

## The Best Deals Service

# South East Temporary Agency Staff Review



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## **Introduction**

At a time when the economy is suffering greatly, achieving savings has become even more crucial for local authorities. Across the South East region local authorities spend in excess of £200 million on Temporary Agency Staff procurement, making it one of the most significant spend areas.

For many local authorities it will be an area where the potential to make significant savings can be realised. However most will agree that it is a complex area which many local authorities have little or no understanding of.

It is hoped that this review will provide greater clarity on temporary agency staff and help local authorities to gain a greater understanding of temporary agency staff spend. Furthermore it is hoped that the advice and guidance provided will enable local authorities, to make better, more informed decisions resulting in greater cashable and non cashable savings being achieved.

### **Purpose:**

The purpose of this report is to provide local authorities with an in depth look at temporary agency staff developments across the South East. In particular the report will highlight what local authorities and other government agencies such as OGC (Office of Government Commerce) are advocating. The report will also look at what new developments are taking place across the South East. The aim is to help local authorities to make much more informed decisions about temporary agency staff. This report will aim to meet the following:

1. Definition of 'Temporary Agency Staff'
2. To gain a greater understanding of Temporary Agency Staff spend in the South East
3. To break down where the main areas of spend within Temporary Agency Staff is, at a District, Unitary and County level
4. Creating visibility for framework arrangements through engagement with buying consortium
5. To provide additional detail of current managed service temporary agency staff arrangements from local authorities in the South East
6. By working with the category specialists at the OGC, a clearer and holistic picture of temporary agency staff will be provided. In addition, an attempt will be made to discuss future developments in the field.
7. Describe developments outside of the South East in relation to temporary agency staff.

### **Defining Temporary Agency Staff**

What is meant by temporary agency staff can vary depending on who you speak to. Some believe it to be workers employed through an agency to fill positions on a temporary basis. For others it can also mean those workers who are recruited through an agency but are paid directly by the local authority; whereas some local authorities also define the hiring of consultants as temporary staff. However

for the purpose of this report, consultants and those recruited through agencies for permanent positions, will not be considered.

Thus the definition given to temporary agency staff for the purpose of this report is **'the employment of workers from agencies covering short term absences such as maternity leave and sick leave and longer term positions such as those needed for fixed term projects'**.

## **Background**

There have been many reports and toolkits written and available to local authorities investigating temporary agency staff arrangements. Some are conducted by local authorities themselves, others by Regional Improvement and Efficiency Partnerships and other public sector organisations such as the Office of Government Commerce (OGC). The most notable report was the London Centre of Excellence Toolkit (details of which can be found below).

The former South East Centre of Excellence (now Improvement and Efficiency South East) organised 2 workshops – X-Factor: Which Solution Meets Your Needs? Followed by – X-Factor 2. The aim of the workshops was to highlight developments across the South East. Key presenters included Brighton & Hove Council; Hampshire County Council; Medway Council; Oxford City Council; Kent Top Temps; Hays and OGC.

The workshops consisted of several presentations on issues relating to temporary agency staff. Areas covered by the presentations were:

- Pay parity,
- The importance of the right management information,
- The benefits of having HR and Procurement work together ,
- Sustainability and Small to Medium Enterprises (SME's).
- Master Vendor model (Oxfordshire councils and Hampshire County Council)
- Vendor Neutral model(Brighton and Hove)
- Internal Temporary Staff Agency: Kent Top Temps

For information relating to documentation and advice completed in this area please visit:

<http://www.southeastiep.gov.uk/page.asp?PageRef=114#anchortemp>

## **London Centre of Excellence: Temporary Agency Staff Toolkit.**

*'Transforming the Procurement of Temporary Agency Staff and interim staff: Your Toolkit for Success'*, was produced by the London Borough of Havering funded by the London Centre of Excellence (now Capital Ambition) and OGC. The toolkit is an extremely useful piece of work for local authorities looking at temporary agency staff.

It is an easy to use guide to help local authorities get better value for money, whilst taking control of unmanaged agency staff spend. It addresses issues relating to why organisations use agency staff and the legal risks and costs involved. It also highlights human resource concerns over understanding the demand side of agency worker procurement, such as local promotion, equality and two tier workforces.

The toolkit also provides the options available to enable a more corporate approach to agency staff procurement, i.e. vendor neutral, master vendor, direct contracting, internal or partially outsourced Human Resource.

Another useful element of the toolkit is that it also includes a self assessment test to help organisations choose the best option. As well as case studies to show how different models work in different organisations.

Furthermore it also addresses policy issues such as training workers, equalities and diversity issues and community strategies.

For a copy of the toolkit please see:

[http://www.lcpe.gov.uk/AgencyStaff/Your Toolkit for Success.asp](http://www.lcpe.gov.uk/AgencyStaff/Your_Toolkit_for_Success.asp)

## Section 2:

### Frameworks Available to Local Authorities

For any local authority wanting to reduce their spend and achieve value for money on their temporary agency staff it is important to investigate what is on offer which in itself can help save time and money. As such below are a number of framework contracts that are available to local authorities across the South East:

Name	Title	Valid Dates	Framework Description	Contact details	South East Local Authorities using framework
Buying Solutions (formerly OGC Buying Solutions)	Non Permanent Staff	April 2010-March 2013	Interim Managers Specialist Contractors	Telephone no: 0345 410 2222	Procurement in progress
PASA	Professional, Admin and Support Services	Dec 09-Dec 2012	National Framework for the provision of professional, admin and support services.	Telephone OGC Helpdesk: 0845 0004 999	Procurement in Progress
Hampshire County Council	Temporary Agency Staff (Managed Service)	01/09/08-31/08/2011	Complete master vendor/vendor neutral managed service	Jamie Butt email: <a href="mailto:Jamie.butt@hants.gov.uk">Jamie.butt@hants.gov.uk</a>	West Sussex, Winchester, Workingham, and Bracknell.
Eastern Shires Purchasing Organisation	Temporary Staff	01/01/07-31/12/09 ext til 31/12/10	Commensura: Vendor Neutral Supply Management. Covers all staffing needs apart from some educational posts	Kate Shaw on <a href="mailto:kate.shaw@espo.org">kate.shaw@espo.org</a>	None
Home Office	Temporary Agency Staff	01/06/07-30/05/11	Covers all administration and clerical posts. Open to all local authorities nationally.	Lead authority Newport Council. Please contact <a href="mailto:Karen.field@homeoffice.gsi.gov.uk">Karen.field@homeoffice.gsi.gov.uk</a>	



## Local Authority Arrangement in the South East: who's using what?

### **What are the temporary agency staff arrangements for each of the South East sub-regions?**

Many local authorities across the South East are at very different stages with regards to their agency staff arrangements. Below are some of the arrangements:

<b>Council</b>	<b>Type of Service</b>	<b>Contract dates</b>	<b>Contract Value</b>	<b>Supplier</b>	<b>Additional Information</b>
Kent County Council	Master Vendor	n/a	n/a	Top Temp Agency	Available to all in Kent. Covers all temporary agency staff needs from clerical to specialist roles. Limited company owned by the Council For further details contact: Laurence Faulkner Director – Kent Top Temps Ltd 01622 605497 <a href="mailto:laurence.faulkner@kent.gov.uk">laurence.faulkner@kent.gov.uk</a>
Ashford Borough Council	Preferred Supply List	31/03/09-31/03/12	£600,000 approx over 3years	n/a	Not available to any other council. Covers all temporary agency staff needs. For further details contact: <a href="mailto:Michelle.Pecci@ashford.gov.uk">Michelle.Pecci@ashford.gov.uk</a>
Surrey County Council	Master Vendor	01/04/09-30/03/12	£80 Million over 4 years	Manpower	Available to all in the South East. A few are in talks with Manpower with regards to signing up. None confirmed as of yet. Covers all temporary agency staff needs. Lead authority Surrey County Council. For further details contact: <a href="mailto:jonathan.welsh@surreycc.gov.uk">jonathan.welsh@surreycc.gov.uk</a>
Reigate and Banstead Borough Council	Preferred Supplier List	01/04/09-31/03/12 option to extend for 1 year		Hays Spring Badenoch and Clark	Multi Lot Framework Agreement open to all authorities within Surrey. Covers all temporary agency staff needs from clerical to professional. Lead Authority: Reigate and Banstead For further details contact: <a href="mailto:kate.price@reigate-banstead.gov.uk">kate.price@reigate-banstead.gov.uk</a>

Hampshire County Council	Master Vendor	4 years	£20 million p/a	Manpower	Open to all local authorities Covers all temporary agency staff needs except for senior level management i.e directors. Lead by Hampshire County Council in collaboration with other local authorities such as West Sussex, Winchester, Workingham, and Bracknell. For further details contact: <a href="mailto:Jamie.butt@hants.gov.uk">Jamie.butt@hants.gov.uk</a>
Fareham Borough Council	Preferred Supplier List	01/08/08-29/07/10	£500,000 p/a approx	n/a	Not open to other councils. Covers all temporary agency staff needs. For further details contact: <a href="mailto:gjarvis@fareham.gov.uk">gjarvis@fareham.gov.uk</a>
Oxfordshire County Council	Master Vendor	01/08/05-31/07/10	£8 million per annum	Champion	Available to all in Oxfordshire. Lead authority Oxford city council, covers all temporary agency needs from clerical to specialist roles except for care and teachers For further details contact: <a href="mailto:jlubbock@oxford.gov.uk">jlubbock@oxford.gov.uk</a>
Reading Borough Council	Framework Agreement	01/04/08-31/03/12	n/a	n/a	Not open to others. Covers all temporary agency staff needs. For further details please contact <a href="mailto:john.littlefair@reading.gov.uk">john.littlefair@reading.gov.uk</a>
West Sussex County Council	Master Vendor	4 years	n/a	Manpower	Collaboration with Hampshire
East Sussex County Council	Neutral Vendor	Expires June 2011	n/a	Commensura	Available to all in Sussex region. Lead authority East Sussex County Council. Covers all temporary agency staff needs. For further details contact: <a href="mailto:jonathan.campbell@eastsussex.gov.uk">jonathan.campbell@eastsussex.gov.uk</a>
Buckinghamshire County Council	Outsourced	10 years	n/a	Hays	Available to all in Buckinghamshire. Cover all temporary agency staff needs from clerical to specialist roles. Lead authority Buckinghamshire County Council. For further details contact: <a href="mailto:cwoods@buckscc.gov.uk">cwoods@buckscc.gov.uk</a>

