



RECRUITMENT MATTERS

The View and The Intelligence

The Scale Up Workbook ▶ p2-3

Member of the Month

Interactive Selection ▶ p4

Legal update and the IRP

The National Living Wage and Start Up course ▶ p6-7

Events and Training

REC AGM and Digital Workshops ▶ p8

MYOPIC AGENCY CAP WILL HURT NHS, SAYS REC



NHS are having their pay cut to such an extent they are choosing to work outside of the public sector or leave the profession altogether.

“All the evidence suggests the cap is exacerbating the skills shortage crisis rather than alleviating it, and NHS Improvement has so far failed to produce evidence to the contrary. We believe that shifts are going unfilled in hospitals across England as the Department of Health instructs hospitals to put finance before patient safety.”

Demand for temporary staff from NHS Trusts has increased since the caps were imposed. In June 2015, a third of healthcare recruiters (33%) said they received more than 100 requests for staff per week from each NHS Trust they work with. The latest data shows that almost half of healthcare recruitment firms (47 per cent) are now receiving more than 100 requests to fill shifts every week from each NHS Trust they supply.

NHS spend on agency staff accounted for 2.9% of the NHS's overall annual expenditure in 2014/15.

More than two-thirds of healthcare agencies expect locum doctors and agency nurses to turn to the private sector for work, according to a new survey.

The REC survey found 63% of healthcare recruitment agencies said they expect locum doctors and agency nurses on their books to focus on the private sector in

response to the latest pay cap, which came into effect on 1 April.

A third said that candidates will leave the profession altogether. Just 3% said they expect candidates to take up permanent roles in the NHS.

REC chief executive Kevin Green says the policy will have a huge effect on the health industry.

“Everyone knows that efficiencies have to be made in the NHS, but rather than a considered plan to improve staffing, we've seen a policy which is myopic and ill-conceived,” he says.

“At a time when demand for temporary staff to fill gaps is increasing, locum doctors and agency nurses who have provided a lifeline to the

THE VIEW

This is the best time to build an agency, says **Kevin Green**, REC chief executive



The REC has just published The Scale Up Workbook, which has been developed as part of the successful 'Scale Up' campaign.

This cutting-edge research is designed to help those leading recruitment business to grow their organisations at a faster pace than the market.

The workbook includes a set of tools, is evidence based, and is packed full of real-life examples from people who've been there and done it themselves.

Defining a clear vision and a unique competitive strategy is advocated in the advice, as well as planning to fund expansion, attracting talent, managing change and leveraging technology to help the business succeed in the long term.

Right now is the best time since the 1980s to be running a recruitment business. The UK's job-rich economic recovery has enabled the UK recruitment industry to expand rapidly.

Sales grew by £1.8bn to £31.5bn last year (that's a growth of 9.7%) and the industry is now a whopping £4.5bn bigger than before the recession. The REC's market forecast shows the industry growing by 22.1% during this year (2015/16) and the next two years. We anticipate industry turnover being £39bn by April 2018.

For the past 18 months, our Scale Up campaign has been helping recruitment agencies to Scale Up in the right way so they can best take advantage of this growing marketplace.

The REC's Scale Up campaign comprises a wealth of tools, research, workshops and seminars to assist you develop your firm. It is based on our collecting wisdom from those who have built successful recruitment businesses.

The REC's role is to collect this learning and to disperse it in a digestible form to recruitment entrepreneurs.

I would love to see as many members as possible at our Scale Up In the Rounds events at Leeds on 11 May, Manchester on 12 May, Belfast on 3 June and Scotland on the 9 and 10 June. Book your place at rec.uk.com/intheround

We encourage you to grasp this fantastic opportunity to scale-up your recruitment business. We hope that by using the Scale Up content you will be inspired and motivated to go for growth. So, here's to your future success!



If you want to keep abreast of all that's new about employment and recruitment why not follow me on twitter at @kevingreenrec

Regulatory changes offer recruiters opportunities, says **Tom Hadley**, REC director of policy and professional services

CROSSING THE STREAMS

Two key streams of activity within the REC's remit are: a) to help members adapt to external developments; and b) to help members scale up and seize new opportunities. As we learnt from *Ghostbusters*, crossing the streams can be a powerful force for good...

