

Item

TEMPORARY AGENCY WORKER PROVISION FROM DECEMBER 2019

To:

Councillor Richard Robertson, Executive Councillor for Finance and Resources
Strategy & Resources Scrutiny Committee 07.10.2019

Report by:

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Wards affected:

All

1. Executive Summary

- 1.1 Temporary agency workers are used to ensure service delivery including; covering short term demands for specific projects, managing peaks and troughs of service volumes, for seasonal work, whilst undertaking service reviews, covering the recruitment period for a vacant post, maternity or sickness.
- 1.2 The demand for temporary agency workers has increased since April 2019 and the transfer of the running of the Corn Exchange and Folk Festival from Cambridge Live.
- 1.3 The Council uses a national framework contract created specifically to enable ease of procurement of agency workers. Under this contract one provider takes responsibility for delivering services on behalf of the council, as an alternative to the council managing a framework of contracts with individual agencies. The framework contract is designed to deliver cost savings on agency rates and time and cost savings on

administration through on line systems. The framework provides clarity of terms and assurances for the Council on financial stability, track record, experience and professional ability.

- 1.4 Having a managed service provider contract enables the Council to simply and easily make requests for agency workers through the supplier (managed service provider), who reaches out digitally to all of the agencies with whom they have an agreement for that category of agency worker. With our current provider and framework contract this can be as many as 100 agencies.
- 1.5 It is anticipated that the Council will continue to need temporary agency cover on an ad hoc basis in order to ensure appropriate continuity in service delivery and this report presents a recommended option for the future provision of temporary agency worker services with effect from 20 December 2019.

2.0 Recommendations

The Executive Councillor is recommended to:

- 2.1 Delegate authority to the Head of Human Resources, following agreement by the Strategic Director, in consultation with the Executive Councillor for Finance and Resources, to procure a Managed Service Provider for the provision of temporary agency workers through the national Managed Services for Temporary Agency Resources (MSTAR3) framework, with effect from 20 December 2019.

3. Background

- 3.1 Following a report to Strategy and Resources Scrutiny Committee in October 2015, the current contract with Comensura was procured through call-off from the ESPO (Eastern Shires Purchasing Organisation) national framework agreement for the provision of agency workers, Managed Services for Temporary Agency Resources (MSTAR2). This arrangement has been in place since December 2015 and was set up for a period of 3 years with the option to extend for up to a further 1 year. The full contract term and option to extend have been taken and the current contract ends on 20 December 2019.
- 3.2 In April 2019 a new framework agreement (653F_19) for the provision of agency workers was again set up by ESPO, called Managed Services for

Temporary Agency Resources (MSTAR3). The new MSTAR3 framework is a national framework for the provision of a managed service for the provision of temporary agency resourcing to local authorities, central government departments and their agencies, schools and academies, NHS and HSC bodies, Police and Emergency services and Registered Charities throughout the UK. It offers competitive agency and service provider fees.

- 3.3 Following review of the MSTAR3 framework a recommendation is being made for direct call-off from the framework. The review has included representatives from HR (lead service), Legal, Procurement, Internal Audit, Finance, Payroll and 3CICT. Representatives from services and the trade unions have also been consulted.
- 3.4 Having considered the options under the MSTAR3 framework agreement it is recommended that we procure a managed service provider under this contract from 20 December 2019, for 3 years with the possible option to extend for a further 1 year.
- 3.5 It should be noted that much of the current spend on agency workers is from existing salary budgets, i.e where the agency worker is engaged to provide cover for holiday, sickness, a vacant post, maternity, or for short term demand. Agency workers are funded from salary or specific agency worker budgets and spend is managed within service areas. Spend can increase or decrease given the demand on that service but must be managed by the service. There is no additional budget bid arising from this procurement.
- 3.6 By using the MSTAR3 framework contract there will be a smooth transition from one contract to another without the need for staff to spend time on the transition process.

4. Implications

a) Financial Implications

Cambridge City Council funds temporary agency workers through existing temporary worker/agency budgets and funding from vacant posts. Annual spend fluctuates with demand by services but on average is £2.2m per annum.

Processes are in place for ordering and approving timesheets. Spend is monitored by the Management Information Review Groups, comprising

Head of Human Resources, the current Human Resources lead for the management of the contract, service representatives covering the interests of those using temporary agency workers, the trade unions and further scrutiny is maintained by heads of Service, Directors and Strategic Leadership Team.

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b) Staffing Implications

No staffing impacts have been identified for the implementation of the new arrangements other than officer time.

c) Equality and Poverty Implications

An EQIA has been undertaken and no adverse equality impacts have been identified. The EQIA is attached.

d) Environmental Implications

No environmental implications have been identified.

e) Procurement Implications

The Strategic Procurement Manager has been involved in the proposal to call-off a managed service provider from the nationally procured MSTAR3 framework contract. Legal Services have also been consulted on the framework arrangements.

f) Community Safety Implications

CRB/DBS checks are undertaken where appropriate for temporary agency workers. The provisions of the MSTAR3 contract have been reviewed by the Council's Lead Signatory for DBS.

5. Consultation and communication considerations

Following review of the MSTAR3 framework a recommendation is being made for direct call-off from the framework. The review has included representatives from HR (lead service), Legal, Procurement, Internal Audit, Finance, Payroll and 3CICT. Representatives from services and the trade unions have also been consulted.

6. Background papers

These background papers were used in the preparation of this report:

- MSTAR3: Managed Service for Temporary Agency Resources Documentation
- Existing contract monitoring data
- Strategy & Resources Scrutiny Committee – Record of Executive Decision October 2015.

7. Appendices

An Equality Impact Assessment (EQIA) is attached.

8. Inspection of papers

To inspect the background papers or if you have a query on the report please contact Deborah Simpson, Head of Human Resources, tel: 01223 - 458101, email: deborah.simpson@cambridge.gov.uk.