### **Section 3:**

#### **New Developments across the South East**

*Local Government Professional Services Steering Group (LGPSSG) and Office of Government Commerce (OGC) Baseline Questionnaire*

Important developments taking place right now are the outputs from the Local Government Professional Services Steering Group (LGPSSG). The group was set up in November 2008 by OGC to look into how local authorities could be helped to develop procurement strategies on consultancy, temporary staff and contingent labour in order to encourage joined up thinking. As well as finding ways to stimulate collaborative procurement and share best practice to support local authorities in achieving efficiency targets and provide improved services.

The group is made up of representatives from local authorities across the English regions, Regional Improvement and Efficiency Partnerships (REIPs), professional buying organisations the Audit Commission and the Office of Government Commerce (OGC).

It was felt that as there was no clear or concise look at what local authorities were spending on Temporary Staff and consultants or what the main areas of spend were, there was a need for an Information Baseline Questionnaire to capture the data. The information that the questionnaire will bring forth will, it is hoped, help the LGPSSG, OGC and REIP's to work with local authorities to gain a greater understanding of regional strategies, priorities and objectives and help manage the spend and use of contingent labour and consultancy.

To learn more about the LGPSSG please visit <http://www.southeastiep.gov.uk/uploads/files/OGCTemporaryStaffNewsletterMarch09.pdf>

#### ***Analysis of LGPSSG Baseline Questionnaire data collated so far***

As mentioned above the LGPSSG are in the process of conducting a baseline questionnaire on agency staff. **Appendix 1** is an overview of the findings from the data collated so far. It has highlighted some interesting points on spend and types of spend in the South East region.

**Table A** highlights the spend profiles from county, unitary and district authority over the last three years on agency staff. The figures suggest that there is a definite decrease in the amount being spent on agency staff across the South East. This maybe due to the number of larger authorities especially county councils that have implemented a managed service to control and reduce their spend over the last three years (see section 4 on case studies highlighting this)

**Table B** reflects the amount being spent at a county, unitary and district level. Although capacity wise districts employ less temporary staff it can be said that based on the findings in table B districts spend more than unitaries. This could be due to the number of responses received from districts; at present is a lot higher than the unitaries which is reflected in the graph. Furthermore there are considerably more district councils than unitaries in the South East which could further distort the averages.

**Table C** it can be argued highlights the ad hoc nature of temporary agency staff within smaller authorities. From the data gathered so far, it can be seen that spend on agency staff although has fallen in the last period (2007/2008) from

nearly £450,000 to £300,000 (2008/2009), there has been a slight increase in spend since 2006/2007 which was under £300,000. Furthermore as the reporting for the last two periods is not complete it is very difficult to analyse these spend figures accurately. This suggests that there is still a lot of work needed on trying to control this spend in district authorities.

**Table D** indicates that there are good reporting mechanisms in place for county level reporting with all three periods accounted for. This may be due to the larger councils having a more managed service in place thus allowing them to report more effectively. Furthermore the table indicates that county level spend on agencies has reduced year on year over the last three years from £7,000,000 in 2006/2007 to £5,000,000 in 2008/2009. The reduction of spend is a great advocate for all local authorities to seriously think of using managed services for their agency staff.

**Table E** suggests that there has been huge reductions in agency spend by unitaries, from over £4,500,000 in 2006/2007 to £1,500,000 2008/2009. Again this, it can be argued due to more unitaries having a managed service in place.

**Table F** highlights the fact that project work is the most significant reason for using agency staff with 26%, however often consultants are used by councils to carry out certain projects thus this figure may not be accurate as it may include the use of consultants. Vacancy cover is also high with 22% this suggests that there are many positions within councils that are not being filled; this may be related to the skills shortages within certain departments such as Social Services.

**Table G** illustrates the fact that many local authorities are still in the early stages with benchmarking being the initiative that most are focussed on. This maybe due to many local authorities especially smaller authorities who have very little control over their agency spend by benchmarking many can start to take control over this spend area.

**Table H** suggests that 37% of managed service provision is being provided by Commensura at present in the South East region. However this is not a reflection of what is happening among the larger authorities with only East Sussex County Council using Commensura, two of the larger sub regions are in fact using Manpower (see section 2).

**Table I** provides a brief overview of when contracts are coming to an end suggesting that most will end in the next two years as most of the county councils have just implemented new contracts in the last year or so.

**Table J and Table K** illustrates the difficulty many local authorities face with the lack of understanding as well as the lack of information they have on temporary agency staff spend. This again is more likely due to using agencies on an ad hoc basis. Both tables support the argument that there needs to be more work done on helping local authorities to understand agency staff procurement better.

As mentioned above please be aware this analysis is not the complete but a quick snapshot of the data collated so far. Once all the data has been collated and analysed this report will be updated to reflect the findings.

If you would like to know more about the baseline questionnaire being conducted please contact: Kate Graefe on [kate.graefe@rbwm.gov.uk](mailto:kate.graefe@rbwm.gov.uk) or Georgina Aplin on [georgina.aplin@ogc.qsi.gov.uk](mailto:georgina.aplin@ogc.qsi.gov.uk).

## **Section 4:**

### **What's happening in the South East?**

Across the South East region there are a number of excellent case studies which highlight the achievements of local authorities.

Appendix 2 is a case study from Buckinghamshire County Council illustrating the process they went through. There is also a section on lessons learnt with regards to Competitive Dialogue which many may find useful.

Appendix 3 is a case study from Kent County Council who run their own agency, this is a unique example of how one local authority has tackled their issues with regards to agency staff. Kent County Council set up Kent Top Temps, a limited company internal temp agency, alongside a framework agreement as a way of tackling their temporary staff issues and needs. Kent Top Temps covers 4 skill sets and being a limited company can trade and provide permanent staff to the private sector, which helps to generate revenue for Kent County Council and supporting regeneration and sustainability. As Kent County Council is the primary client and the roles of, and remuneration for, recruitment consultants working the private sector desk is separate to those filling roles in KCC there is no conflict of interest.

Appendix 4 is a lessons learnt piece from a unitary authority that went through the process of addressing its spend on agency staff in collaboration with South East Centre of Excellence (now Improvement and Efficiency South East) and OGC

The above are case studies highlighting examples of tackling temporary agency staff across the region that many may find useful. As of yet there is no case study representing the district point of view. Reigate and Banstead District Council have been approached to provide a case study as they have recently tendered their contract, still awaiting a response from them.

### **Other Regions**

As more local authorities across the South Region are starting to take a look at spend on agency staff it is worth noting that many other regions are doing the same. Like the South East there are those local authorities that are using temporary agency staff on an ad hoc basis whilst others are more advanced and are using a managed service.

There are also some very good examples of collaboration taking place in other regions that may prove to be useful for local authorities in the South East region. For example the Association of Greater Manchester Authorities (AGMA) collaborative procurement for their agency staff is recognised as a great collaborative success.

In June 2008, AGMA, (Association of Greater Manchester Authorities) won the 4ps award for collaborative procurement for their agency staff procurement project. This case study written by AMGA, North West IEP and OGC explores the background to the agency staff procurement project, the benefits of using a managed service provider ("MSP") and the enhanced benefits derived from collaboration, lessons learnt/top tips and the way ahead.

The AGMA agency staff project is widely recognised as a procurement success; where it is ground breaking is where the Councils have moved beyond margin reductions to tackle broader workforce, contract and policy issues in order to

realise further cashable savings and improve service quality and delivery. Please see Appendix 5 for the full case study.

## **Section 5**

### **Top tips**

After speaking to many local authorities regarding agency staff it became apparent that there were many pitfalls and mistakes that could easily be made which could lead to some real problems in procuring Agency Staff services. Below are some tips and lessons learnt that local authorities looking into Agency Staff may find useful:

- Explore any synergies with your recruitment process - can you do something bigger like the Buckinghamshire contract?
- Try to understand what is your spend and how the costs are made up i.e. mark-up, pay rates etc. Quite often spend is hidden and difficult to identify
- Look at the different types of staff that are needed and what is the most appropriate model to go for i.e. vendor neutral, master vendor, framework etc.
- Be clear on what are your minimum requirements are such as safeguarding
- Have dialogue with providers when determining your strategy and specification - competitive dialogue is great when managed properly
- If going for a vendor neutral managed service be careful that large agencies will push you into a master vendor solution if not careful - try to ensure that they will remain neutral and insist on regular reports to ensure they do what they say they will do
- Engage appropriate service users to understand what are their requirements

### ***“What does good look like?”***

*Georgina Alpin the Category Manager for Temporary Agency Staff from OGC has put together a few guidelines for local authorities not to lose their way.*

“Over the last 3-4 years, many Councils have adopted a managed service approach to the procurement of temporary agency staff. Managed services operate in one of four different ways: vendor neutral, master vendor, internal solution and partially-outsourced human resources for both temporary and permanent recruitment services. Each of these models offers different levels of support in terms of acting as a point of contact between the council or client and its recruitment agencies, and the following good practice guidelines can be applied to all managed service models.