One area of overlap is regulatory change. Our old friend the Agency Workers Regulations (AWR) is a good example: this was one of the greatest challenges we've faced as an industry. But many REC members won business on the back of their ability to work with clients, manage risk and make the necessary changes. Six years on, the marshmallow man of the day is a coagulated lump of travel and subsistence changes, National Living Wage and the apprenticeship levy. The issues may be different but our mission stays the same: provide our members with the support to prepare their business, reassure existing clients and reach out to new ones.

Regulatory changes can open opportunities for recruiters in whole new sectors. I remember the late James Kilbane, co-founder of Grafton Recruitment, telling me how he had originally fallen into recruitment by taking ownership of a dwindling healthcare recruitment business, only for regulations restricting the use of temporary staff in the NHS to be lifted, which opened up a huge new market. There are fears that we're going full-cycle with the current NHS cap on agency staff, but the point remains: change brings opportunity. For a recent example, look at the financial services sector where new regulations created demand for compliance staff and a great niche for fast-thinking recruiters. One of the aims of the REC's 19 sector groups is to flag changes in specific sectors that can provide new opportunities for our members.

A big part of our work with Ciett and Eurociett is to pre-empt and accelerate some of these changes. A final example of overlap is how our work with employers – in particular through lobbying activities and the 'Good Recruitment' campaign – can identify priorities, such as an increasing focus on managing supply chain risk. Music to the ears of compliant agencies within REC membership.



You can follow Tom on Twitter @hadleyscomment



THE INTELLIGENCE

DIANA BEECH, SENIOR RESEARCHER, INTRODUCES THE SCALE UP WORKBOOK

The REC prides itself on providing access to world-class business support. For the past year, through its Scale Up campaign, the REC has been providing UK recruiters with practical tools and advice to help expand the UK's recruitment businesses. Now, the is proud to introduce its latest addition to the campaign – The Scale Up Workbook – which is a guide designed to accompany you as you embark on your own scale-up journeys

The Scale Up Workbook, released last month, contains insights from the leaders of some of the UK's fastest-growing recruitment

companies, as well as practical advice from industry experts. Most notably, the workbook features examples from recruitment companies from all the devolved nations of the UK, spanning a wide range of sectors, scales and geographical reaches. So, you are sure to find something to inspire you.

As anyone who has ever done it will tell you, scaling up a recruitment business involves considerable change. The Scale Up Workbook talks you through each of the key stages in this process – from ascertaining your vision and strategy right through to financing your business growth and marketing your brand.

It provides you with action points, key questions to consider and a personal checklist, which you can use to map your own business success.

While other reports focus on the 'bigger picture' of business growth, the Scale Up Workbook tackles recruitment-specific issues,



including advice on getting the right mix of temp/perm business to enhance your company's growth, as well as tips on finding the best ratio of admin-to-sales staff for your brand.

With an annual turnover of £31.5bn and expected growth in sales of 22.1% over the next three years, the UK recruitment industry is the largest it has ever been. Now is undoubtedly a good time to be capitalising on this success

and thinking about scaling-up the UK's recruitment firms for the future.

The Scale Up Report (2014) found that boosting the number of British scale-ups by just 1% could generate an extra £225bn for the UK economy by 2034. With The Scale Up Workbook the REC is keen to ensure that a strong and healthy recruitment industry will play a big part in the UK's scale-up revolution for a long time to come.

The Scale Up Workbook is available free to all REC members. Download it now at www.rec.uk.com/workbook

TREC 2016
Talent, Recruitment & Employment Conference 2016

22 JUNE 2016

**Attract, recruit
and retain talent**

www.rec.uk.com/trec

INTERACTIVE SELECTION

GAME

ON

David Smith is an IRP Honorary Fellow, MD at Interactive Selection and the founder of Women in Games. He tells Recruitment Matters why diversity is the source of all creativity



Recruitment Matters:

What makes the games industry such an interesting sector to recruit in?

