11 By jointly going to tender the consortium will significantly increase the contract value from £300,000 to over £2,000,000 which then gives us greater purchasing power, which in turn should reduce costs for all consortium members.

3.12 The decreasing expenditure on recruitment advertising is expected to continue to fall. The council is beginning to use Social Networking sites such as Twitter and Facebook and placing vacancies on these sites is free.

#### **4. FURTHER INFORMATION**

4.1 Following preliminary discussions between ESCC and B&HCC, B&HCC have offered to be the Lead Contacting Authority for the re-letting of the new contract jointly with ESCC, and Sussex Police Authority, with a provision for future access by any other contracting authority in the areas listed in paragraph 1.2.

4.2 There has been a detailed review between all parties of the timescale required for the OJEU (Official Journal of the European Union a website where contract opportunities are advertised) tender process and the relevant extension periods as provided under the existing contract and under Contract Standing Order 16.2 have been agreed.

#### **5. COLLABORATION**

5.1 This proposal is evidence of our close collaboration on procurement with other Councils and public sector organisations, as promoted by Government. Access to this contract to other Councils in East Sussex and Sussex Police Authority is provided. The costs of letting this contract with other local authorities are no greater than costs incurred on our own. Administration of the contract will be carried out by each individual authority and places no further burden on Brighton & Hove City Council. Any costs incurred through the letting of the contract will be shared equally by the consortium members.

#### **6. CONSULTATION**

6.1 Consultation has taken place with the council's internal communications team. Further consultation will take place with individual service areas through the development of the contract specification.

## 7. FINANCIAL & OTHER IMPLICATIONS:

### Financial Implications:

- 7.1 The average cost of recruiting externally dropped from £4,120 in 2008/09 to £1,310 in 2009/10. This was due to a dramatic increase in the use of much cheaper online adverts, from 30% of external recruitment in 2008/09 to 90% in 2009/10. This bias towards online advertising is expected to increase still further.
- 7.2 However, 2010/11 actual recruitment costs may not continue the downward trend because of the recruitment costs associated with senior appointments delivering the new structure.
- 7.3 By contracting jointly with other local authorities and bodies from 2011, it is expected that extra economies of scale should help to ensure high quality and also drive down costs of external recruitment even further with estimated annual savings of £20k. This approach will also contribute towards the value for money approach and potential savings in communications

*Finance Officer Consulted:*

*Peter Francis*

*Date: 24/08/10*

### Legal Implications:

- 7.4 The services to be purchased are categorised as Part A services under for the purposes of the EU Directive and Public Contracts Regulations 2006 and the procurement process will therefore be subject to the full application of such legislation. Contracts in excess of £75,000 must be prepared in a form approved by the Head of Law. The Council must take the Human Rights Act into account in respect of its actions but it is not considered that any individual's Human Rights Act rights would be adversely affected by the recommendations in this report

*Lawyer Consulted:*

*Sonia Likhari*

*Date: 23/08/10*

### Equalities Implications:

- 7.5 The contractual arrangements will seek to maximise the council's diverse workforce through its recruitment strategy.

### Sustainability Implications:

- 7.6 There are none

### Crime & Disorder Implications:

- 7.7 Targeting local communities with particular recruitment campaigns and working with partners such as JobCentre Plus in reducing local unemployment.

### Risk & Opportunity Management Implications:

- 7.8 Risks include:

- Significant increased cost of recruitment
- Loss of reputation with partner organisations
- Difficulty in recruiting to council vacancies

Corporate / Citywide Implications:

7.9 The nature of this contract will support the council's strategic commissioning model facilitating joint working and consistent practice for recruitment, marketing and communications.

**8. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

8.1 Human Resources have considered the option of the provision of this service in-house. This option has been discarded following discussion with the Head of Communications because of the following factors:

- The inability of the council to negotiate discounts on rate-card rates for both media and job board purchase.
- The inability of the council to operate a south east regional contract for recruitment advertising for all the partner agencies.
- The council's communications unit will be a partner in this contract and accessing some of the elements provided through the finalised contract arrangements.
- Paper based advertising will still be available through the new contractual arrangements.

**9. REASONS FOR REPORT RECOMMENDATIONS**

9.1 Brighton & Hove City Council will achieve significant financial benefit from jointly contracting with other authorities, which is permitted under Council Standing Orders.

**SUPPORTING DOCUMENTATION**

**Appendices:**

None

**Documents In Members' Rooms**

None

**Background Documents**

None

