



Collinson

Grant



Do you use temporary staff?

How to reduce costs, improve effectiveness and minimise risk

1 Analysing the use and cost of temporary staff

People are the greatest asset and biggest cost in nearly every business. The way they are recruited, managed, promoted and rewarded directly affects profitability and long-term competitiveness. Cost effective and business-oriented recruitment processes can save money, increase productivity and reduce the time managers spend on unproductive tasks. Collinson Grant helps employers in all sectors throughout the UK to do just that; both for permanent employees and temporary staff engaged via recruitment agencies.

Our team of employment and recruitment specialists understands the challenges that an organisation faces in managing its temporary staff and recruitment agencies.

- How do you maintain control, consistency and visibility of compliance and costs in all aspects of temporary staffing throughout multiple sites, departments and job roles?
- How can you fully exploit this vital resource and ensure the benefits outweigh the costs?

Collinson Grant offers a tailored consultancy service to help organisations use their contingent workforce more efficiently. We have a proven track record in successfully working with organisations in a variety of industries (within both the private and public sectors) and creating a new methodology for managing recruitment agencies and temporary workers.

We provide recommendations to reduce costs, and create greater visibility and control whilst improving legislative compliance, which in turn helps to improve efficiency and increase productivity.

Our team conducts a full analysis exercise; we investigate your current expenditure and processes, identifying any areas of risk or opportunity. We would identify cost savings and improved efficiencies by adopting a standardised pricing model and service agreement, and implementing a fresh approach to engaging recruitment agencies and temporary staff. This will typically reduce agency expenditure by **between 5% and 10%**.

2 What we look at

Our experience and expertise within the recruitment industry enables us to answer questions such as:

- How can we reduce our recruitment costs?
- How do we ensure the agencies we use comply with the law and do not expose us to unnecessary risk?
- Can we streamline our administration process and reduce costs?
- How can we be sure we are maintaining the correct balance of quality and quantity of staff?
- Are we affected and/or exposed by recent changes in legislation such as Agency Worker Regulations, Pensions Automatic Enrolment and use of onshore/offshore intermediaries?
- How can we engage and retain good agency staff for longer?
- What can we do to improve our workforce planning?

3 What we analyse

We focus on four areas:

3.1 Expenditure

We will conduct an in-depth analysis of your organisation's current temporary labour costs by:

- analysing the most recent three months' invoices for all temporary staff, examining each invoice (and associated timesheets) to identify job role, location, shift, day(s) worked, charge rates and total cost to your business
- reviewing the last 12 months' purchase ledger/finance data held by the central finance team, to analyse current payment process, purchase/requisition orders and VAT
- comparing the three-month invoice data with the 12-month finance data to predict the annual run-rate of temporary staff costs.

3.2 Suppliers

We will liaise with your HR and/or resourcing team:

- to identify currently used agencies, preferred supplier lists (if applicable) and any non-approved suppliers
- to scrutinise existing suppliers' current terms and conditions and service levels (payment terms, temp-to-perm periods, review meetings, fulfilment rates, etc)
- to review agencies' insurance (employer's liability, public/product liability, professional indemnity, etc).

3.3 Compliance and legislation

We will discuss and confirm the current policies and procedures for:

- legislative compliance (such as Agency Worker Regulations, Pensions Automatic Enrolment, onshore/offshore intermediaries)
- checking candidate compliance and documentation (such as UK right to work, DBS certificate, driving CPC, licence checks, references, etc).

3.4 Managing temporary staff and planning the workforce

Hiring managers and key stakeholders will be interviewed about:

- business case for using temporary staff
- approval process for using temporary staff
- induction/training processes
- duration of assignment and conversion of agency staff to permanent employees
- workforce planning (rotas, core staff, advance booking, last-minute requirements, peak period cover, etc)

4 Results and recommendations

We will deliver our results and make recommendations on:

4.1 Pricing structures

Using our extensive industry knowledge and experience in creating sustainable pricing models, we will help you to implement a new pricing structure that will secure a consistent supply of both the quantity and quality of agency staff you require. It will feature:

- A new standardised pay structure using job role, location, and shift, which will ensure pay is consistent amongst temporary staff.
- Correct calculation of statutory payments (employer's national insurance, holiday pay, pension contribution) in line with HMRC regulations.
- Sustainable agency margins based on our recommendations and benchmarking against current market conditions.