These guidelines have been compiled following recommendations from category experts and contract managers nationwide, all of whom have experience of procuring and/or managing an agency staff contract or who have worked within the agency industry. Some of the points will be more relevant to some authorities more than others and some are more aspiration, offering potential areas for development and improvement.

Councils work collaboratively within their region across public sector

## Addressing the strategic context

1. partners in terms of procurement and/or in information sharing, best practice exchange and joint initiatives to improve value for money and management of agency staff. For example:
  - Partners (contracting authorities) include other Councils, Police, Fire & Rescue, ALMOs (Arms Length Management Organisations) and regional transport organisations, working collaboratively, sharing market knowledge, expertise and good practice - ideally prior to any procurement - thus securing value for money through aggregation and a service which will benefit all parties.
  - Interested parties are named in the advert eg OJEU Notice, to give suppliers as much information as possible to form their commercial proposition. Parties agree on the model (eg master vendor) and categories of agency staff required prior to the procurement.
  - A regional approach is taken to mark-ups and pay rates eg Greater Manchester (AGMA) and Hampshire/ West Sussex, thus reducing local competition for the same agency staff and improving supplier management. (Note: Looking ahead, the Agency Workers' Directive will have implications for pay rates).
2. The Council and partners keep up to date with statutory and legislative changes, and there is an early warning of the impact and implementation of these changes by the supplier/council accordingly. For example:
  - The managed service provider proactively monitors and advises on market trends, issues and legislative changes eg screening and vetting requirements, increases to holiday pay.
3. Demand management initiatives and resourcing strategies are in place which set out when is it appropriate to use external resources. For example:
  - The Council uses its resources well and appropriately (as determined by their resourcing and efficiency strategy). Managers are aware of when it is appropriate to use an agency worker, fixed term appointee, consultant, secondee etc and are supported in finding the best fit solution in line with the Council's priority and resources to their requirement.
  - The managed service is considered within the workforce strategy and integrated with other policies and initiatives, potentially including local worklessness initiatives.
4. Clear procurement guidelines demonstrate how the managed service agreement integrates with purchases within the spectrum of external resources - including interims and consultants. For example:
  - There are clear defining parameters for the contract (what is in, what is out and why) and how it links in to other sourcing strategies, including consultancy and interim management, to ensure there are no gaps in coverage. Clear definitions are in place to aid benchmarking.
5. Organisational policies are in place which provide a framework for managing agency worker assignments to secure best use of resources and value for money. For example:
  - Robust line manager guidance / policy is in place. Agency worker demand and usage is monitored and use of resources is challenged, and potential

solutions are innovated. 'Leakage' eg into consultancy is identified and dealt with.

### **Setting up and managing the contract**

6. The contract or framework agreement meets EU and UK procurement standards and requirements. For example:
  - The opportunity is advertised, if above threshold values, and subject to an open and competitive process. Principles of fairness, transparency and equality are embodied as part of the tendering exercise.
7. The contract/ framework provides value for money throughout its duration. For example:
  - Margins and the managed service provider fee within the contract allow the vendor and the supply chain to operate successfully **and** also offer the Council excellent value for money (vfm) against their specification and requirements (this also includes social and sustainable procurement considerations).
  - The Council understands the managed service provider market both in terms of commercials and quality of service, and benchmarks both in order to ensure this balance is achieved. There is due consideration to the role of SME, BME and diversity requirements with the procurement sourcing plan and within the supply chain.
8. Off-contract spend is minimal or non-existent - a high percentage of spend (eg over 90%) is compliant and billed through the managed service. For example:
  - Any off-contract spend is understood and known and the Council is working with the vendor to close the 'compliance gap'. Note: the lower the compliance typically the lower the corporate savings, and lack of mandate internally will reduce the appetite for tiered suppliers to engage - for example, why would an agency sign up to 15% when it could sit outside and get 30%? However, if the cost of bringing an agency inside the service would significantly increase this would affect total benefits to the whole Council - which might prompt decisions to terminate the supply of such services. Such decisions need to factor in insurance, liability and legal implications as well as safeguarding and the provision of management information.
9. Strong governance is in place including senior management/director sponsorship around the service provision, as determined by savings opportunity and the levels of spend. For example:
  - The Council's governance process helps resolve any issues and promotes cross-Council working, with a senior manager/director lending weight and support to what can be quite tricky issues. Senior manager/ director sponsorship maintains visibility for the project including the savings and demand management/workforce issues.
10. Contract and supplier management is robust. For example:
  - The Council client manager is very proactive in order to maximise contract benefits both in terms of value for money but also in linking the organisation's agency use to other council priorities and workforce issues. Depending on contract size, a dedicated contract manager with links to

both HR and procurement is in place to ensure the contract achieves maximum benefits.

- Clear and accurate benchmarks are agreed and used to monitor and review the contract's performance, and there is a published complaints procedure for all parties with clear and effective guidelines.
- The managed service provider is proactive in resolving issues, taking appropriate ownership and committed to longer-term continuous improvement to seek new ways and lead on initiatives to develop the contract, increase savings and meet the objectives of the contract.

11. MI (management information) reports are accessible, relevant and used. For example:

- MI and reports provided by the vendor are used and accessible as determined by the Council, supporting it to manage its resources well. Reports are available to service managers, HR, and Procurement to assist in business planning, assess costs and resources and analyse workforce information including diversity data.

12. Savings are presented clearly, accurately and timely and are fully understood checked and monitored by the Council. For example:

- The Council understands savings figures and is able to audit them fully to confirm their accuracy. Any mistakes are resolved quickly and do not reoccur. This error rate is monitored as part of the formal review process, together with information on agency margins, pay rates, managed service provider fees and/or any shared savings pots, and timesheets.

13. Invoices are timely, accurate, consolidated and ideally integrated with the Council's finance IT system. For example:

- Invoices/e-bills provided by the vendor are on time and accurate, including cost codes. The Council takes responsibility for resolving any fundamental client side issues (eg major cost code changes) and ensures the vendor has the required information.
- Invoicing is properly interfaced with the councils own financial system to reduce the resources required to process and improve accuracy – ideally attaining the position of one consolidated invoice for accounts payable (thus offering invaluable MI and efficiency savings).
- The vendor is paid on time where bills are accurate. The Council is aware of any payment issues relating the supply chain especially for SMEs. Any disputes with regard to charges (eg hours worked) between managers and suppliers are resolved speedily and fairly.

### **Providing the service**

14. Candidate quality is high and they commence assignments fully briefed and meeting statutory and Council-specific screening and vetting requirements. For example:

- The quality of agency workers is high both in terms of their ability to complete the relevant assignment and their knowledge of the assignment, organisation and policies, e.g. an induction or candidate handbook is provided by the managed service provider via the agency to the agency worker.

- Candidates meet safeguarding and security requirements eg fully referenced, with enhanced CRB checks. This is supported by a full audit process where managed service providers report their findings to Councils on agency standards and candidate screening compliance, and any corrective action agreed.
15. Service levels provided by the vendors meet or exceed those within the specification and managers evaluate the service as 'good'. For example:
- The vendor is well resourced, queries and bookings are filled within the specified time (that reflects the needs of the customer) where possible, issues are escalated and dealt with appropriately, and a high proportion of operational managers, the client managers and senior managers feel they are getting a service that meets their needs and offers benefit to the whole organisation.
  - A high proportion of queries from users and suppliers is dealt with on the phone or responded to immediately via an IT platform, depending on the requirement of the Council.
  - Service delivery is tailored to the requirements of the service area eg offering a 24-hour service for Adults and Childrens, loading of information ready for inspections, etc. Strong relationships are developed between key users and the managed service provider with frequent service reviews. Supplier workshops / inductions are held for hard to fill / high volume etc areas to bridge the gap between client and agency."

### **Conclusion: The Way Forward**

Georgina Aplin as the OGC Category Manger for Temporary Agency Staff nationally has much experience with working with local authorities across the UK on this issue. As such she kindly offered her opinion on what the future holds for temporary agency staff within local authorities:

#### ***Question: In your opinion where do you see the future of temporary agency staff procurement for local authorities and why?***

Innovation in the market and also the need for service transformation alongside cashable savings means I believe there will be a number of developments within temporary staff solutions.

In terms of internal procedures and policies within the next 2 years for larger spending Councils at least, I expect to see demand management techniques and the full integration of agency staff and interims integrated into workforce planning. I also expect to see more links developing between worklessness, regeneration, social issues and the use of agency staff, coupled with a further focus on equalities and diversity issues within the contingent workforce.

In terms of the procurement solutions, I see a number of different trends emerging based on the priorities of the Local Authority:

1. Some larger spending Councils will continue to adopt an enhanced neutral vendor or master vendor contract.
2. Workforce planning and collaboration will become even more key within the arena of agency staff, and I expect to see more collaborations across partners eg between County and Districts, between neighboring Councils, and with other partners such as the police, fire and rescue services and possibly PCT's as health and social services work develop their joint working even further.

3. Some Councils (using technology enabled systems to interface with the agencies) may decide to bring a managed service in house and possibly integrate the service with talent pools, redeployment and workers supplied by partners, Job Centre Plus or third sector.