David Smith: The games industry is such a fantastic place because it changes so much. The challenge for a recruitment company is to stay ahead of that curve. It's a hit industry, it's very competitive. If they don't have a hit, studios tend to close very quickly. As a recruiter, bearing in mind you're working with game developers at the cutting edge of technology and creativity, you're looking for people to work in games that haven't been created yet. Sometimes, you're trying to fill a role that doesn't actually exist.

RM: Industry knowledge sounds vital here.

DS: Gaming is a nice, enclosed environment. It's not easy for big multifaceted recruitment companies that work in different sectors to find their way in. We games specialists hold our own because many think it's just another facet of IT. Candidates in the games industry are fiercely loyal to

recruiters who have specialist knowledge rather than those who think they can walk into the business and take over. It's a candidate-driven market, but you still have to deliver the best.

The life of a games developer at a given company isn't always a long one because the work tends to be project-based. Someone may work in a games company for 18 months to two years before game development ends, and then they have the choice to stay or move onto another company.

We regularly place people that we've placed five or ten years ago because we've offered a good service and they trust us. They also know that because we've worked with them before, we'll add real value to their job search.

RM: It sounds like you're part of the gaming sector's furniture?

DS: It's always struck me as obvious that if you're part of recruitment you want to say you're part of the industry you recruit for, not the staffing industry. You have to be commercially aware, you

have to be driven to a certain extent, but you do have to be able to get on with people.

Every recruitment situation is different. But I think it's very difficult to start out in the industry as a graduate and possess the kind of life skills you require to work with the wide variety of people that aren't just looking for jobs but are hiring.

RM: Do you recruit for companies outside the UK?

DS: The other interesting thing about the game industry is that it's very international. Interactive Solutions has people in 25 countries. We're just as comfortable finding people in the US or Canada as we are Russia or China.

We have the capacity to find someone from one country and place them in a completely different part of the world. People who want to work in the games industry with experience are keen to work wherever the best projects are. They're not so tied down by local boundaries – they're quite happy to relocate.

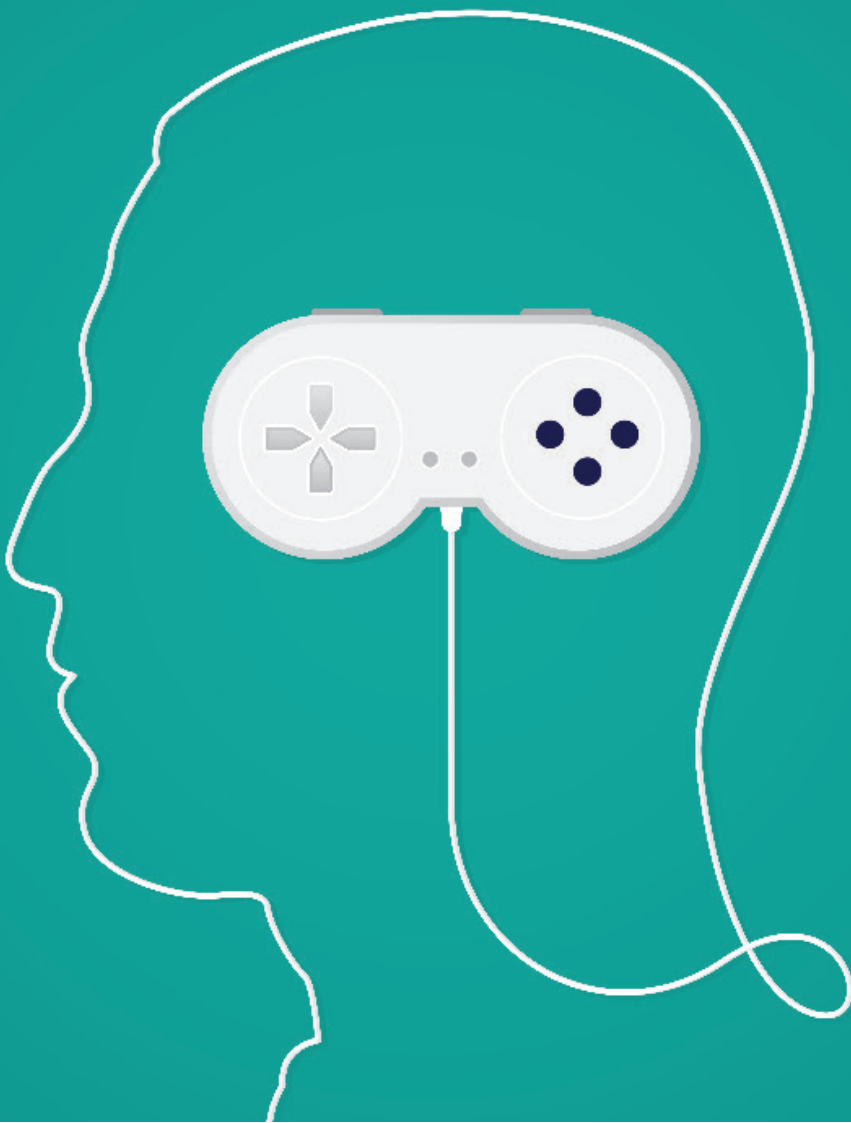
RM: Immigration restrictions must be a hassle?

