

SLOUGH BOROUGH COUNCIL

REPORT TO: Employment & Appeals **DATE:** 30th October 2012
CONTACT OFFICER: Carli Thorpe, Procurement Specialist
(For all enquiries) (01753) 875916
WARD(S): All

PART I **For information**

Award of Contract for the Provision of Temporary Agency Staff

1 Purpose of Report

To present to Employment & Appeals committee for information the recommendation for the contract award of a Managed Service Provider to supply Temporary Agency Staff to Matrix SCM.

2 Recommendation

The Committee is requested to Resolve:

- (a) That the report be noted.
- (b) That a report on progress of the contract after implementation be presented to the Committee.

3 The Sustainable Community Strategy, the JSNA and the Corporate Plan

3a. Sustainable Community Strategy Priorities

The JSNA priorities of particular relevance are:

- The Managed Service Provider will open opportunities for the local economy and SME organisations to provide temporary agency staff to the Council
- Working with local Job Centres and other organisations to assist job seekers in finding employment and therefore Increase skills and employment opportunities
- Enables the Council to flexibly manage its workforce and meet the need to deliver front line services to residents, particularly within Health & Wellbeing
- Delivering cashable and efficiency savings across the Council

3b Corporate Plan 2012/13

The proposed contract meets the following Corporate Plan objectives:

6. Improve customer experience by significantly improved service delivery from the provider
7. Deliver high quality services to meet local needs by ensuring access to a diverse work force through broadening access to higher quality resource (eg Occupational Therapists / Physiotherapists / Qualified Social Workers)

8. Develop new ways of working by introducing a new, end-to-end automated system for the ordering, tracking, monitoring and analysis of temporary agency staff
9. Deliver local and national change by increasing opportunities for local and SME agencies to working with SBC
10. Develop a skilled and capable workforce by the Managed Service Provider working with job centres and other related agencies.
11. Achieve value for money by ensuring significantly improved service delivery and guaranteed cashable savings.

4 **Other Implications**

(a) Financial

By ratifying the recommendation and approving the Contract award, efficiency and cashable savings will be achieved. Details of which are set out in Part II of this report.

(b) Risk Management

Risk	Mitigating action	Opportunities
Legal	Very clear set of legal documents via a government approved framework, already agreed to by the provider	
Property	None	The current provider (Pertemps) has 6 staff members on-site at Landmark place. This space will no longer be required under the new contract instantly reducing overheads by £25k per annum
Human Rights	None	
Health and Safety	None	
Employment Issues	None	Service areas will have up to date and accurate real time information with regards to ensuring continuity of service through the automated system being implemented as part of this contract
Equalities Issues	Agency Worker Directive ensures pay parity between full time permanent employees and temporary agency staff	

Community Support		Supports local businesses and SME's and also opens opportunities for residents seeking work through the supplier working with the local Job Centre and other relevant agencies
Communications	Strong communications strategy, supported by Senior Management and the supplier is required to roll-out the new contract to ensure buy-in by all stakeholders. This will be developed with the supplier as part of the implementation plan.	
Community Safety	None	
Financial		<ul style="list-style-type: none"> • Guaranteed minimum savings of 3% on existing spend (with further opportunities to increase this) • Guaranteed maximum pence-per-hour agency fees. • Pay parity between full time permanent employees and temporary staff workers in-line with Agency Worker Directive • Potential discount for workers that have been in post for longer periods of time (although the aim is to challenge the need for workers in longer term posts and reduce the need) • Gainshare mechanism – whereby savings achieved over and above the guaranteed minimum will be shared between SBC (90%) and the supplier (10%) • Mechanism for supplier to credit SBC for failure to deliver agreed service levels

Timetable for delivery	Current contract expires Sunday 6 th January. Failure to implement the new contract by this date will have a detrimental impact on the provision of staff and expose SBC in terms of EU Procurement Regulations.	A proportion of the year one savings will be invested in appropriate resource to ensure robust implementation, contract management and monitoring, including maximising savings opportunities and ensuring compliance
Project Capacity	None	
Other	None	

(c) Human Rights Act and Other Legal Implications)