4. Another emerging trend is Councils tendering for both permanent and temporary services together to form a partially outsourced managed service an example of this is Buckinghamshire and Essex.

If you would like to know more or speak with Georgina please contact her on [georgina.alpin@ogc.gsi.gov.uk](mailto:georgina.alpin@ogc.gsi.gov.uk)

Although a complex and much discussed area of spend it is hoped that this review will provide some structure and clarity to this subject. Helping local authorities make greater cashable and non cashable savings without compromising quality of service.

If you would like any further information on any aspect of this report please contact Manaza Qasam on [manaza.qasam@southeastiep.gov.uk](mailto:manaza.qasam@southeastiep.gov.uk) or telephone on 07912194848.

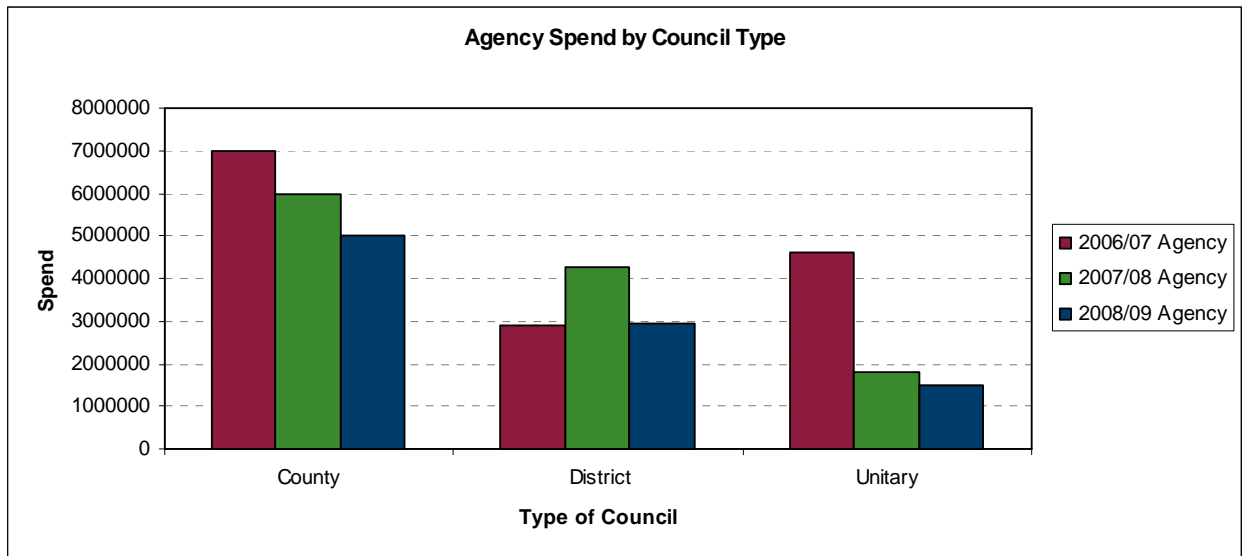
**Appendix 1:  
LGSSG Baseline Questionnaire Analysis:**

LGSSG are in the process of conducting a baseline questionnaire on agency staff. Below is a look at the spend profiles from county, unitary and district authority over the last three years on agency staff.

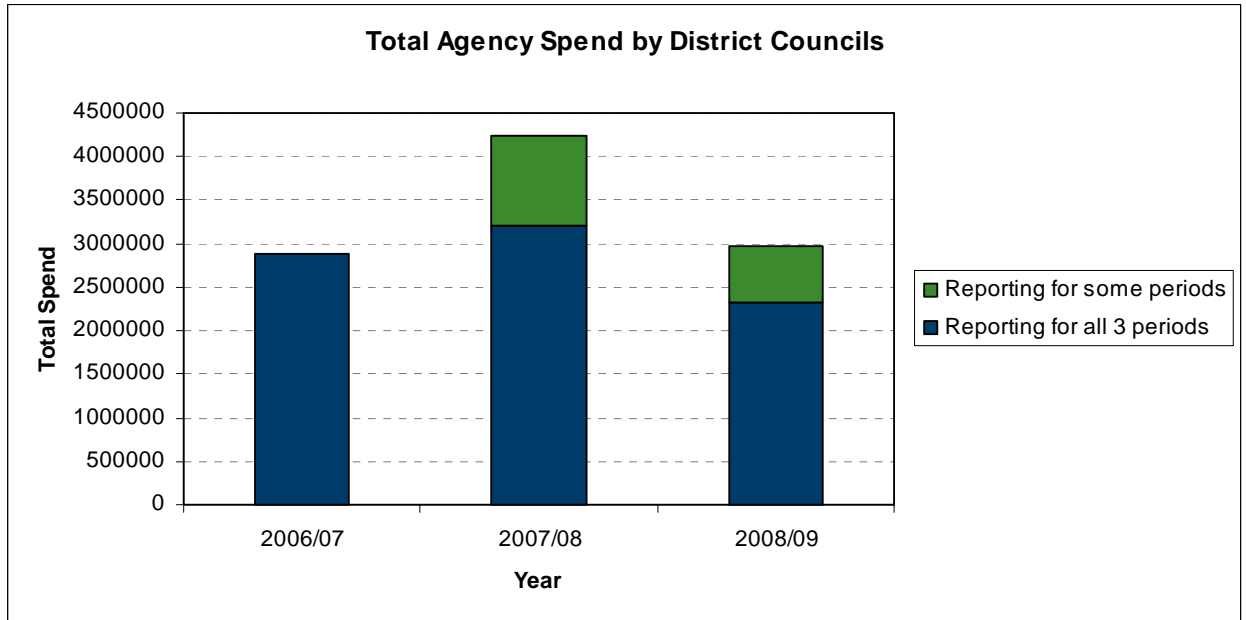
**Table A: Highlighting spend over last 3 years**

South East Spend	Type	Year
£14,515,165.40	Agency	2006/2007
£12,067,814.74	Agency	2007/2008
£9,466,170.60	Agency	2008/2009

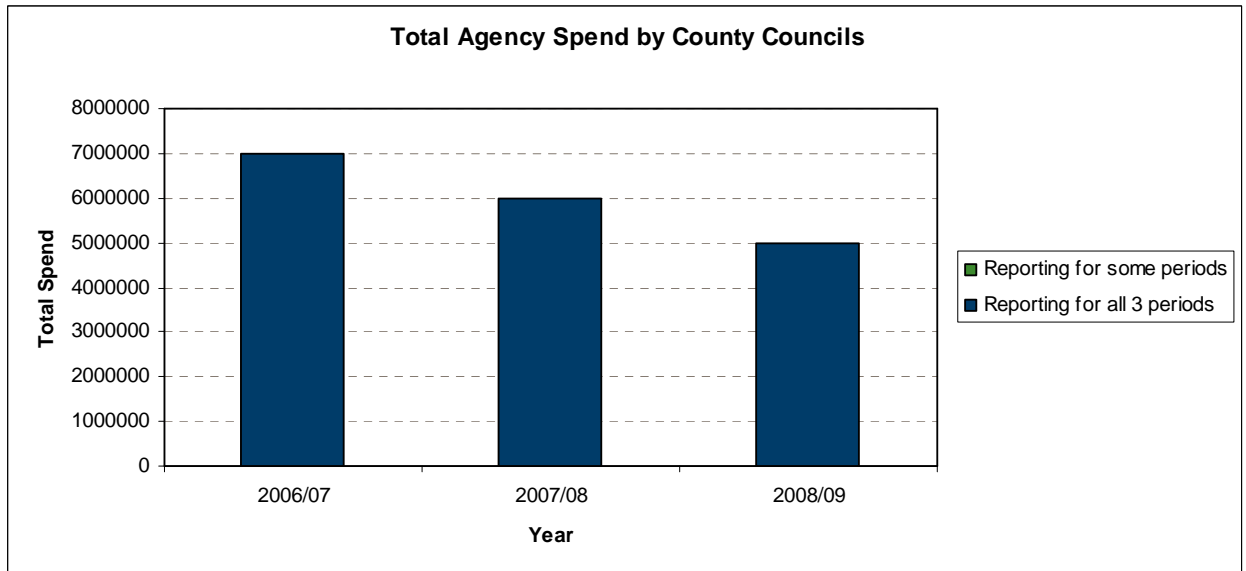
**Table B: Highlighting spend by county, unitary and district**



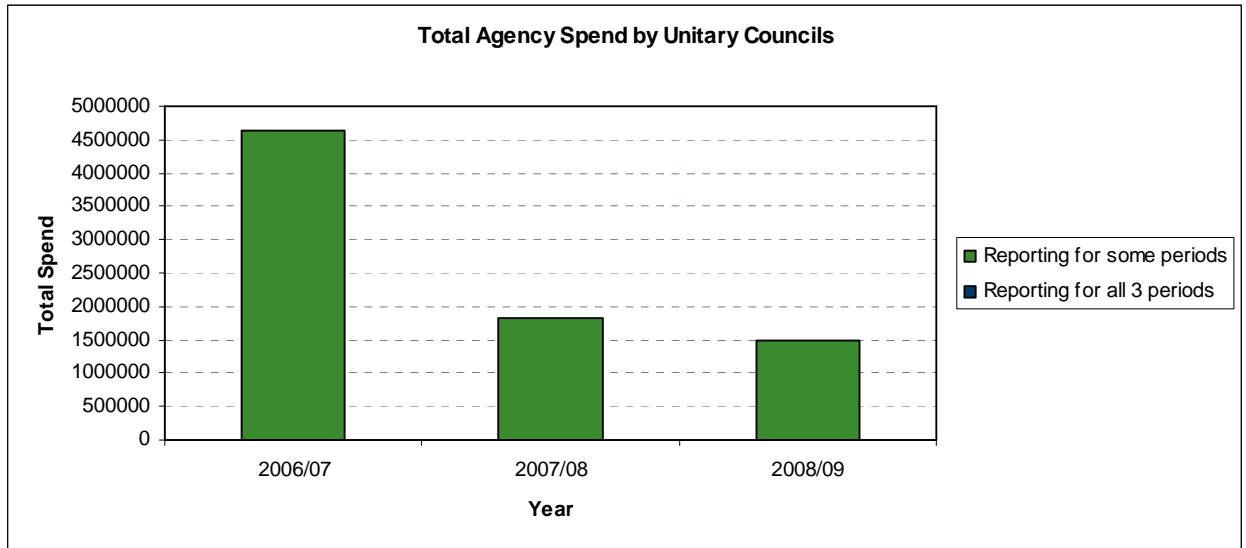
**Table C: Highlighting District Spend over the last 3 years**