“WITHOUT EVEN THINKING ABOUT IT, EMPATHY IS THE MOST IMPORTANT TOOL IN A RECRUITER'S TOOL KIT, BUT ALSO MARKET KNOWLEDGE”

DS: The national visa situation is interesting because many games jobs are on the shortage occupation list. Because games are hit driven, it's very important for companies to hire some internationally- renowned people who've worked on similar titles, genres or technology. It's sort of common sense that if you're going to produce your own football game, you want to hire someone who's worked on a football game.

RM: Do you bring talent into the UK too?

DS: The UK is still one of the best game developing countries in the world and



that talent is much in demand. That's why recruiters like ourselves are hired to find that best talent. The reality is that while there may have been a brain-drain from the UK to the US, the UK is draining brains from central Europe like Poland and the Czech Republic. The big studios are normally hiring continuously and that's where external recruiters do a lot of work.

RM: Diversity isn't a word that's often used within the gaming industry, but it's something you're passionate about.

DS: One of the beauties of the industry now is that there is something for everyone to

get into. One of my favourite topics is talking about the number of women who work in our industry, which is very small and is growing. Fifty per-cent of game players are female and when you look at the individual stats, women over 40 play more games than men under 18. That's got to be healthy for the games industry as a whole because now we're not just reaching a small niche, we're reaching everybody.

I set up the Women in Games Group not just to help women work in the industry, but to help create more diverse games and bring innovation to the industry. That way, games companies are more likely to have a hit and hire more people. There's

a link between diversity, innovation and creativity, which are the core products of a successful game.

It struck me as strange that an industry like ours could not benefit from having a much more diverse workforce.

That's where I find myself arguably leading an industry in promoting diversity – not for the sake of it, but because it will make the industry more successful.

RM: What can external recruiters offer that internal recruiters can't?

DS: External recruiters can always offer more than internal recruiters in terms of looking after people's

careers. Internal recruiters are only working with one company and can only work with one particular job or job option. External recruiters can typically work with 10 companies, looking for a given skill from a much wider choice. We can give them options they wouldn't have previously considered.

RM: What's the most important thing for a recruiter to remember?

DS: Without even thinking about it, empathy is the most important tool in a recruiter's tool kit, but also market knowledge. If you have both, then that combination is what sorts niche recruiters out from the generalists or the people who think you can apply general recruitment skills across all sectors.

The reality is you can't recruit in a place where internal recruiters are mopping up 80% of jobs because they're so easy to sell. There's always going to be areas for external recruiters but you have to be as professional as possible and you've got to deliver a sizable service.

If clients are looking to have a hit game and it doesn't matter what size the team is, our job is to offer the best people outside of their existing networks. That's why the most progressive companies tend to work with external recruiters. Those who recruit in their own image aren't going to be as innovative as those who hire out of a diverse network.

NATIONAL LIVING WAGE



By Lewina Farrell, solicitor and head of professional services at the REC

The new National Living Wage (NLW) is payable from 1 April 2016. The NLW, which is £7.20 per hour, is payable to those aged 25 years and over. It should not be confused with the voluntary living wage, which is set significantly higher than the NLW and at different rates inside and outside of London (£9.40 and £8.25 respectively). Instead the NLW is just another band of national minimum wage (NMW) rates that apply across the whole of the UK. There are no regional differences in NMW. Businesses that are already accustomed to working with the various NMW rates will have the necessary systems in place to deal with this change.

