

WEST DUNBARTONSHIRE COUNCIL

Report by the Executive Director of Corporate Services

Corporate and Efficient Governance Committee: 21 March 2012

Subject: Use of National Framework for Temporary and Interim Staff

1. Purpose

- 1.1** The purpose of this report is to seek approval for the Council to access the national framework for temporary and interim staff.

2. Background

- 2.1** A framework agreement for the provision of temporary and interim staff for the whole of the public sector has been awarded by the Scottish Procurement and Commercial Directorate of the Scottish Government. The contract commenced on 26th April 2010 and runs for three years with the option to extend for a further twelve months.

- 2.2** The contract was advertised in OJEU and the Public Contracts Scotland advertising portal and the award criteria were set as 72% Quality and 28% price. Following a rigorous evaluation process, the following suppliers were awarded the business in the Direct Buy category:

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|---------------------------------|---|
| Temporary Administrative Staff | 1. Pertemps 2. Hays 3. Manpower 4. ASA 5. RAN |
| Temporary Manual Staff | Pertemps |
| Temporary Social and Care Staff | 1. ASA 2. RAN 3. Reed |
| Temporary Catering Staff | 1. Pertemps 2. Manpower 3. Reed |
| Interim Specialists | Pertemps |

- 2.3** There is also an option under the framework to carry out a Mini Competition for the provision of a One Stop Shop for all requirements. The Council would use the Direct Buy option in the first instance.

- 2.4** There is no provision for craft workers in the national framework so the Council has done its own tender for this group. The award of this contract was approved at the February meeting of the Tendering Committee.

3. Main Issues

3.1 Agency staff should only be used as a short-term solution in the following circumstances:

- To provide temporary cover until the recruitment process has concluded for a vacancy/new position/secondment.
- To respond to a planned/unplanned peak period at work.
- For project work requiring specialist skills not readily available within the Council.
- To cover for short/long term sickness.
- Short term cover/demand for any other unplanned absence.

3.2 Spend in the non craft categories has reduced from just over £1 million in 2010/11 to £645,000 (estimated) in 2011/12. The table below contains a breakdown by supplier.

| Supplier | Dept used by | Location of Supplier | Spend 10/11 | Spend 11/12 to P.11 |
|---------------------------|------------------|----------------------|-------------|---------------------|
| ASA | CHCP | Glasgow | 35,426 | 27,331 |
| Black & Black | CHCP | Glasgow | 19,316 | 96,162 |
| Health & Lifecare Options | CHCP | Old Kilpatrick | 638,879 | 65,599 |
| Jobs & Co | CHCP | Kilmarnock | 138,970 | 322,076 |
| Reed | CHCP | Glasgow | 3,493 | 23,884 |
| Scot Home Care | CHCP | Old Kilpatrick | 215 | 47,197 |
| Top Up | CHCP | Glasgow | 102,254 | 0 |
| Robert Half | Corporate | Edinburgh | 21,680 | 0 |
| Hays | Corporate & HEED | Glasgow | 49,325 | 12,427 |
| Total | | | 1,009,558 | 594,676 |

3.3 The bulk of the spend is in CHCP where a range of suppliers is in use, mainly at elderly care homes. These suppliers have been in use for a number of years and the service has never been formally tendered. The hourly rates currently charged by the top three providers have been benchmarked against the rates of the number one contract provider in the Social and Care Staff category (ASA) and these are between 12% and 33% higher.

3.4 Moving to the national framework for this service would provide the following benefits:

- Financial savings of between 12% and 33% (for the first twelve week period of an agency workers employment) over the current baseline spend with non contract providers. This will allow resource to be freed for use by CHCP with other vulnerable groups;
- Price stability governed by terms and conditions.

- Terms and conditions that include specific performance and service quality measures and standards against which suppliers can be evaluated. Remedial action is also identified in the event of sub standard performance.
- Improved supplier management through dealing with one main provider rather than six different providers
- Contract rates which are applicable to the whole of the public sector. It is unlikely that a Council tender would deliver such competitive rates.