There are no Human Rights Act Implications

(d) Equalities Impact Assessment

The Equalities Impact Assessment is attached at Appendix A

5 **Supporting Information**

Background

- 5.1 The incumbent provider of Temporary Agency Staff to the Council is Pertemps. The contract was awarded in June 2007 following a competitive tender process. Expenditure with Pertemps in 2011/2012 was approx £5.5m. In order to meet all of the Council's requirements for Temporary Agency Staff, a further expenditure of £1.6m spent with a number of other off-contract providers.
- 5.2 Pertemps act as a 'Master Vendor' which means they prioritise the supply of temporary agency workers from their own pool of staff with a further pool of staff available through a 2nd tier of agencies if required. However, the Master Vendor model is no longer fit for purpose and the existing contract comes to an end in January 2013.
- 5.3 A review of SBC's requirements was undertaken by seeking feedback from key service users, SMTs, holding stakeholder focus groups and carrying out market research. A number of options were evaluated in order to identify the right solution to meet the Council's need and the decision was taken to procure a contract with a single supplier to operate a 'Neutral Vendor' model.
- 5.4 The Neutral Vendor will **not** supply agency workers directly but will operate as our Managed Service Provider with a number of agencies signed up to and bound by the same set of fair conditions which will make them eligible to put forward candidates for vacancies when they arise. The solution to each requirement is objectively determined ensuring the best candidates are sourced from the market place at all times. This opens up the opportunity for local and SME organisations to supply temporary agency staff to the Council providing they meet the required quality criteria.

The Tender Process

- 5.5 The Council conducted a competitive tender exercise via the ESPO (Eastern Shires Purchasing Organisation) MSTAR (Managed Service Temporary Agency Requirements) Framework 653F/11. This Framework was competitively and compliantly tendered by ESPO adhering to The Public Contracts Regulations 2006 (amended 2009)
- 5.6 Written technical and financial proposals were requested from providers. The information required in these proposals and the criteria upon which they were evaluated is detailed in the Tender Evaluation Report in Part 2.
- 5.7 The evaluation of all tender submissions was performed by the Tender Evaluation Panel in accordance with The Public Contract Regulations 2006 (amended 2009). Details of the Tender Evaluation Panel and the final scores for these submissions can be found in Part 2 of this document.

Summary of outcome and benefits

- 5.8 Following extensive evaluations of both price and quality undertaken by the Tender Evaluation Panel, Matrix SCM is deemed to offer the best value to Slough Borough Council. The following benefits will be realised through entering into this contract with Matrix:
- Deliver significantly improved service provision whilst also delivering cashable savings over the life of the contract.
 - Transparency and visibility of detailed spend information, allowing the Council to assess and challenge the reasons for which temporary staff are appointed.
 - Open and transparent monitoring of spend against budgets.
 - Robust Safeguarding checks ensuring compliance to legislation and adherence to best practice.
 - Robust performance management of agencies within the supply chain, managed and monitored by Matrix SCM.
 - Increased opportunities for local and SME organisations to supply temporary agency staff to the Council, actively driven by the Managed Service Provider.
 - Matrix will work with local Job Centre's and other organisations to assist job seekers in finding work.
 - Access to a wide range of candidates through a range of local and national agencies. Each agency has to meet minimum criteria in order to be accepted as a supplier to SBC.

6 Comments of Other Committees

Not applicable

7 Appendices Attached

'A' - Equalities Impact Assessment

8 Background Papers

None.

Appendix A – Equalities Impact Assessment

Equality Impact Assessment

Directorate: Corporate Procurement	
Service: Temporary Agency Staff provision across the Council	
Name of Officer/s completing assessment: Carli Thorpe	
Date of Assessment: 29th August 2012	
Name of service/function or policy being assessed: Provision of temporary agency staff	
1.	<p>What are the aims, objectives, outcomes, purpose of the policy, service change, function that you are assessing?</p> <p>To comply with EU Procurement Regulations the Temporary Agency Contract required a competitive tender with the aim of the contract meeting the following objectives:</p> <ul style="list-style-type: none">• Deliver cashable & efficiency savings throughout the life of the contract• Deliver significant improvements to the existing service provision• Provides a flexible model that will adapt and evolve with the changing needs of the Council• Provides a more efficient and automated method for requesting and managing temporary workers• Ensures easy access to robust, accurate and detailed management information, including a robust mechanism for measuring the success of the contract, measuring savings and achievement of performance indicators.• Ensures access to a broad range of high calibre, qualified staff, available with robust safeguarding checks in place
2.	<p>Who implements or delivers the policy, service or function? State if this is undertaken by more than one team, service, and department including any external partners.</p> <p>The service will be delivered by multiple organisations, lead by the Managed Service Provider Matrix SCM. Internally, the contract will be managed by Corporate Procurement.</p>
3.	<p>Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc. Please consider all of the Protected Characteristics listed (more information is available in the background information). Bear in mind that people affected by the proposals may well have more than one protected characteristic.</p>