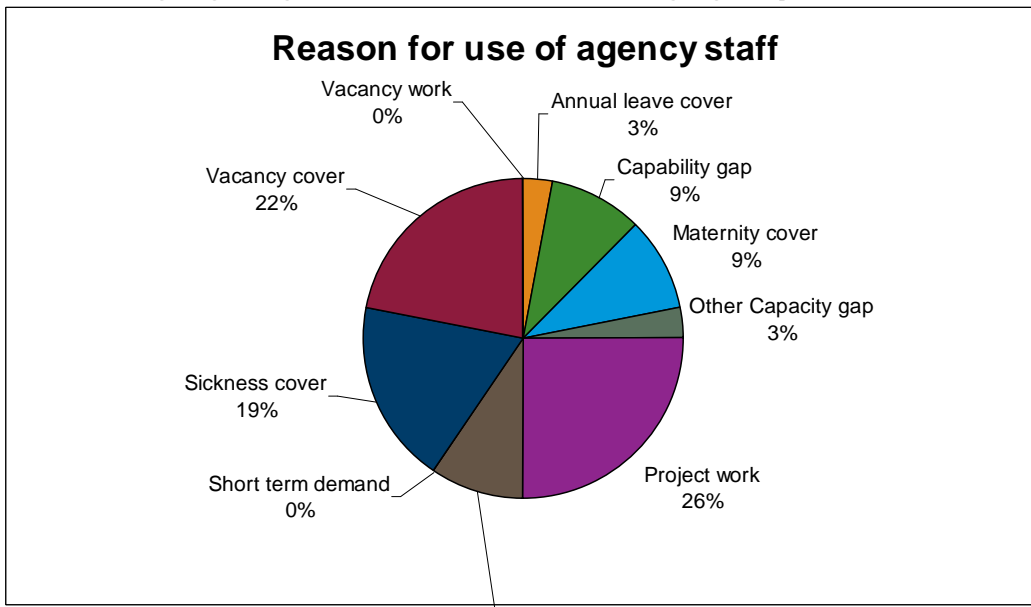
**Table D: Highlighting County council spend over the last 3 years**



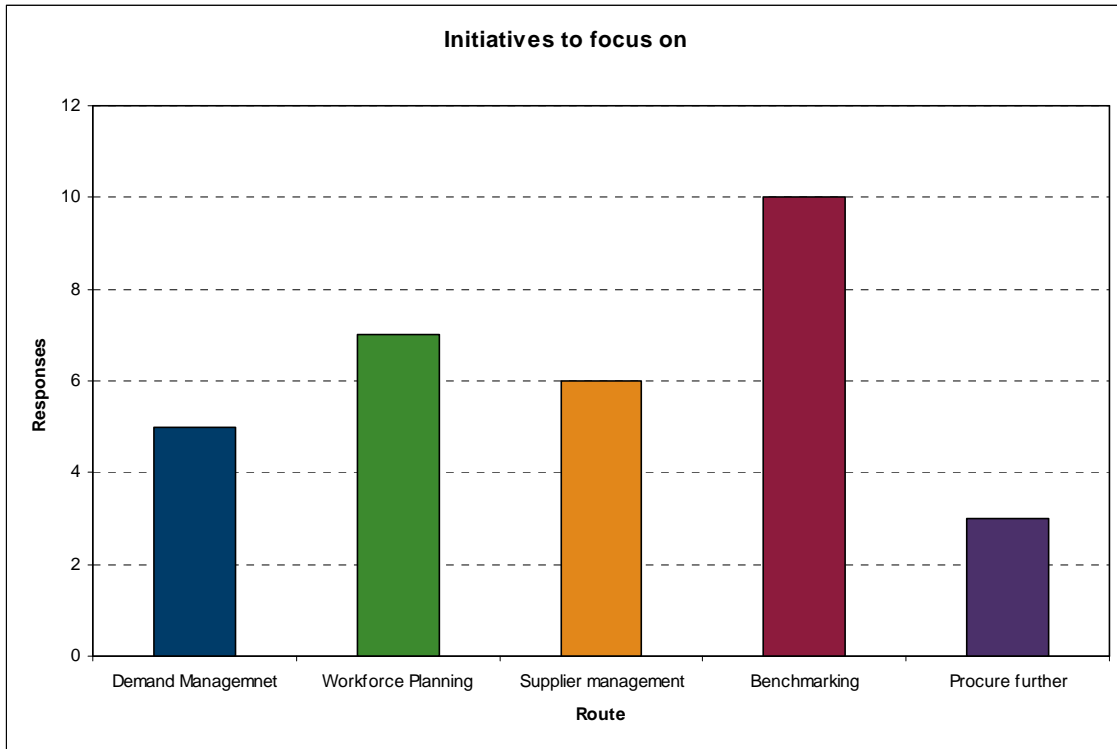
**Table E: Highlighting unitary spend over the last 3 years**



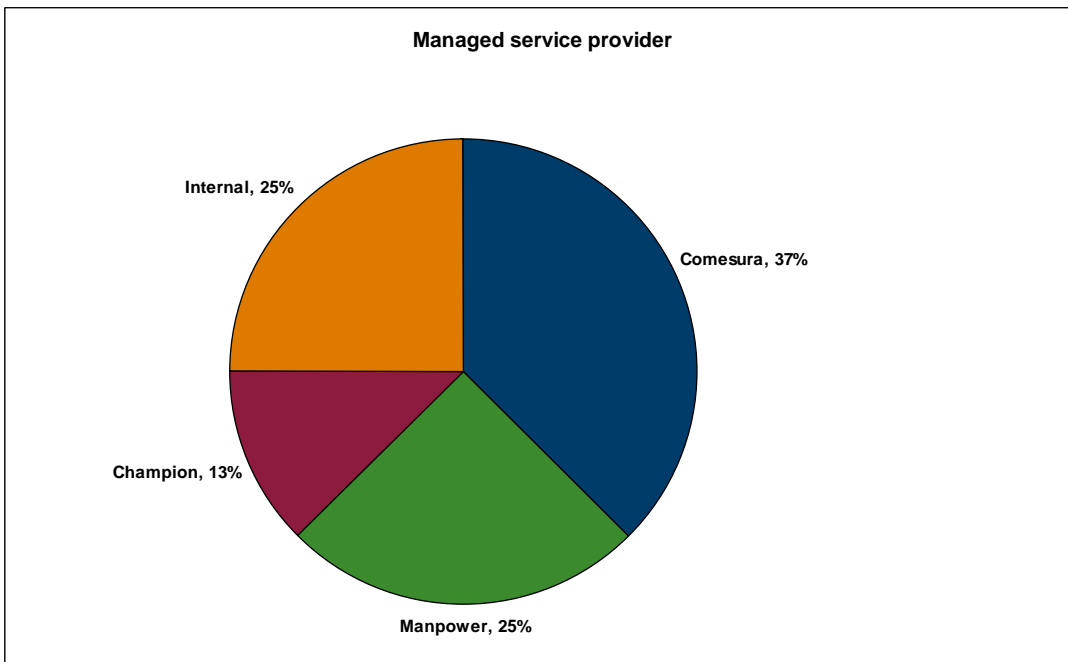
**Table F: Highlighting the main reasons for using agency staff**



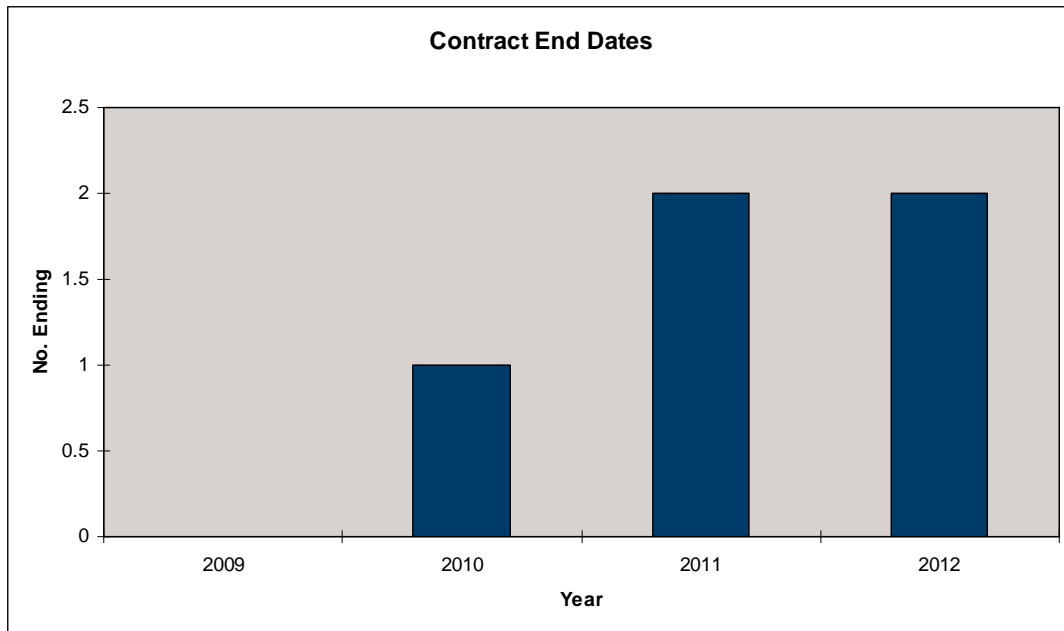
**Table G: Highlighting the main initiatives the local authorities want to focus on**