For every job category identified in the analysis exercise, we will propose a new standard agency charge rate that is realistic, commercially achievable and consistent. All supplying agencies will still have an incentive to supply at these new rates; however they will compete only on quality of service and staff, not price.

Our experience indicates that a standardised pricing model would generate a **gross cost saving of between 5% and 10%** (versus existing charge rates on a like-for-like expenditure).

4.2 Agency panel

We will recommend you appoint a preferred panel of agencies under a new standard and consistent set of terms and conditions. These 'approved suppliers' will be contractually obliged to adhere to the new standard pricing structure, and will allow you to objectively and consistently measure their service level. You can then allocate ongoing business opportunities to the best performers.

The new agency panel will primarily consist of existing suppliers (identified from the analysis). This should ensure that all locations retain at least some of their existing suppliers and consistency of supply is maintained. Wherever possible, the highest-rated suppliers will be incorporated into the new approved panel. The aim will be to allow choice locally, whilst ensuring the new organisational strategy is achieved.

4.3 Compliance and legislation

The new standard terms and conditions will require agencies to complete a strict compliance 'checklist' for each candidate, which covers requirements such as UK right to work, DBS, licences, reference, etc.

By implementing a robust process for pre-employment screening, the organisation can mitigate risk and ensure all temporary staff members satisfy legal requirements before commencing work.

4.4 Workforce planning

We will make recommend ways to efficiently and proactively plan your temporary workforce. This will allow you to adapt more quickly to fluctuating demand, enable prior planning and ensure people are available when required by maintaining a core of temporary workers with higher engagement and loyalty.

This will increase productivity and reduce reliance on mass-recruitment drives.

5 Implementation

When you have reviewed the results and recommendations of our analysis we will create a project plan that describes how we would work with your organisation to implement the changes. We would do the work in phases so that you and we can review and monitor progress.

The plan would be agreed with your organisation's key stakeholders before each phase commences, and the work will be altered or adapted if necessary to ensure an operational fit is maintained throughout this process.

6 About Collinson Grant

Collinson Grant has been offering HR and employment law services for over forty years. We are used to working in close partnerships with clients – often in relationships lasting many years. Our support is tailored to their business's needs: providing integrated and responsive support as and when needed, and in the format, it is required. We are committed to maintaining excellent value for money – so we are confident that the bespoke services we offer clients meet that test.

We provide support on recruitment and staffing for large and medium-sized companies throughout the United Kingdom, focusing on:

- selection and appointment of senior managers and directors
- recruitment exercises for permanent or temporary staff when organisations are undergoing rapid periods of change
- interim Managers/Directors – senior staff who can take over and manage operations for the short, medium or longer-term.
- occupational testing and assessment centres run by Chartered Psychologists. We organise individual testing and run assessment centres to enhance decisions on recruitment and promotion
- managing downsizing – using objective analysis to guide clients on making fair and legal decisions on implementing restructuring.

Our HR and recruitment specialists have all held senior managerial jobs running a personnel department. They understand how to get things done and work with other functions to implement change successfully. We have strength in depth in employment law – our team includes solicitors and employment lawyers with more than 120 years' collective experience. Collinson Grant has extensive experience in employee relations. We have helped to restructure hundreds of different businesses, harmonize terms and conditions, and negotiate directly with trades unions.

"We have a good working relationship with Collinson Grant. They understand our business well and the day-to-day issues on which we need specialist support."

Sharon Eley, Shared Services Director, National Car Parks

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