



**1. Project Information**

<b>Officer completing this form – name, position and department / Service area</b>	Temporary Agency Staffing Solutions (“TASS”)
<b>Project / Contract Title</b>	Supply of temporary agency workers
<b>Project / Contract Description</b>	Temporary Agency Staffing Solutions
<b>Expected Start Date &amp; Duration</b>	Start date: 1 <sup>st</sup> February 2024; initial term of the contract: 1 year. The full term of contract is 4 years.
<b>Any Extension/s Allowed</b>	Three extensions by 1 year (12 months) each, e.g. 1x12m + 1x12m + 1x12m. Total duration of the contract, including extensions: 4 years (48 months).
<b>Total Annual Value</b>	The estimated annual value of this contract is in the range of £8-9m. This figure is largely (85-90%) the value of the salaries paid out with a much smaller proportion being the agency fees and contract service fees.
<b>Total Ascertainable Value</b>	The total ascertainable value of the contracts, 1 being a direct call off with the preferred provider, then one a total term of 4 years, is a maximum of £40m (to provide cover as required).
<b>Procurement Advice</b>	<p>The recommendation of procuring a new contract via call off contract from the MSTAR framework (under EPSO), is a compliant and well-established procurement route under the Procurement Contract Regulations (2015) for the award of a contract for Temporary Agency Staff. The rates charged under this framework are industry standard and has the buying power of a national framework.</p> <p>Since implementing the robust contract management processes within the Council, the current model has proved to deliver a good service and has met all the Council’s requirements as well as providing better value for money.</p> <p>The contract is likely to represent good value for money under the current contract management approach that the Council has adopted and under the framework.</p> <p>However, the greatest savings will be achieved through the overall reduction in the use of temporary agency staff across the Council which is being managed through internal management arrangements.</p>

<b>If procurement is for software, specify outcome of your consultation with IMT and/or Business Change</b>	N/A
<b>Previous Contract Duration</b>	4 years in total (1+1+1+1)
<b>Previous Contract Value</b>	Total estimated value over 4 years was £12m (mostly being salaries to interims with a much smaller % being agency fees and contract service fees)
<b>Procurement Sign off</b>	Sally Brown
<b>Date</b>	01/08/2023

<b>Finance Advice</b>	Budget for spend will need to be identified and agreed through a Human Resources business case within each service prior to engaging and searching for agency staff support. This will depend on individual circumstances in services, projects and staffing vacancies.
<b>Source of Funding</b>	Can be both revenue or capital depending on need - Individual Services/Budget Managers are responsible to ensure that budget is available prior to each recruitment.
<b>Sign off</b>	Stu Taylor
<b>Date</b>	02/08/2023

## 2. Project Justification

### Link to Service or Corporate Objectives

The Council's current agency contract with Matrix SCM was originally procured in 2015-16 by way of calling off the Managed Services for Temporary Agency Resources ("MSTAR") Framework led by the Eastern Shires Purchasing Organisation ("ESPO") and went live on 1<sup>st</sup> February 2016. Prior to this agreement, there was no managed service provider in place and the Council operated a preferred supplier list of agencies. The contract then went through a procurement exercise in 2018, again directly awarding to the same supplier, calling off the next generation of MSTAR Framework via ESPO and went live on 1<sup>st</sup> February 2019. The expiry date for the current contract is 31<sup>st</sup> January 2024 and has no further options to extend.

Temporary agency workers are an important part of the Council's workforce. The use of temporary staff enables the Council to operate without interruption to service levels, ensuring resilience and service continuity. There always will be a corporate requirement to engage temporary agency workers for a number of reasons:

- to cover for vacancies pending recruitment (particularly in some industries where it is difficult to employ to such as social work, building control, project/programme management and some commissioning roles)
- to cover for planned or unplanned absence (e.g. sickness or maternity)

- to cover for filling a post pending a restructure/reorganisation
- to ensure statutory requirements are met in certain social care roles
- to cover for peaks in demand where capacity might be stretched in the established permanent workforce
- to deliver time-limited projects where capacity and/or skills base does not exist internally, such as transformation or improvement work.

Matrix SCM place corporate, professional and social care agency workers. The Council continues to make efforts to reduce the requirement for Agency staff through permanent recruitment and ensuring they are only commissioned when needed. On 3<sup>rd</sup> April 2023 a mandate to use the Matrix contract was introduced to harness further corporate control and ensure the best possible value for money in hiring agency workers. This mandate was communicated widely throughout the organisation by way of an email from the Chief Executive to all WBC managers. It also had a new page on the intranet, a section at Manager's Briefing and was communicated at DLTs. Training sessions were also held by the current provider (Matrix SCM) in order to equip managers to use the service effectively.

Further governance was created around this mandate, in that all agency worker requests must have an authorised business case, signed off by the relevant director. This corporate policy was approved and agreed at CLT. Any request to go off contract would need to have proof of exhausting the corporate arrangements by way of a separate business case that would need to be authorised by the relevant Director.