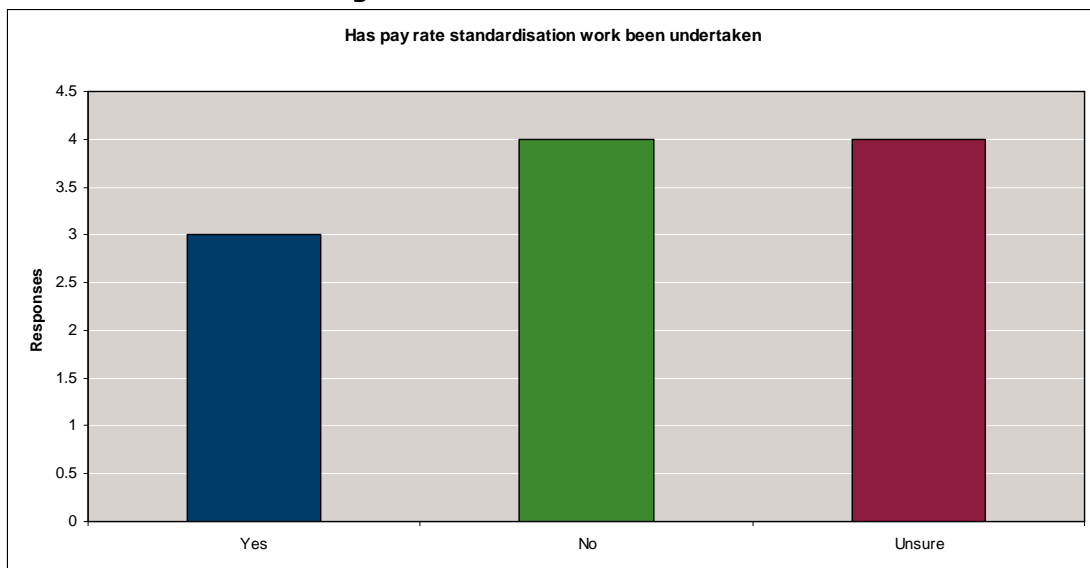
**Table H: Highlighting managed service providers being used by local authorities**



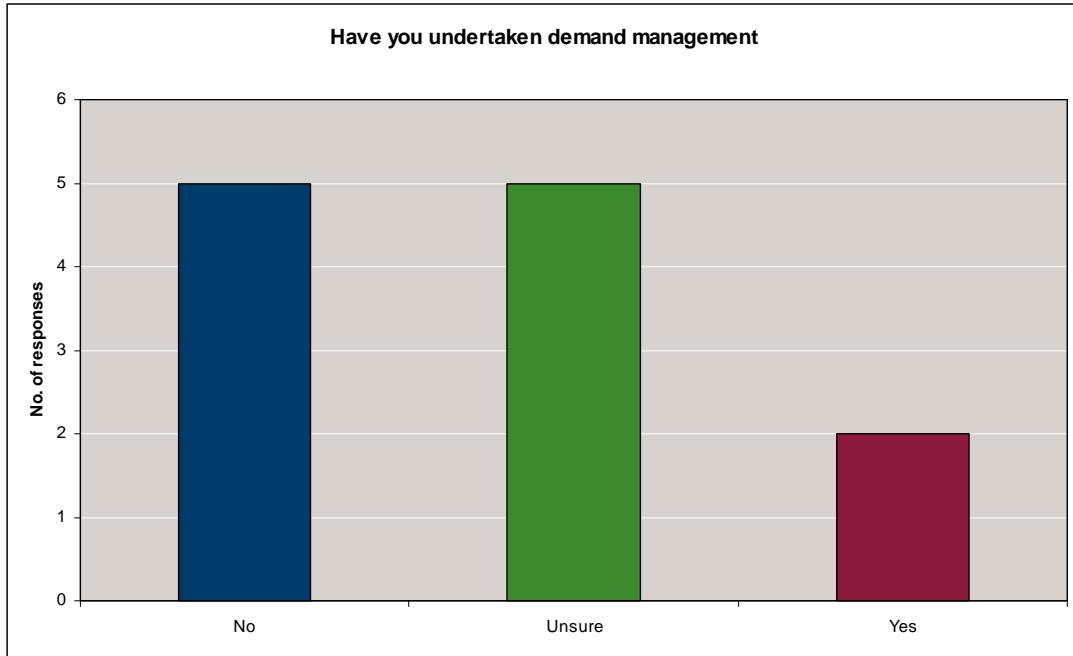
**Table I: Highlighting the contract end dates for local authorities**



**Table J: Highlighting the level of pay rate standardisation work being undertaken across the region**



**Table K: Highlighting the level of demand management being undertaken across the region**



If you would like to know more about the baseline questionnaire being conducted please contact: Kate Graefe on [kate.graefe@rbwm.gov.uk](mailto:kate.graefe@rbwm.gov.uk) or Georgina Aplin on [georgina.aplin@ogc.gsi.gov.uk](mailto:georgina.aplin@ogc.gsi.gov.uk).

## **Appendix 2:**

### ***Buckinghamshire County Council: A case study***

#### **The Background:**

In summer 06/07, an over spend was predicted for Buckinghamshire County Council. This was an exceptional circumstance for Buckinghamshire CC. Procurement was tasked to find corporate savings and was targeted to influence £5 million worth of savings over 3 years. A head of procurement was appointed on an interim basis to lead the change programme.

The first thing the procurement team completed was a spend analysis. They reviewed the big areas of non pay spend and found 3 large areas of spend agency staff, client transport and the built environment (transport, property services and highways) They categorised the latter 2 as longer term areas for savings but believed they could have an immediate impact on the spend on agency staff as a quick win. In summer 06/07, Buckinghamshire CC spend on agency staff was on target to reach £10 million p.a. The procurement team decided to focus firstly on an immediate reduction in the volume of agency staff through demand management techniques. They determined this approach would have a much greater impact in dramatically reducing spend and would look at a further improved contractual solution as part of the medium/long term spend reduction.

#### ***Making a Change***

##### 1. Analysis

Using the spend analysis further work was conducted to interrogate and cleanse the data. This uncovered some key headlines about agency use and that approx 35% of all spend was maverick off contract spend. The research also found, managers used agency staff for long-term assignments rather than short-term cover in most instances. In all, forty managers were identified as high agency users.

##### 2. Visibility

Agency spend was reported to each Head of Service. When challenged with the data on agency staff use and spend by procurement, one head of service did not realise he had agency workers within his area! The agency staff management information was also provided to the senior management team and to Members. David O'Donnell feels that putting agency staff on the agenda at all levels including members, directors, heads of service and middle managers was key to the success of the spend reduction.

##### 3. Challenging Need

A walk through interview approach was adopted with the 40 managers who frequently used agency staff. A member of the procurement team visited the manager and interviewed them about their agency use. David O'Donnell felt visiting managers within their own service area was instrumental in terms of engagement and buy in to the spend reduction project. The procurement team were trained in interview techniques and started from the question, 'Tell me what you do?' The interviews were very fluid and not in the typical question and answer style. David believes too many people are focused on asking 20 questions

within an interview whereas the objective should be to get 20 answers and encouraging those being interviewed to open up and offer the answers naturally.

Managers were encouraged to discuss their service and their resourcing needs including their use agency staff. They would talk through why they were using agency staff and with procurement supporting begin to look at their own buying habits, challenge their own use of agency workers and put together strategies to reduce their spend. Through the interviews managers were provided with the facts and figures of their spend- procurements' approach again was supportive and comes from the premise - that managers do not intentionally over spend money, often were in the dark about the total costs and usage.

What the interview exercise provided them with was the information on their use and a forum to look at their spend in a non- aggressive and supportive environment in order to make changes in patterns of use and reduce unnecessary spend. Unusually, polices and authorisation panels were not used The interviews were used to change behaviour and the council wide need to reduce spend acted as a burning platform for change. Procurement looked at changing process/culture with the managers not applying a change to them.

#### 4. Accountability/Responsibility

Accountability for the delivery of the savings was with the budget holders, the Heads of Service. Procurement assisted in finding a 'no brainer' solution to reduce spend to meet budgets as an alternative to cutting services or permanent staff. The visibility of the spend data that was not available allowed heads of service to challenge their own service managers. Budget holders also were able to demonstrate the savings and achievements they had made by reducing agency staff spend. During the analysis, it also came to light that some managers were signing off timesheets or ordering staff who did not have budget responsibility or were agency staff themselves! Heads of service implemented controls within their own areas to ensure the right levels of staff ordering and signing off agency staff providing better assurance.

