

	<p><b>Policy and Resources Committee</b></p> <p><b>2 September 2015</b></p>
<p><b>Title</b></p>	<p><b>Temporary Workforce Contract Update</b></p>
<p><b>Report of</b></p>	<p>Commercial and Customer Services Director</p>
<p><b>Wards</b></p>	<p>All</p>
<p><b>Status</b></p>	<p>Public</p>
<p><b>Urgent</b></p>	<p>No</p>
<p><b>Key</b></p>	<p>Yes</p>
<p><b>Enclosures</b></p>	<p>None</p>
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<p><b>Summary</b></p>	
<p>This report refers to the current contract between the Authority and Comensura which utilises the ESPO framework agreement 653/F Lot 2a for the provision of Temporary Agency Resource services.</p>	
<p>The report seeks authorisation from the committee to agree to extend the contract period for one year, with the current incumbent Comensura for the period of October 2015 to September 2016. This will enable a full procurement review of Temporary Agency Resource services on behalf of the authority alongside other London boroughs enabling a new procurement exercise to be undertaken with the aim of achieving efficiencies through increased compliance, reduced resource costs, improved management reporting and contract management</p>	
<p><b>Recommendations</b></p>	
<ol style="list-style-type: none"> <li>1. That the committee approve a one year contract extension, for the Temporary Agency Resource services currently provided within the ESPO framework via Comensura.</li> <li>2. To authorise CSG Procurement to commence a review of Temporary Agency Resource requirements, assessment of cross London delivery and demand reduction in agency workforce arrangements to inform the future procurement of Temporary Agency Resource Services.</li> </ol>	

## 1. WHY THIS REPORT IS NEEDED

- 1.1 This report seeks authorisation to exercise the one year extension option with Comensura from October 2015 to October 2016 and to review, initiate options analysis and procurement planning. The review will also consider pan London wide procurement plans for temporary agency resource which are currently underway.

## 2. REASONS FOR RECOMMENDATIONS

- 2.1 On the 1 October 2012, the Authority entered into a 3 year contract agreement with Comensura for the provision of a neutral vendor service for Temporary Agency Resource services, utilising the ESPO framework agreement ref 653F/11.
- 2.2 Using an online portal and helpdesk services Comensura provides temporary staff via managed agencies. They do not provide temporary staff themselves.
- 2.3 As a result of a user forum review and contract management discussions it has been noted that the Comensura system implementation was affected by varying levels of support across services. Improved and greater contract management of this service will provide a range of benefits to the authority as below:
- 1) *Improved management information, including agency audit data*
  - 2) *Increased Contract management*
  - 3) *Reduced Agency spend*
  - 4) *Administrative efficiencies by reducing the volume of invoices*
  - 5) *Online booking tool.*
  - 6) *Cost benefits*
  - 7) *Training and system up skill*
- 2.4 An extension would enable the authority to benefit from using the current agency rates agreed in October 2012. It will also enable the review and update of HR procedures to support temporary workforce delivery aligned with HR policy with the aim of reducing reliance on agency workers.
- 2.5 This framework is used extensively across London and so the extension will also allow for an assessment of cross London requirements, which could provide greater efficiencies.
- 2.6 Comensura and the procurement team have identified short term additional savings benefits in year by reviewing long tenure agency employees; those engaged for longer than 3 months a year on short term contracts and are working towards a reduction of these.
- 2.7 **Agency Costs**
- 2.7.1 The table below details agency staff costs for the first quarter of 2015/16 as compared to the same period in 2014/15. Agency expenditure has increased by £0.990m compared to quarter 1 of 2014/15

	2014/15	2015/16	
Directorate	Agency Spend	Agency Spend	Spend%
	000's	000's	
Adults and Communities	908	1,179	29%
Assurance	9	50	1%
Barnet Group	0	0	0%
Childrens Education	310	445	10%
Childrens Family Service	764	1189	27%
Commercial	0	0	0%
Commissioning Group	577	578	16%
CSG	17	0	0%
HRA	-14	0	0%
Parking & Infrastructure	0	0	0%
Public Health	0	0	0%
Re	46	0	0%
Schools Direct Management	0	0	0%
Street Scene	506	672	16%
<b>Total</b>	<b>3,123</b>	<b>4,113</b>	

2.7.2 The current level of agency usage is consistent with the Council's strategic approach to ensure business critical functions continue to operate and perform while going through significant change. This strategic approach reflects the Council's desire to reduce redundancies from the workforce. Each Delivery Unit has an agreed workforce plan to attract and retain talent, develop skills and move from agency to permanent roles when specific actions or projects complete. Moving forward an aspirational target of 15% reduction on agency workforce has been set. However, it is recognised that in some areas there are delivery demands which need management and the reduction may not be achieved at the same level across all workforce areas.