So far this has proven to be a successful approach, as off contract spend have reduced dramatically.

Managed Service Provider contracts, such as the contract with Matrix SCM, are and have been common practice for Local Authorities in managing their contingent workforce since the early 2000's. This type of arrangement is based on a contract with a single organisation (managed service provider), who then manages a supply chain of agencies on behalf of the client, significantly reducing the administration burden, providing for a consistent recruitment practices and process, while ensuring compliance with the relevant legal requirements.

Not using a managed service provider, would likely mean services across the council would use a number of different agencies each of which would have a higher fees than that is negotiated in the MSTAR Framework, already procured fees.

Inevitably, when hiring against such a wide range of skillsets a Local Authority requires, there are multiple risks in terms of various legislative requirements not being adhered to, or unattractive terms that could be agreed to by individual managers. Managed Service Provider contracts mitigate these risks by standardising terms that benefit and 'keep safe' the Local Authority.

### **Project Specific Objectives, Appraisal of Options and Project Timetable**

This report sets out the proposal for the re-procurement of the agency worker contract and seeks approval to procure a new contract ready for the end of the current contract delivered by Matrix SCM, which expires on 31<sup>st</sup> January 2024.

### **Recommended option – Call-Off MSTAR Framework**

A new managed service contract for supply of agency workers, through ESPO's MSTAR framework agreement, for a minimum of 1 year term with three options to extend by one year each. The Council will have the opportunity to assess the value delivered by this type of arrangement over the first year and then review its options.

The Framework owner – ESPO have set compliance standards for all suppliers awarded to the Framework in terms of detailed management information breaking down all elements of costs, hiring patterns, market information, workforce data including local demographics, equalities data and audit compliance allowing its customers to closely monitor its performance. The prices available through MSTAR have already been set by a competitive procurement exercise, assuring us of value for money in the market place.

The framework arrangement ensures consistent terms and conditions for all agency staff, including compliance with standards and regulations such as for equalities and modern slavery. As well as the safeguards the framework provides, all agencies have their own complaints process and the council will address any issues raised by staff or management and take appropriate actions with the agencies where required.

Another benefit of calling off the MSTAR Framework is that it has been created with a standard Service Level Agreement and set of Key Performance Indicators that each Authority can either utilise which are industry standard and best practise (including standardised management information including all aspects of workforce and equalities data).

The dedicated contract manager will manage both individual recruitments, as well as monthly and quarterly cost and performance information – ensuring this is used to manage the position internally as well as holding the contractor to the key standards and competitive pricing.

An annual review will take place prior to the potential application of the 1 year contract extension options and this will include measurement against performance indicators and the service level agreement, including particularly in respect of the price and supply of agency workers and market rates through other suppliers.

**The following alternative options were considered:**

- a. Re-tendering the service to look for an alternative model, e.g. Master Vendor  
This option was rejected considering that adopting a new model could disrupt what has been an increasingly successful service over the past year. Wokingham managers now are familiar and comfortable with the processes and service and disrupting it could send managers off contract. The current service also offers excellent value-for-money at rates the market can sustain, therefore changing the model could risk the commercial balance.
- b. Bring the service in-house  
This option was rejected for similar reasons to the previous option, in that it would disrupt a service that has become increasingly successful.
- c. Opting to use another Local Authority's arrangement  
This option was rejected due to a very limited set of agreements available from other local authorities. The only established option available is a partnership arrangement which would take time and resource to engage with.
- d. No Action  
No action and allowing the contract to expire was rejected due to the financial and legal risks involved, which created the need of a corporate contract in a first instance.

This approach offers a compliant method whilst we continue improve on how we recruit agency workers through a managed service contract. By harnessing recent successes and continuing with that approach, the Agency Contract Manager role was created to embed the mandate into the organisation for continued resilience and closely monitor the managed service provider to ensure continued value-for-money through the service. The use of framework agreement will ensure access to qualified providers under pre-agreed rates, terms and conditions. Any change to this would need a contract variation and agreement by both parties.

The new contract will need to be in place by December 2023 to allow for sufficient mobilisation period, if any substantial changes to the existing arrangement are agreed and therefore the decision to start the process must start now. Adequate time needs to be available to engage a provider through the MSTAR Framework, therefore requires full council approval in September 2023. If the procurement is delayed, there may not be a contract in place by the expiry of the current contract on 31<sup>st</sup> January 2024. Alternative arrangement will need to be sought which may cause significant operation disruption.

**Procurement timetable:**

- Engagement with users: May 2023 - COMPLETED
- Options appraisal paper to be finalised and signed off by Finance and Procurement: Early August 2023 - COMPLETED
- Strategic Procurement Board review: August 2023 COMPLETED
- Full Council approval: 21/09/2023
- Procurement / call-off from ESPO framework: Sept - November 2023
- Contract award: Nov 2023
- Mobilisation: December 2023 & January 2024
- Commencement of service provision: 1 February 2024

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