#### 5. Dealing with Maverick Spend

Managers that were working with agencies off contract were all contacted and asked why they were using these agencies. In order to encourage managers to use the on contract agencies, procurement communicated the benefits of using the contracts and managers were invited to a supplier forum to meet the agencies. All managers were asked to give the agencies on the contract a 2 week lead time for vacancies, after which they could open up their booking to all agencies. David O'Donnell believes, it is this pragmatic and reasonable approach that has helped reduced off contract spend from 35% to 10%. There is a member of the procurement team that monitors the contracts and provides support to managers when required.

### **The Results**

Buckinghamshire CC have dramatically reduced their agency spend from £10 million to £6.8 million per annum, a saving of £3.2 million. Following the work, completed in summer 06 the reduction in spend was immediate. Through regular monitoring and reporting, engaging with new managers and maintaining regular communication on the issue with senior managers, the reduced level of spend has remained constant for the last 18 months to the present day. A huge proportion of the saving (2/3rds) was in social care where there has been a dramatic

reduction in the use of admin and clerical support agency workers. Procurement have worked very closely with social care and attend their management meetings to report on agency spend and contracts every 6 months.

Buckinghamshire CC have now completed tendering for a neutral/master vendor solution combined with talents pools and permanent recruitment. The team feels the success of the spend reduction on agency staff has increased buy in between managers and the procurement team. This strong partnership will help to ensure the new contract meets the needs of all service areas and is supports the effective and efficient use of resources.

***Some lessons learned for the Competitive Dialogue process:***

- Allow plenty of time for devising dialogue strategy by holding pre-dialogue meetings.
- Manage stakeholder expectations and to be clear on the timescales from the start of the process.
- Be clear on when you can provide a steer in dialogue meetings and when you can't.
- Try to get the final tender as close to a service specification as much as possible.
- Detailed proposal should be developed to a state that is close to what the final proposal (tender) will look like.
- Request for interim documents to be submitted throughout the different stages of dialogue so that the Council can dialogue on issues instead of waiting for such information to be submitted with either the proposal or tender.
- Evaluation model to allow for weighting of secondary criteria.
- Method statements to be aligned to scoring criterion and evaluation model.
- Push finances much earlier on in dialogue, consider the use of bid forms that allow for specific information to be submitted in a format required by the Council.
- Document dialogue meetings using a suitable proforma so that points of agreement, discussion, outstanding actions etc. can be easily identified and used as an appendix to Invitation documents.
- Insisting on bidders to provide a "delta view" of changes to documents to assist with evaluation.
- Competitive dialogue enables the Council and bidders to start developing a relationship before a contract is awarded.

For further details please contact Caroline Wood on [cwood@buckscc.gov.uk](mailto:cwood@buckscc.gov.uk)

### **Appendix 3:**

#### **Kent Top Temps Ltd – a private limited company wholly owned by Kent County Council**

Kent Top Temps (KTT) recruitment agency was set up late 2002 following a report commissioned by Members into Kent County Council's procedures and expenditure on the procurement of temporary and contract workers. The report suggested a number of options and Members chose to pilot an in-house temporary agency as their preferred option.

Initially the agency was a pilot operation within mainstream KCC under the direction of its trading arm, Commercial Services. Following the success of the pilot for clerical and administration staff, the agency quickly grew to provide non-qualified health and social care staff together with drivers and industrial workers from 2004. Parallel to the growth of Kent Top Temps, a new preferred supplier list was introduced by KCC with immediate benefits to KCC from greater control using the new list and its preferred supplier in KTT.

In April 2005, the activity was transferred to Kent Top Temps Ltd, a private limited company wholly owned by Kent County Council and all staff employed in the business at the time of transfer was TUPE'd into the new company. The benefits of the transfer to a private limited company are the opportunities to offer the service to a wider audience, including the private sector, and the ability and flexibility to offer remuneration and terms and conditions akin to the recruitment consultant sector rather than local government.

The transfer from the public sector to private sector involved 9 months of planning and implementation. Members and senior officers were supportive to the concept and were key to the process from the political decision through to the legal process. The operational aspects were handled through a senior officer group and included the transfer of staff under TUPE, employment policy, banking arrangements, insurance, accommodation, accounting/reporting procedures, IT/ICT and legal and governance requirements.

Kent Top Temps Ltd has benefited from being able to trade more widely including the private sector, which has created income generation to KCC. The income generated has benefited the people of Kent by helping to reduce any increase in council tax as well as creating significant savings to KCC through market moderation. KTT has been able to substantially reduce costs firstly through its own supply and later through a managed service. The company formation has allowed a distinct identity and impression to be created for the business needs with the aim of building a "brand" image and reputation.

With the transfer, KTT has now extended its activity to cover other groups of key staff required in front-line service areas, both in the public sector and associated private organisations. The new groups added include Interpreters, Supply Teachers, Professional Staff such as Finance and IT, Catering and Permanent Recruitment for non-KCC clients. This service includes the operation of a managed service for KCC for all temporary and contract requirements since April 2008.

KTT has helped moderate the charges to KCC. In the beginning this was by paying the temporary workers the same pay rate as the external agencies but operating with lower charge rates as a result of managing the margins to a more acceptable level. Since April 2008 the market moderation has been achieved by the managed service operated by KTT for KCC.

Establishing an appropriate arms' length relationship between KCC and KTT Ltd is an essential requirement. KCC do not subsidise KTT in any form and the business and company is fully costed and charged full market rates for all items that include accommodation and any services provided. KTT has been contacted by a number of authorities that are considering the in-house route either direct, franchised or joint operation and is open and willing to discuss the opportunities with any authorities that are considering change that may include this option.

For further details please contact:  
Laurence Faulkner  
Director – Kent Top Temps Ltd  
01622 605497

## **Appendix 4:**

### **Royal Borough Windsor and Maidenhead Temporary Staff Project:**

The purpose of the RBWM temporary staff project was to identify, deliver and facilitate solutions for the procurement of temporary staff to support the realisation of efficiency gains. The project was based on collaboration between Improvement and Efficiency South East (formerly known as the South East Centre of Excellence), the Office of Government Commerce, and Slough Borough Council.

The Royal Borough of Windsor and Maidenhead conducted a complete 'Procurement Review' on their spend in three stages:

1. Reduced costs to £2.2 m per annum
2. Using Spend Analysis to identify quick wins in order to get reductions from the top 20 suppliers
3. Moving on to a single integrated contract

### **Context**

The context of the exercise was to help in understanding how the lessons learnt can be applied to your authority.

### **Challenges**

- Working to very tight deadlines. (12 weeks from awarding contract to start of contract). More time was needed to deal with incumbent staff and suppliers
- Gathering the data. What to gather? How to calculate the mark-up and margin?
- Buy-in and gaining accurate data from key suppliers
- Time taken to work with the supplier to understand the data accumulated
- Time to speak, individually, with all top suppliers to negotiate a reduced short term mark-up
- Understanding the legalities of conducting the above exercise
- Understanding (and scoping) the advantages and disadvantages of the available temporary staffing options currently available in the market
- Time taken to work with Slough Council to bring temporary staff tender to fruition

### **Addressing the challenges**

- Support provided by David Harrower from the OGC to help extract relevant data from the top suppliers and to better understand the difference between 'mark-up' and 'margin'
- As this is a top priority for RBWM there was significant time dedicated by Richard Bunn (Finance); Michelle Dear (HR) and Gary Richardson (Procurement) to carefully plan each step of the process and put in place realistic but challenging timescales
- The supplier staff as well as those within the council were both adamant on a joint up approach making the contract work and proactive
- 

### **Desired outcomes**

- RBWM were able to attain the level of detail they needed from their top suppliers in order to conduct the quick win exercise
- The data gathering exercise also helped them decide on which route(s) to take for a medium term strategy
- The project enabled RBWM to develop a method for extracting savings from the exercise and filter back into the authority

- A single efficient process giving full transparency regarding costs and workers (time in booking/post etc)

### **Activities**

The key activities of the project included:

1. Get a baseline of data from suppliers
2. Reuse existing best practice
3. Ensure contract compliance, including review and reduce NI (by paying actual NI and not just a blanket reduction) and WTR charges by accurate application.
4. Establish competitive arrangements (if appropriate)
5. Reduce number of suppliers to avoid duplicated contract management costs /time
6. Strategic direction: What method will be used to approach the market?
7. A joined up approach involving 3 departments HR, Finance and Procurement
8. Identifying the benefits and extracting the cashable saving

The primary objectives of the project:

- 1 Efficiency gains in terms of cashable savings and process
- 2 identify options for going to market, assess these and select the optimal solution for RBWM)

Which were achieved through:

- collaboration, reduction of duplication via a joint tender process
- process improvement (including contract management)
- reduction in risk
- reduction in spend
- better workforce practices

### **Management and quality processes**

#### **What worked:**

- Top 20 suppliers were sent questionnaires and the interviewed
- Renegotiation with existing top suppliers was very successful with one supplier agreeing to up to 10% reduction in mark-up costs
- Useful and thorough option evaluation with discussions with Hampshire (around utilizing the Manpower contract); Wiltshire Council re: their preferred supplier list; Slough temporary staff contract (which was being tendered for at the time); ESPO Contract
- Meeting with Thames Valley Procurement Network to ascertain their appetite for a collaborative arrangement for temporary staff needs
- Internal communication with stakeholders
- Reduced overall demand as a result of awareness of corporate overview of spend
- Supply market conditioning as a result of supplier discussions
- Contribution to overall corporate strategy
- Multi-disciplinary team – Procurement, HR, Finance

#### **What didn't work:**

- Slough option was not really an 'option' until there was a more proactive involvement from RBWM to determine who the likely suppliers were. This resulted in a slight delay

- Inclusion of a final and best offer stage led to slight delays

### **Abnormal events**

The Slough tender evaluation required time commitment from RBWM to determine which suppliers met the needs of RBWM. This was not taken into account when the initial project plan was developed.