Much has been written about the economic effect on businesses of having to pay

yet another NMW rate. It is clear that those over 25 years will now be significantly more expensive than those under 25, including in particular, those under 21, for whom employers' national insurance contributions were removed in April 2015.

This could tempt businesses to deliberately not hire those over 25, or instruct their recruitment business suppliers to supply only those aged 24 years or under, or to terminate their assignments on reaching 25.

Such actions would be direct age discrimination, in breach of the Equality Act 2010 (age being a "protected characteristic"). Such direct age discrimination can only be justified when there is a legitimate public interest, rather than a business-specific interest, such as seeking to keep down costs.

The government has

already stated its aim of increasing the NMW and NLW rates by the end of the current parliament in 2020.

However, the Low Pay Commission sets the rates usually effective from 1 October, and in March 2016 published its Spring 2016 report that included its recommendations for 2016/17. We know that businesses can expect a further rise to the remaining NMW rates from 1 October 2016. These will be effective for six months, as all of the NMW and NLW rates will rise in April 2017 and every April after that. This amounts to three rises in just 12 months.

Businesses have already been warned about increased enforcement activity, including increased penalties for failure to pay any of the NMW rates. A new team has been set up in HMRC to take forward criminal prosecutions

for those who deliberately do not comply. HMRC/BIS have already stepped up their policy of 'name and shame'.

Going forward, an even more serious sanction would be disqualification from being a company director for up to 15 years.

Of course, we also know that as of 6 April 2016 travel and subsistence expenses relief has been removed from temporary workers working under the supervision, direction or control of any person.

In addition, the apprenticeship levy will apply from April 2017, calculated at 0.5% of a business's paybill (applicable to those with paybills over £3m).

All in all, recruitment businesses will have a raft of measures to deal with in the coming 12 months that will require negotiation with their clients.

NEW FOR 2016

LEVEL 5 DIPLOMA IN RECRUITMENT LEADERSHIP

Visit
www.rec-irp.uk.com
DipRL for full
course details

Vivien Edwards

is the founder of Cornerstone42. She completed the REC's Start Up course in 2015



START UP

Why did you choose to start your own recruitment business?

I had worked as a PA and EA for 19 years and decided I wanted to make a difference and create something new and refreshing. The fact that I had the practical experience and intimate knowledge of the role and the industry gave me the advantage I needed. It was clear to me there was a knowledge and expertise gap in the administration market.

How did you find the REC's Start Up course?

It was great – it gave me the confidence I needed to launch my own business. It gave me everything I needed to get off the ground.

What makes EA recruitment so appealing?

A lot of middle management layers were lost during the recession and EAs were given responsibility for things like budget management, people management, public relations and social media. The modern day EA and their responsibilities have changed beyond recognition, and we as an industry need to recognise this and adapt accordingly.

What separates a great recruiter from a good one?

It's essential to listen to what your candidates and clients want. But sometimes you must challenge clients on the role and the job spec. You also need to attract the right kind of candidate. Building trust is important. If you're unable to deliver, be honest and say so. Think about your reputation and don't send a candidate to a client just for the sake of it.

What would you say to anyone thinking of launching their own business?

Figure out what your differentiator is, what separates you from the masses. There are 19,000 agencies in the UK – it's a saturated market. You must figure out what makes you different and what your mission is going to be.

Emmajane Albertini

is the managing director at Elite National Recruiters



WHAT I KNOW

Things are slowing down

The growth we saw last year and expected to start again after Christmas has not materialised. The market feels quite slow. That could be due to a lack of confidence, thanks to the referendum. It could simply be the time of year, and maybe we'll see things recover once the sun comes out again. It's not the market it was last year.

Great time to plan

The great thing about this time of year is it gives you an opportunity to start looking at more detailed ideas about what you can offer candidates and clients, and patching up the gaps between the services you're supplying. I've been talking to a consultancy about looking at our business from an outside point of view. It gives me time to study the gaps and implement things. In a very busy market, I wouldn't normally have time to do that.

