

Cabinet Meeting on Wednesday 17 January 2024

Service Provision of Temporary and Interim Staff Resources



Councillor Alan White, Leader of the Council said,

"We have over 3,000 valued full-time equivalent employees at the county council; however we do need temporary employees for a variety of reasons and most notably in front line service areas. This supports us in ensuring we are highly flexible and respond to the needs of our teams as soon as possible. We have in place a sourcing organisation to streamline this process which is well regarded by agency suppliers due to its fair payment processes."

Report Summary:

The report outlines the requirements to recontract for a provision to supply temporary and interim human resources (agency workers) to the County Council to provide cover for vital frontline services. It provides background details on the current provider and the benefits of awarding through an established framework to retain the current provider for the next 3 years with the option to extend for 1 year.

Recommendations

I recommend that Cabinet:

- a. Continue to operate a neutral vendor model for the provision of temporary and interim human resources.
- b. Awards and enters into a 3 + 1 year call-off contract from Eastern Shires Purchasing Organisation (ESPO) framework agreement 653F_23 – Managed Services for Temporary Agency Resources (MSTAR4) with Comensura.

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Recommendations of the Leader of the Council

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Local Member Interest:

N/A

Report of the Deputy Chief Executive and Director for Corporate Services

Reasons for Recommendations:

1. The County Council is one of the largest employers in the county, employing 3,366 Full Time Equivalent.. The County Council makes use of temporary and interim Human Resources for a variety of reasons but in the main to provide the right flexible cover across all directorates and sub units including regulated services in the organisation. To
2. Temporary staffing is a vital resource for the County Council; whilst it is a significant area of expenditure it forms a valuable, highly flexible key resource to assist the County Council in delivering important frontline services.
3. The current call-off contract for the County Council Vendor Neutral provider is IA1564 Temporary and Interim Human Resources for the Period: 1 April 2020 to 31 March 2023, with an option to extend to 31 March 2024 is with Comensura. This call-off contract was procured through the ESPO Managed Services for Temporary Agency Resources Framework Agreement 653F_15 MSTAR3 on ESPO's terms and conditions. The extension period has been utilised.

4. Vendor Neutral providers, such as Comensura, do not provide temporary workers directly but draw resources from a large supply base to fulfil orders. They engage other providers of agency staff to become approved providers to the County Council and manage the supply chain. Those providers meeting minimum standards in terms of business suitability compete equally against others in the locality to supply temporary workers to the County Council departments, irrespective of their size or reputation which gives local SMEs & BAMs (Bidding and Allocation Management (armed forces booking system)) the opportunity to provide services.
5. Comensura use a web-based electronic system to communicate temporary staffing requirements to the County Council's list of potential suppliers providing access to e-procurement and the efficiency brought by that provision.
6. Around 50 different employment agencies supply temporary human resources to the County Council through Comensura, and a number of self-employed workers contract with Comensura via their own Limited Company.
7. Using this approach to source agency workers has over time achieved significant non-cashable process and administration savings using consolidated invoices, automation of time sheets, time spent procuring and negotiating with suppliers, time spent collating job specifications / selection of candidates and resources required to check compliance on insurance, credit rating, Disclosure and Barring Service (DBS), etc.
8. The arrangement is internally mandated, requiring all hiring managers to use the service and not deal directly with agencies.
9. With the current call-off contract coming to an end, the County Council has been reviewing its requirements with a view to planning future service provision.
10. It is proposed that a 3 +1 year call-off contract from Eastern Shires Purchasing Organisation (ESPO) framework agreement 653F – Managed Services for Temporary Agency Resources (MSTAR4) is entered into with Comensura for the period 1 April 2024 to 31 March 2028 inclusive of extension period.
11. The reasons underpinning the recommended procurement route include:
 - a. A compliant procurement route (Comensura appointed via a framework agreement).

