

# TEMPORARY AGENCY WORKER PROVISION FROM DECEMBER 2023



**To:** Councillor Simon Smith, Executive Councillor for Finance and Resources  
Strategy & Resources Scrutiny Committee 03.07.2023

**Report by:** Deborah Simpson, Head of Human Resources  
Tel: 01223 - 458101 Email: Deborah.Simpson@cambridge.gov.uk

**Wards affected: All**

## OPEN

### Key Decision

#### 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 A large volume of temporary agency workers (around 200 in 2023) are engaged for a short period for the Folk Festival.
- 1.3 The Council currently uses a national framework contract created specifically to enable ease of procurement of agency workers, MSTAR3. Under this contract one provider takes responsibility for delivering services on behalf of the Council, currently engaging 67 individual agency suppliers. The alternative would be for the council to manage contracts with individual agencies.
- 1.4 The framework contract is designed to deliver cost savings on agency rates and cost savings on administration through on-line systems which

managers can use to review candidates, engage agency workers and approve timesheets. The national framework provides clarity of terms and assurances for the Council on financial stability, track record, experience and professional ability. The current MSTAR3 framework is used by over 200 organisations.

- 1.5 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 67 agencies.
- 1.6 The Council has previously and currently used the MSTAR (2011), MSTAR2 (2015) and MSTAR3 (2019) framework contracts to manage the provision of agency workers.
- 1.7 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 2023.
- 1.8 This report seeks approval to procure the services of a temporary agency worker provider under the MSTAR4 framework contract with effect from 20 December 2023.

## **2. Recommendations**

- 2.1 The Executive Councillor is recommended to:

Delegate authority to the Head of Human Resources, following agreement by the Chief Operating Officer, 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 (MSTAR4) framework, with effect from 20 December 2023.

### **3. Background**

Page: 3

3.1 Following a report to Strategy and Resources Scrutiny Committee in October 2019, 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 (MSTAR3). This arrangement has been in place since December 2019 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 19 December 2023.

3.2 In April 2023 a new national framework agreement (653F\_23) for the provision of agency workers was set up by ESPO, called Managed Services for Temporary Agency Resources (MSTAR4). The new MSTAR4 framework is a national framework for the provision of a managed service to provide 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 As with previous contracts for the provision of agency workers, it is expected that procurement will be made by direct call-off from the MSTAR4 framework. Prior to exercising the delegation set out above in the recommendation, consultation will take place with representatives from HR (lead service), Legal, Procurement and Internal Audit. Representatives from services and the trade unions will also be consulted.

3.4 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.

### **4. Proposal**

4.1 Having considered the options under the MSTAR4 framework agreement it is recommended that we procure a managed service

provider under this contract from 20 December 2023, for 3 years with the possible option to extend for a further 1 year.

4.2 Within the MSTAR4 framework under LOT 1, there are options to sign up to specific modular build options, to use as and when required during the course of the contract. These have to be included at the direct award stage or will require a mini competition stage amongst all relevant providers if required at a later date. The following modular build options are of potential use to the City Council:

- **Permanent Recruitment** – for providing a full search and selection process to appoint a permanent candidate.
- **Interims** - Provision of Interim agency workers is also available under Lot 1.
- **Statement of Works (SOW)** – offering a range of advice, support and provision of services in relation to the management and delivery of projects.

4.3 The Council has used ad hoc services of organisations to provide full search and selection for senior roles (e.g Chief Executive, Directors, Heads of Service) and hard to fill posts (Environmental Health and Deputy Head of Finance). Having access to a permanent recruitment option will enable quicker procurement processes than undertaking separate procurement each time a search and selection service is needed and potentially better rates.

4.4 The Council has engaged senior interims under our current contract, eg Chief Executive.

4.5 The Statement of Works option could be used for additional capacity in services where multiple inspections are required over a period of time, by qualified staff; e.g environmental health food premises inspections. The additional services are procured on a contract basis, with project milestones, rather than as day rates for agency workers.

4.6 By having these additional modular build options available from the start of the contract we can use these as and when required.

4.7 By using the MSTAR4 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.

## **5. 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 £2.0m per annum. Processes are in place for ordering and approving timesheets. Spend is monitored by the Management Information Review Group, comprising Human Resources, the current 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 service leads.

### **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) Net Zero Carbon, Climate Change and Environmental Implications**

No environmental implications have been identified.

### **e) Procurement Implications**

The Strategic Procurement Manager has been consulted on the proposal to call-off a managed service provider from the nationally procured MSTAR4 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.

## **6. Consultation and communication considerations**

Following review of the MSTAR4 framework a recommendation is being made to procure a provider for temporary agency workers from the framework. Prior to exercising the delegation set out above to award a supplier under the framework, consultation will take place with representatives from HR (lead service), Legal, Procurement and Internal Audit. Representatives from services and the trade unions will also be consulted.

## **7. Background papers used in the preparation of this report:**

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

- MSTAR4: Managed Service for Temporary Agency Resources Documentation
- Existing contract monitoring data
- Strategy & Resources Scrutiny Committee – Record of Executive Decision October 2019.

## **8. Appendices**

An Equality Impact Assessment (EQIA) is attached.

## **9. 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](mailto:deborah.simpson@cambridge.gov.uk)