

Cabinet – 14 April 2014

Managed Service for Provision of Temporary Agency Staff

Portfolio: Councillor Towe - Resources

Related portfolios:

Service: Human Resources

Wards: All

Key decision: Yes

Forward plan: No

1. Summary

This report informs Cabinet of the consultation and current procurement process being undertaken in relation to the Council's contract for a managed service for the provision of temporary agency staff. It makes recommendations in respect of the current procurement process and seeks Cabinet approval to issue a short-term interim contract for a limited period to allow the procurement process to be finalised. Cabinet are requested to consider this and offer a decision on the recommendations made.

2. Recommendations

- 2.1 That Cabinet agree to award a new short-term interim contract to Starting Point Recruitment Limited for a managed service, for the provision of temporary agency staff, with effect from the 1st May 2014 until a procurement process for this service provision in the medium term has been completed, which is anticipated to be completed by no later than the 30th September 2014.
- 2.2 That Cabinet note a procurement process for a managed service for the provision of temporary agency staff to the Council has commenced and a future report will be submitted to Cabinet in relation to the award of that contract.

3. Report detail

- 3.1 The current provider for a managed service for the provision of temporary agency staff is Starting Point Recruitment Limited. They were identified as the preferred provider following a procurement process that completed in April 2011. The current contract with this provider is due to end on the 30th April 2014.
- 3.2 The Council have a requirement to use temporary agency staff for;
 - A) Short notice cover. Where there is a statutory or business critical need to cover work (e.g. in Social Care or in Waste Management).

- B) Vacancy cover.
- C) Specialists. Where there is no appropriate internal resource for this work.
- D) Cover for medium to long term absence. Where there are no other internal resources to provide cover for long term sickness, maternity leave, career break, etc.
- E) To maintain the delivery of front line services. Where workforce flexibility is required i.e. seasonal demands or project delivery.

3.3 The procurement process has been initiated and a Prior Information Notice (PIN) notice has been issued informing the market of an opportunity to tender. This is being undertaken in line with EU procurement regulations and in compliance with the Council's Contract Rules.

3.4 The current and future operating model will be a bespoke solution where one agency provider will supply temporary workers either directly or through a tiered supply network. This model has previously been the subject of a best practice case study from the Office of Government Commerce. It has also been acknowledged in the private sector as an innovative model of service delivery in line with best recruitment practice offering these benefits:

- Reduced risk from employment tribunal claims over employment status
- Efficiency and speed of supply and response
- Addressing worklessness in the borough
- No introductory fee payment if permanent / fixed term recruitment conducted in line with agreed procedures
- Full safeguarding arrangements
- Boosting supply opportunities to local businesses
- Focus on sourcing the best candidate available from the market

3.5 The new contract will not commit the Council to minimum volumes but will ensure maximum flexibility to respond to the changing demand for temporary workers in the future.

3.6 The new contract will ensure continued value for money in terms of agency charges and allow the Council to ensure a fit for purpose provision, which is responsive to fundamental workforce changes and future legislative changes that may occur.

3.7 All tenders will be evaluated against pre determined criteria.

4. Council priorities

4.1 The access to short term temporary labour helps to ensure the delivery of many key council services, including social care services and waste collection.

Agency workers supplied through the contract are monitored geographically to monitor the supply of workers living within the Walsall Borough.

5. Risk management

- 5.1 The proposed arrangements enable the Council to continue to manage the risk to continuity of service from short-term staff absence and other skills shortages.

Failure to follow procurement regulations may place the Council at risk of a challenge of non compliance under current EU legislation.

6. Financial implications

- 6.1 The total contract value is estimated up to £10m per annum. The management of temporary staff through a single route will ensure transparency of cost and enable robust management procedures to be put in place to control the demand for and use of temporary staff.

- 6.2 In line with the current process, to ensure that the financial implications for the authority are appropriately managed, the funding for temporary staff will need to be identified by the relevant service prior to appointment.

7. Legal implications

- 7.1 Any contract for services needs to be procured in accordance with the Council's Contract Rules and in accordance with legislation, including the Public Contracts Regulations 2006 (as amended). A managed service for the provision of temporary agency staff is categorised under the legislation as a "Part B" service for which a full OJEU-advertised procurement exercise does not need to be carried out. The Council should however still undertake a competitive procurement process and there is an inherent risk of awarding a contract without doing this. Any risk to the Council of a challenge is reduced by the fact that the Council's open and transparent procurement process in respect of the medium-term contract has now commenced.

8. Property implications

- 8.1 None

9. Health and wellbeing implications

- 9.1 None

10. Staffing implications

- 10.1 The Council continues to be a major employer within the Walsall, Black Country and the wider West Midlands area. It practically and appropriately seeks to provide permanent jobs for local people and makes conscious efforts to optimise permanent roles and minimise the need for temporary roles. The Council is conscious of the increased costs that may arise from temporary arrangements when not properly managed however there are a range of situations where it can be cost effective as highlighted in 3.2.

11. Equality implications

11.1 The current contract provides distinct monitoring of the council's temporary workforce against all equality strands as determined by the Equality Act 2010 and in line with the Council's equality duty and current provisions.

12. Consultation

12.1 Extensive consultation has been undertaken with service users to identify a preferred operating model best suiting the needs of the Council.

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2nd April 2014

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