	<p>The new Service Provider will work with multi-agencies to provide temporary agency staff provision. The new Service Provider has been evaluated on their ability to operate in accordance with the Equality Act 2010 and all external/internal customers, communities, partners, stakeholders, the workforce etc will be treated accordingly, including all those that have one or more of the protected characteristics listed below.</p> <ul style="list-style-type: none"> ○ Age ○ Disability ○ Gender Reassignment ○ Marriage and Civil Partnership ○ Pregnancy and maternity ○ Race ○ Religion and Belief ○ Sex ○ Sexual orientation ○ Other
4.	<p>What are any likely positive impacts for the group/s identified in (3) above? You may wish to refer to the Equalities Duties detailed in the background information.</p> <p>This Managed Service Provider will be working with local Job Centres and other similar agencies opening up opportunities for residents, some of which may fall into the above identified groups and benefit from increased opportunities to find suitable employment.</p>
5.	<p>What are the likely negative impacts for the group/s identified in (3) above? If so then are any particular groups affected more than others and why?</p> <p>None.</p>
6.	<p>Have the impacts identified in (4) and (5) above been assessed using up to date and reliable evidence and data? Please state evidence sources and conclusions drawn (e.g. survey results, customer complaints, monitoring data etc).</p> <p>The current service provider gathers and monitors equality and diversity data as part of the contract. Under the new contract, this same information will be gathered and monitored with access to the information greatly improved and shared through the use of the electronic system.</p>

7.	<p>Have you engaged or consulted with any identified groups or individuals if necessary and what were the results, e.g. have the staff forums/unions/ community groups been involved?</p> <p>Staff focus groups were held during the pre-tender stage to assess and identify the appropriate solution for SBC.</p>
8.	<p>What plans do you have in place, or are developing, that will mitigate any likely identified negative impacts? For example what plans, if any, will be put in place to reduce the impact?</p> <p>The new provider will monitor and measure equalities data as part of their monthly service levels.</p>
9.	<p>What plans do you have in place to monitor the impact of the proposals once they have been implemented? (The full impact of the decision may only be known after the proposals have been implemented). Please see action plan below.</p> <p>The new provider will monitor and measure equalities data as part of their monthly service levels. It is proposed that the information will be part of the quarterly performance scorecard for this contract.</p>

What course of action does this EIA suggest you take? More than one of the following may apply	✓
Outcome 1: No major change required. The EIA has not identified any potential for discrimination or adverse impact and all opportunities to promote equality have been taken	✓
Outcome 2: Adjust the policy to remove barriers identified by the EIA or better promote equality. Are you satisfied that the proposed adjustments will remove the barriers identified? (Complete action plan).	
Outcome 3: Continue the policy despite potential for adverse impact or missed opportunities to promote equality identified. You will need to ensure that the EIA clearly sets out the justifications for continuing with it. You should consider whether there are sufficient plans to reduce the negative impact and/or plans to monitor the actual impact (see questions below). (Complete action plan).	
Outcome 4: Stop and rethink the policy when the EIA shows actual or potential unlawful discrimination. (Complete action plan).	

Action Plan and Timetable for Implementation

At this stage a timetabled Action Plan should be developed to address any concerns/issues related to equality in the existing or proposed policy/service or function. This plan will need to be integrated into the appropriate Service/Business Plan.

Action	Target Groups	Lead Responsibility	Outcomes/Success Criteria	Monitoring & Evaluation	Target Date	Progress to Date

Name:

Signed: Carli Thorpe(Person completing the EIA)

Name:

Signed:(Policy Lead if not same as above)

Date: 29th August 2012