- b. Use of ESPO terms and conditions of call-off contract which are in the County Council's favour and offer protection (e.g. introduction fees, liabilities etc).
- c. The current model has proven to be successful for the County Council as it provides a wide range of agency staff through an extensive and robust supply chain, whilst enabling social value through providing SMEs & BAMs opportunities to provide services.
- d. The provision will meet stringent safeguarding requirements and offers value for money.
- e. Visibility of workers in spend and Management Information reports.

12. Alternative options have been considered such as:

- a. bringing the service in-house; there is no in-house facility to provide this service, it would be costly and require considerable resource to deliver. It would take significant time to build relationships with agencies and require expert management.
- b. WMTemps was considered at the start of our procurement exercise but it was identified that Opus, who are the service provider, are a master vendor. The neutral vendor model is the SCC preferred model as it has proven to be successful in the past and adds value to the local community and it doesn't fall into MSTAR4.
- c. doing nothing and allowing managers to source agency workers directly; there would be no measures in place to ensure service quality, agency fees would be potentially elevated as prices would be subject to market conditions with no control over increases or terms and conditions, reduce transparency of management information and could ultimately breach procurement regulations as spend with one provider may exceed procurement thresholds.
- d. Going out to full tender; this would take considerable time, approximately 12 months and require additional resource to manage. In addition, the cost of change is greater than potential cost savings that could be achieved should Comensura not be awarded the contract
- e. Using other call off contracts; the Council have utilised MSTAR2 and MSTAR3 for the previous two procurement exercises for this service and has proven to be successful. The MSTAR4 framework agreement was the most recent of the framework agreements considered and its procurement process involved input from local authorities to identify key requirements. This should ensure that the most competitive rates

are available. Experience of using the MSTAR4 agreement has been positive.

13. The Comensura arrangement has been a success and is working well with further scope for service improvements. Comensura have been proactive to work with our services to reduce spend and to source hard to fill posts. They have met the KPIs set in the current call-off contract which can be viewed in Appendix 2. Most notably Comensura have a proven track record in fulfilling job roles (99.4% over the last two years of the contract, exceeding the SLA of 98%), which has impacts on both the wellbeing of staff where welfare would be compromised if posts were unfulfilled and consistency of service. In addition,
 - a. Comensura conduct a 6 monthly audit of all suppliers that are supplying candidates,
 - b. Comensura have also supported on the introduction of a 'Statement of Works' solution for social care which plugged a large gap in resource requirement at a critical time,
 - c. Discussions have taken place with Comensura with a view to further improvements, for instance, more activity around refining the suppliers to each category and where needed reaching out to new suppliers in the market, particularly for hard to fill roles in Childrens Services, Social Care, Legal, ICT.
14. There are additional benefits of remaining with the current provider, these include:
 - a. Comensura is well regarded by agency suppliers due to their fair payment processes, ability to offer additional opportunity with other customers, efficient process management / systems and personalised supplier relationship management.
 - b. Comensura along with Veolia have been announced as 2023 winners of the TIARA Talent Solutions Diversity, Equality & Inclusion awards. These awards recognise companies across the RPO, MSP and talent solutions market. Comensura demonstrated clear metrics for success actions and measurable results across a wide spectrum of Diversity Equality and Inclusion
 - c. In August 2023 Comensura hosted a Prison Collaboration Day at their Luton Office with Prison Employment Leads from Drake Hall, Featherstone and Chelmsford as their leadership team are a part of their Employment Advisory Board. SCC could draw on this expertise

and approach to create an awareness of opportunities with SCC. This can be through direct recruitment or our open-door program.

- d. Comensura has been partnering with New Futures Network and HM Prison & Probation Services to help prisoners reintegrate into society and employment. We can target potential talent using open door programs.

Legal Implications

15. ESPOs MSTAR4 Framework is compliant with the Public Contracts Regulations 2015. The County Council was named within the OJEU Notice as a participant. The County Council's Procurement Regulations provide for the use of a framework where appropriate. The contract with Comensura will be a call-off contract from the MSTAR4 framework agreement. There does not appear to be any notable differences to the terms of this contract to that of the current call-off contract.
16. There do not appear to be any other legal implications at this stage.