4. People Implications

4.1 Information on the home addresses of agency staff currently deployed has been requested from the existing suppliers. Three responses have been received and are detailed as follows:

- **ASA** - 20 staff have been deployed from October 2011 to date. 9 of these staff live within the WDC area. 89% of the total hours worked by ASA staff since the 1st December 2011 were worked by staff from West Dunbartonshire. ASA is actively targeting the local area in order to build capacity to meet the Council's agency staff needs;
- **Black and Black** - 19 staff have been deployed from October 2011 to date. 3 of these staff live within the WDC area. 37% of the total shifts worked since October 2011 were worked by staff from West Dunbartonshire; and
- **Reed** - 3 staff have been deployed from October 2011 to date. 1 of these staff lives in the WDC area.

5. Financial Implications

5.1 The Agency Workers Regulation (AWR) 2010 came into force on 1st October 2011. This means that after twelve weeks continuous service in the same role, an agency worker is entitled to the same basic working and employment conditions as comparable employees in the Council.

5.2 For the first twelve weeks of employment, the hourly rate paid by the Council to the contract provider would be approximately 13.5% less than Council's own hourly rates. After 12 weeks, the rate payable would be 11.7% more than the Council's own hourly rate. Discussions are ongoing within the CHCP to determine the best way of meeting short and long term staffing cover requirements within a robust framework of management control. .

5.3 There are savings opportunities available against current baseline spend with incumbent suppliers by moving all agency provision to the national framework. It is not possible to quantify the future value of these savings exactly because the baseline spend figure is for the period before the AWR came into force however savings of between 12% and 33% are achievable in the first 12 weeks of employment..

6. Risk Analysis

- 6.1** As spend on agency staff exceeds the level of delegated authority set out in Standing Orders, it requires to be competitively tendered to demonstrate best value. Accessing the national framework would allow us to meet our obligations under Standing Orders without having to undertake our own tendering exercise. It would also allow the Council to meet its Best Value obligations. If approval is not granted to access the framework, there will be a significant cost to the Council to undertake a local tendering exercise and there is a risk that we will not be able to secure such competitive rates as those available through the framework and no better quality standard.
- 6.2** If approval is given to migrate to the national framework, there will be an impact on incumbent suppliers. It is proposed that the transition will be carefully managed, with existing agency staff continuing until the requirement ceases and only new agency staff being sourced from the contract supplier. When the national contract is being renewed, all of the incumbent suppliers will be advised of the procedure for participating in the re-tendering process.

7. Equalities Impact Assessment (EIA)

- 7.1** No significant issues were identified in a screening for potential equality impact of this policy/service/measure

8. Strategic Assessment

Economic and social regeneration

- 8.1** Steps will be taken to ensure that wherever possible, the staff provided by the Agency provider are drawn from the local area. This will help to meet the Council's commitments on employability.

Making best use of our money

- 8.2** The use of the national framework will deliver savings in agency staff costs over current baseline spend.

Making better use of physical and human assets

- 8.3** The use of the national framework means that the Council does not have to undertake its own tendering exercise. This will allow current procurement and management resources to be deployed more effectively in areas where contracts do not already exist.

Impact on service provision

- 8.4** The use of agency staff is necessary to cover short term absences and provides continuity of service provision to customers.

9. Conclusions and Recommendations

- 9.1** The use of the national framework for Temporary and Interim Staff will provide a number of benefits to the Council including competitive rates, savings against baseline spend, price stability, enhanced supplier performance standards, quality control mechanisms and improved supplier management.
- 9.2** It is recommended that Members approve the migration to the national framework for Temporary and Interim Staff

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Date: 1 March 2012

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| Appendix: | None |
| Background Papers: | None |
| Wards Affected: | All |