## 2.8 User Feedback Forum

2.8.1 In March 2015 the procurement team established a user forum to gain feedback on the Comensura contract and the services provided. The comments back were positive, expressing a good level of service. Additional comments are captured in below table:

Positive	Negative
Systems work well	Internal helpdesk at LBB would be good
Very helpful customer service	Quality assurance lacking
Timesheets easy	Often need to contact agencies direct
Good level of contact	Receive too many questions
New requirements easy to set up	Orders require managers authorisation
Agencies good	Poor implementation
Invoices work well	

### **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 An alternative option to extension is to procure off the new MSTAR2 framework agreement which came into effect April 2015. The timing of this would mean a rushed re-procurement without exploring the collaborative benefits of the pan London strategy currently being developed.
- 3.2 However the re-procurement programme to be considered in 2016 will explore all additional options including:
- Alternative neutral vendor suppliers
  - Review of alternative framework providers
  - Collaboration with other local authorities
  - Full competitive tender
  - Demand reduction strategies

### **4. POST DECISION IMPLEMENTATION**

- 4.1 Presentation of this report to the Policy & Resources Committee authorises the Commercial and Customer Services Director to authorise the Comensura Temporary Agency Resource extension and to proceed with review, initiate options analysis and procurement planning.
- 4.2 Upon receipt of approval of the recommendation to proceed with the extension of the Temporary Agency Resource contract, legal services will be engaged to compile the contract documents with Comensura.

### **5. IMPLICATIONS OF DECISION**

#### **5.1 Corporate Priorities and Performance**

- 5.1.1 The Council's Corporate Plan 2015-20 states that the council working with local, regional and national partners will strive to ensure that Barnet is a place:

- of opportunity, where people can further their quality of life
- where people are helped to help themselves, recognising that prevention is better than cure
- where responsibility is shared, fairly
- where services are delivered efficiently to get value for money for the taxpayer.

This report and the delivery of Temporary Agency Resource Services for the Council supports the Corporate Plan delivery with services delivered efficiently to get value for money for the taxpayer,

#### **5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

- 5.2.1 There will be no cost to the council of extending the Comensura contract for an additional year. The current level of agency usage is consistent with the Council's strategic approach to ensure business critical functions continue to operate and perform while going through significant change. This strategic

approach reflects the Council's desire to reduce redundancies from the workforce. All agency costs are directly charged to the relevant Delivery Unit that is receiving the service.

5.2.2 The extension of the current contract will enable a review of agency usage across the council. The review will be focussed on the following points:-

- Greater cost savings
- Improved governance on length of tenure
- Greater agency and internal compliancy
- Greater Online Management Information.
- Improved account and contract management

### 5.3 **Social Value**

5.3.1 In accordance with the provision of the Public Services (Social Value) Act 2013 consideration has been given for this service provision to secure benefits for the community of Barnet. The contractor has confirmed that provision of temporary workforce requirements includes working with local employment agencies and recruitment residents from within the community.

### 5.4 **Legal and Constitutional References**

5.4.1 The contract with Comensura permits a one year extension. Report authorisation will enable entry into an extended one year contract with Comensura under the ESPO Framework Agreement for the provision of Temporary Agency Resource services and the preparation of an extended contract between the Authority, and Comensura and preparation of the agreement will be supported by HB Public Law.

5.4.2 The council's Constitution - Appendix A - Responsibilities for Functions, states that Policy and Resources Committee:

- To be is responsible for the overall strategic direction of the Council including Corporate Procurement (including agreement of the Procurement Forward Plan and agreeing exceptions to CPRs)
- To authorise procurement activity within the remit of the Committee and any acceptance of variations or extensions if within budget in accordance with the responsibilities and thresholds set out in Contract Procedure Rules

5.4.3 Under Contract Procedure Rule 8.6 where the Council accesses an existing Framework Agreement, the Framework Agreement terms and conditions of contract must be used, amended as appropriate as permitted by the Framework Agreement.

5.4.4 This report seeks authorisation in accordance with Contract Procedure Rules 7.2 and Appendix 1 Table A which requires acceptance by the Policy and Resources Committee

### 5.5 **Risk Management**

5.5.1 There are no known risks associated with this request.

## 5.6 Equalities and Diversity

5.6.1 The 2010 Equality Act outlines the provisions of the Public Sector Equalities Duty which requires Public Bodies to have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010
- advance equality of opportunity between people from different groups
- foster good relations between people from different groups

These have been considered with regard to the recommendation for authorisation to procure I services and it is not considered that an Equalities Impact Assessment is required for this procurement.

## 5.7 Consultation and Engagement

5.7.1 Authorisation to proceed with and extension and re-procurement will enable communication with stakeholders who already use the Temporary Agency Resource services, further engagement to promote the opportunity of accessing the Temporary Agency Resource contract, and enable the authority to address its commitment for agency staff reduction.

## 5.8 Insight

5.8.1 Insight data as detail in section 2 has informed the review and will be taken forward to support preparation for new procurement

## 6. BACKGROUND PAPERS

6.1 Authorisation to award Temporary Agency Staffing Contract Cabinet Resources Committee report, 20 June 2012

<http://barnet.moderngov.co.uk/mgConvert2PDF.aspx?ID=4320&ISATT=1#search=%22staffing%22>