Resource and Value for Money Implications

17. The County Council's expenditure on the provision of agency workers is in the region of £7-8million per annum which is up to 4.47% of the Council's total projected pay bill in 2023/24 of £179.4m per year.
18. Over the full term of the recommended contract, it is anticipated that the annual value will be £8 million, equating to approximately £32million over the full term. This is an increase of £4 million (14.29%). The majority of this spend is used to support vital Children's services. Appendix 1 outlines Usage and Spend for 2020-2023 YTD.
19. Due to current levels of inflation and rises in salaries across the economy it is not foreseeable that any savings will be achieved in relation to fees and pay rates, indeed the cost of the arrangement is expected to increase if current volumes are sustained.
20. Any significant reduction in spend on this category will only be achieved through reducing the need for temporary staff. There are several interventions in place and planned to deliver a reduction in usage, and therefore expenditure, over the term of the contract, these include;
 - a. delivery of key projects and activity that contributes to the People Strategy Pillar 'Attracting and Keeping Talented People',
 - b. more proactive support to recruit into vacancies,

- c. the identification of temporary staffing which should be transferred to permanent posts,
 - d. robust control of engagement of temporary staff,
 - e. provision of management insight and data to senior managers to facilitate effective usage and management of spend,
 - f. the introduction of a progression scheme for directly employed Childrens Social Workers to improve attraction and retention,
 - g. planned government intervention in the Childrens Social Worker agency market.
21. Engagement with Comensura, is broken into 15 distinct categories of intervention. A closer look at this categorisation reveals that 3 of these are specifically designed for temporary cover while we seek more permanent solutions. The financial implications of these temporary solutions have been examined, with the total cost from 2020 to 2023 inclusive of agency markup and Comensura's own charges amounting to £1.8 million. It is vital to note that this expenditure can be potentially reduced should a permanent resourcing solution be put in place quickly. Therefore, our efforts must be focused on implementing long-term solutions to minimize reliance on these temporary, and often more costly, measures. See Appendix 3
22. Spend is split between the pay rate for the worker, the fee to the agency and the fee to the provider.
23. The fees payable to the provider are set out in the framework agreement – currently £0.20 per hour. Comensura charge this transaction fee per hour booked via the call-off contract. For the 12 months April 22 – March 23 this equated to approx. £40K which approx. 0.6% of the total spend through the call-off contract for the same period.
24. Agency fees are negotiated by Comensura and held at agreed rates for all transactions across the County Council. The agency fee will vary dependent on supply and role.
25. Due regard should also be given to a race to the bottom with rates which would provide a false economy where the focus should be on addressing the reduction in use of temporary staffing across the County Council.

26. Following pricing evaluation, including verification by ESPO, of all the providers on the MSTAR4 framework, Comensura came out as the best value for money supplier.
27. It is proposed that the call-off contract would be for 3 years with the option of extending for 1 year, for the following reasons:
- a. This will prompt a continuous review of the market and model of provision enabling change or retention at key points in time.
 - b. The agreement with Comensura is now well established (with contracts since 2012) and captures most if not all the expenditure on this provision.

Climate Change Implications

28. Comensura is a subsidiary of the Impellam Group Plc and is committed to achieving Net Zero Emissions by 2050. Impellam Group PLC and its operating companies in the United Kingdom have stated they are committed to protecting the environment by demonstrating high standards of environmental responsibility in all of their operations and minimise the environmental impacts associated with their activities and services.

List of Background Documents/Appendices:

Appendix 1: [Agency Worker Usage and Spend Financial Year 2020-2023 Year To date](#)

Appendix 2: [Comensura KPIs](#)

Appendix 3: Comensura [Spend By Category 2020-2023](#)

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