Stay positive

Yes, the market isn't as busy as we would like it to be, but there's no point in being negative, otherwise it breeds more negativity. The market is still predicted to grow and expand, and we have to be ready when it does.

Good recruitment

To me, to be a good recruiter is about personality and personal drive and ambition. If you don't have that will and ambition to succeed – and to be able to have the personal skills to interact with people – you're never going to be a good recruiter. Some people are too overenthusiastic and driven and forget to care about the people. I think it's always important to provide the same level of service, no matter who it is. Regardless of whom you're speaking to, you should always treat that person with the same level of care and attention. After all, nobody knows what's around the corner.

To keep up to date with everything the Institute of Recruitment Professionals is doing, please visit www.rec-irp.uk.com

NOMINATIONS OPEN FOR REC COUNCIL ELECTIONS

OUR COUNCIL OF DIRECTORS DRIVES THE REC

It maps our course, moving us towards a more professional and compliant recruitment industry.

We know jobs transform lives, and our members are clear about what they want our industry to be.

Help us build the best recruitment industry in the world by being on the REC's Council of Directors.

Nominations for the 2016 REC Council election open on Friday 15 April 2016 and close on Tuesday 3 May 2016.

NOMINATION CRITERIA

There are six council vacancies to be filled: four corporate and two individual directors.

Corporate members can nominate an individual who is employed by them or acts as an officer for the company holding REC Membership.

Individual nominees must be full members or Fellows of the REC's Institute of Recruitment Professionals. Nominations must be proposed by three fully-paid AIRP, MIRP or FIRP



members (excluding student members).

DIRECTOR RESPONSIBILITIES INCLUDE:

- Promoting the success of the REC and IRP
- Ensuring the REC and IRP are managed for the benefit of members
- Exercising independent judgement and reasonable skill and care to the level of

your experience

- Commitment of at least 10 days per annum to REC business
 - Acquainting yourself with the activities of the REC and IRP in order to make an effective contribution
- We need drive, we need experience, and we need the best to move forward.

Visit www.rec.uk.com/rec-agm-2016 for more information

DON'T MISS THE SCALE UP DIGITAL WORKSHOPS

Join our digital experts, Johnny Campbell from Sourcing Talent and Dave Hazelhurst (aka Google Dave) from PH Creative, to get best-practice insights into how to develop your businesses digital and social strategy.

Featuring their unique presentation styles, Johnny and Dave's short, focused and punchy sessions will ensure you'll gain skills that you can implement straight away or use to kick start a new digital strategy.



Topics covered include:

- Hear how to leverage the latest sourcing channels, tools and tricks
- Understand how to build compelling content to attract and engage candidates and clients
- Gain practical tips on how to effectively get your consultants to use social

- Transform your organisation's employees, clients and candidates into brand advocates
- Learn how to leverage your networks to assist you in winning the war for talent
- Understand how to use social media to generate business and source hard-to-find talent.

How much is it?

£69 + vat for REC & IRP members
£239 + vat for non-members

Book now or contact info@rec.uk.com for more information.

RECRUITMENT MATTERS



Membership Department: Membership: 020 7009 2100, Customer Services: 020 7009 2100
Publishers: Redactive Publishing Ltd, 17 Britton Street, London EC1M 5TP. Tel: 020 7880 6200. www.redactive.co.uk
Editorial: Editor Michael Oliver michael.oliver@redactive.co.uk. Production Editor: Vanessa Townsend
Production: Production Executive: Rachel Young rachel.young@redactive.co.uk Tel: 020 7880 6209
Printing: Printed by Precision Colour Printing

The official magazine of The Recruitment & Employment Confederation
Dorset House, 1st Floor, 27-45 Stamford Street, London SE1 9NT
Tel: 020 7009 2100
www.rec.uk.com

© 2016 Recruitment Matters. Although every effort is made to ensure accuracy, neither REC, Redactive Publishing Ltd nor the authors can accept liability for errors or omissions. Views expressed in the magazine are not necessarily those of the REC or Redactive Publishing Ltd. No responsibility can be accepted for unsolicited manuscripts or transparencies. No reproduction in whole or part without written permission.