### **Project Issues**

- Time in waiting for the Slough tender to be awarded.
- Slough option was not realistic 'option' until the serious influencing by RBWM when evaluating the suppliers

In the end, after careful evaluation, it was decided that the Slough option would be most suitable for RBWM (with Manpower as a potential 'back-up')

If you would like to know please contact Kate Graefe on [kate.graefe@rbwm.gov.uk](mailto:kate.graefe@rbwm.gov.uk)

## **APPENDIX 5:**

### **Association of Greater Manchester Authorities: Collaborative procurement case study:**

In June 2008, AGMA, (Association of Greater Manchester Authorities) won the 4ps award for collaborative procurement for their agency staff procurement project. This case study written by AMGA, North West IEP and OGC explores the background to the agency staff procurement project, the benefits of using a managed service provider ("MSP") and the enhanced benefits derived from collaboration, lessons learnt/top tip and the way ahead.

The AGMA agency staff project is widely recognised as a procurement success; where it is ground breaking is where the Councils have moved beyond margin reductions to tackle broader workforce, contract and policy issues in order to realise further cashable savings and improve service quality and delivery.

#### Background

The Association of Greater Manchester Authorities (AGMA) was founded in 1986 and comprises 10 local authorities including Bury MBC, Bolton MBC, Oldham MBC, Rochdale MBC, Tameside MBC, Stockport MBC, Trafford MBC, Salford MBC and Wigan MBC. Greater Manchester Passenger Transport Executive and Greater Manchester Fire and Rescue Service. AGMA acts as the voice of these ten local authorities of Greater Manchester and works in partnership with a wide range of organisations private, public and voluntary within the city-region and beyond. AGMA Chief Executives and Council Leaders meet regularly to work together on a range of key strategic and policy issues which impact on Greater Manchester. Each Chief Executive takes a lead and acts as a sponsor on one specific category/subgroup and each Council has representation on each board. David Winstanley, of Bolton Council, chairs the Collaborative Recruitment Board which oversee the agency staff project.

In 2006 a feasibility study identified that the AGMA Councils' spend per annum on agency workers was in excess of £28 million, created over 33,000 invoices and there were few formal contracts in place. The study also revealed that there were clear benefits, both cashable and non-cashable, to be achieved by bringing in a MSP to recruit agencies to supply staff for councils. Thus the 'AGMA Agency Staff Procurement Project' was created to reduce both the costs and time spent by each local authority on recruiting agency staff. The project remit was to source a single solution for the procurement of agency staff for all of the 9 participating councils plus the Greater Manchester Fire and Rescue Service and the Greater Manchester Passenger Transport Executive.

*"We recognised that having one contract, one procurement exercise and one ordering system would improve efficiency. A managing agent with this industry knowledge could then secure reduced mark-ups and improve the process to create cashable and non-cashable savings on our behalf."*

Jayne Whitehead, AGMA Category Procurement Manager

A lead authority, Bolton MBC, was identified to lead the procurement exercise and they were also assisted by the AGMA partners, OGC Markets and Collaborative Procurement temporary staffing team, and some consultancy support. The procurement was advertised through an OJEU contract notice in June 2006. At the end of the tender process a contract was awarded to Comensura in March 2007 for a three-year period with potential to extend it a further two years.

Eighteen months later, the AGMA Councils are realising the benefits of working with a vendor neutral managed service and reaping further benefits from working together on the management of the contract and agency staff initiatives.

*What have been the benefits of appointing an MSP?*

- Cashable annual savings of 5-8% across the Councils.
- Electronic invoices are now reduced to 1 per week per authority.
- An improved process for managers through a one-stop shop, which is e-enabled and offers extended coverage through a 24/7 out-of-hours service.
- Improved quality and opportunity throughout the supply chain.
- All agencies signing up to the contract get visibility of all orders from all Councils on-line and are tiered, based on their performance
- Risk mitigation and improved safeguarding.
- All agencies are audited for minimum standards and best practice under Comensura's terms and conditions, including candidate checks and insurance and liabilities.
- Detailed management information, identifying the job role, location, start date, end date and costs for each agency worker.

*What have been the additional benefits of 'collaboration' to the procurement and management of agency staff?*

Each Council has financially benefited from aggregating its spend to receive more favourable margins and reduced MSP fees. Standardised job descriptions and pay rates have been agreed across AGMA to ensure competition between Councils for staff has eliminated and agencies received the same fees regardless of which Council engaged the agency worker. Due to the standardisation of rates, one Council department has saved approx £115,000 a year by bringing the inflated prices it was paying for social workers into line with the agreed rates. As well as creating savings, this standardisation prevents AGMA Councils competing for staff, particularly in a skill shortage area and provides a real platform on which the authorities can further work together on workforce and recruitment & retention issues. Supplier & Contract management has improved. One provider across all Councils has increased the visibility of the recruitment agencies' performance and the MSP in order for issues and continuous improvement to be dealt with across AGMA. This has led to increased quality and consistency of services for all participating Councils.

Business opportunities for local SMEs providing good candidates and a high quality service have increased. Comensura has encouraged high performing agencies to open branches in other AGMA locations. This has helped attract a more local diverse workforce, lower costs and decreased travelling time for agency staff across the Councils.

*Lessons Learnt/Top Tips*

- Ensure senior management backing is consistent, strong and set within a well framed governance process.
- Strong project and service governance through the collaborative recruitment board gave consistent senior (both members and directors) and cross Council backing to the project. It ensures that the focus remains on gaining further value for money from the managed service and collaboration.
- A strong mandate is required if you are to achieve savings There was a danger of managers working outside of the contract and negotiating independently that would have undermined the new market position

secured by Comensura. Jayne Whitehead said: "The project is testament to what can be achieved through collaborative services but only with the strongest mandate from senior managers to effect change. With their backing, we were able to remove people's ability to work outside the contract by closing down routes through ordering systems and removing ability to pay invoices from maverick spend. This quickly encouraged staff and ordering managers to adopt the Comensura system."

- Implement robust and well-resourced contract and supplier management. AGMA employs an overarching dedicated contract manager, Jayne Whitehead. This has enabled the Councils to co-ordinate their approach the contract and supplier to keep value and focus on cross council contract compliance. It also ensures that each Council is able to share best practice, tackle issues together and each benefits from a consistent level of service from the supply base.
- Understand your current spend and agency usage. It was vital that the project had an accurate start-point. Establishing current spend was a complex and difficult process as agency staffing costs were often cost coded to many different areas. "It is important that you get this right," said Jayne, "otherwise you may chose the wrong managed service model and supplier to meet your requirements".
- Harness full resources and support from your MSP. Support through the process from the MSP, particularly during implementation, was invaluable. Training was introduced for the on-line ordering process, IT implications dealt with efficiently and a helpdesk with dedicated relationship managers was made available to users.
- Key stakeholder management. Each stage was carefully project managed and all partners were kept on board through weekly emails detailing the milestones and progress achieved, monthly meetings with the HR and procurement leads and relevant communication to end users throughout the process to maintain sign up to the project.
- Hindsight is 20-20 vision! Think carefully about the data, business process and the management of the system and service after go live to ensure everything is as streamlined and joined up as possible! "With hindsight, I would ensure full visibility of the business and orders across all 11 partners at the same time," said Jayne: "We allowed the IT database of orders to be created as 11 separate partners with 11 separate databases which now makes comparisons of performance more time consuming than necessary."

### *The Way Forward*

As the project progresses, AGMA has identified that the use of the detailed management information and control mechanisms inherent in the MSP will allow the organisations to achieve further savings and enhance other outcomes. AGMA is considering a number of development opportunities including linking in welfare to work initiatives and local partners with the supply of agency staff through the managed service. Further work is also underway on order justification and the link between sickness absence and permanent recruitment for example, and the use of agency workers. Already, a property department in an AGMA authority has assessed its usage of agency workers after being involved in the project. It found that by moving to permanent recruitment it was able to make savings and deliver a more efficient service. A further initiative is under consideration to explore the link between workforce planning, demand management and the use of agency staff across AGMA.

Collaboration in these areas will be vital for achieving a positive outcome and AGMA has proved that by working together each Council has benefited much more than going it alone.

"This is another example of how authorities in Greater Manchester are working increasingly closer together for the benefit of the people we serve. Agency staffing is just one area where pooling our resources can deliver efficiencies and savings, making more money available for frontline services. On behalf of my colleagues on the AGMA board, I'd like to say 'very well done' to David Winstanley from Bolton Council and everybody else who worked on the project, including their private sector partner Comensura. It's been a great success."

Lord Peter Smith, Leader of the Association of Greater Manchester Authorities and Wigan Council

This project demonstrates the benefits of true collaboration to achieve not only efficiencies but improved service delivery in terms of management and resources, hence releasing benefits and other resources to front-line services. The learning from the project has been transferred to other areas and there is a real appetite to use the momentum of the success of the agency project in further procurement and policy initiatives.

Please note this case study was provided by Georgina Aplin (OGC) for further details please contact:

OGC

Georgina Aplin, Temporary Staff, Local Government, Commercial Delivery Manager

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