

REPORT TO: Executive Board

DATE: 28th March 2013

PORTFOLIO:: Resources

REPORTING OFFICER: Strategic Director – Policy & Resources

SUBJECT Agency Workers – New Framework/Contract

WARDS: Borough Wide

1.0 PURPOSE OF REPORT

1.1 This is a Preliminary Estimate Report to seek approval from Executive Board to commence a new collaborative procurement process for the supply of Agency Workers in compliance with both EU Public Procurement Regulations 2006 and Procurement Standing Orders 2.1.1 as the estimated value is likely to exceed £1M p.a. across all partners. (Merseyside Procurement Partnership [MPP]: Halton; Liverpool, St. Helens, Wirral, Sefton, Knowsley, Cheshire West and Chester, Mersey travel and Mersey Fire).

2.0 RECOMMENDATIONS: That

- (1) Halton continues to work with the collaborative group (MPP) to seek the most economic advantageous route to market, either an through existing Framework or to contribute to a full EU procurement exercise;**
- (2) Halton to participate in the collaborative contract with MPP to ensure the council maximises purchasing power on a common category of spend (supply of Agency Workers); and**
- (3) The new Agency Worker Framework/ Contract be utilised in the first instance for the supply of any Agency Staff to ensure the Council achieves value for money.**

3.0 BACKGROUND

3.1 MPP awarded a collaborative Framework Agreement for a period of 4 years, in September 2009 – August 2013 to Matrix SCM for the supply of Agency Workers. The total Collaborative spend to date is £40 million (as at Jan 2013).

St. Helens are to lead on the new Procurement Process for MPP, with all members participating in the options appraisal of existing Open Frameworks with GPS (Government Procurement Service) and MSTAR (Managed Services to Temporary Agency Resources) a central purchasing body, supported by a market review to identify the best solution available as an alternative consideration to conducting a new Tender Process. This will reduce unnecessary duplication of seeking competition from the supply market and remove unnecessary resource and process time and costs for both councils and suppliers if a Framework is already available that complies with EU Legislation.

3.2 Prior to the current Matrix Framework Agreement, minimal information was available on the councils Agency Worker spend profile, Matrix produce monthly Management Reports that provides transparency and Visibility of all Agency Workers placements at the Council that are arranged via the Framework. Management information now available allows us to monitor the following elements:

- Spend/Savings
- Number of Agency Workers
- Skill Sets and Categories
- Pay Rates to candidates
- Charge rates to the council
- Manager Justifications
- Budget Code
- Compliance with Agency Worker Regulations 2010
- Safeguarding documentation - online

Historical Spend Comparisons

3.3 The information below is taken from the Council's Financial system Agresso and assists the Procurement Division to monitor compliance and Spend for the Council.

The table below shows the historical spend of the council from 2008 to December 2012:

Year	Number of Suppliers	Agresso Total Spend £	Agresso Contract spend £	% of compliance via contract spend	Agresso Non-Contract Spend	% of non-compliance	Supplier
2008-09	54	3,873,652	2,015,917	52%	1,857,735	48%	RMS
2009-10	35	3,664,728	2,775,538	76%	889,190	24%	RMS
2010-11	27	3,031,979	2,676,803	88%	355,176	12%	Matrix
2011-12	11	1,893,789	1,642,273	87%	251,516	13%	Matrix
2012-13	15	1,388,558	1,228,307	88%	160,119	12%	Matrix

The data shows a continued reduction in spend and suppliers used by the council to provide Agency Workers over the past 5 years, whilst continually improving compliance. The current Matrix Framework Agreement, now reports that the % of non-contract spend is 12% spend (i.e. spend that officers have incurred outside of this Framework with Matrix). We are aiming for full compliance as this brings savings but this non-compliance has significantly reduced over the past few years.

Breakdown of spend across Directorates from April 2012 to December 2012 is £1,388,588.00:

Directorate	Spend £000,s
Communities	803,525
Children's	451,732
Policy and Resources	133,300
Total	1,388,588

Savings for Halton achieved from using the Matrix Framework since April 2010

	Council Savings £
2010-2011	118,270
2011-2012	95,313
2012-2012 to Dec	68,523

4.0 POLICY IMPLICATIONS

4.1 None

5.0 OTHER IMPLICATIONS

5.1 By engaging with this collaborative procurement exercise we will gain further savings for the council and partners (MPP).

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 **Children and Young People in Halton**

6.2 **Employment, Learning and Skills in Halton**

6.3 **A Healthy Halton**

6.4 **A Safer Halton**

6.5 **Halton's Urban Renewal**

All Council priorities will be supported by us engaging with this new contract arrangement as it will reduce spending, ensure good

management and monitoring of such activity plus it will ensure that all agency staff utilised are appropriately checked in compliance with the Disclosure and Barring Service.

7.0 RISK ANALYSIS

7.1 The Council will miss opportunities for further savings if we do not engage with the procurement and use of this new contract. There will be minimal management information available or visibility of the charge rate to the council and how this broken down. As a result we would be unable to identify how many Agency Workers we have within the council or the length of service in compliance with the Agency Working Regulations 2011.

7.2 The existing Framework also includes additional elements for safeguarding vulnerable adults and children, with specified documents i.e. CRB's, Candidate's Photograph and qualifications to be available on-line for managers to verify prior to the potential candidate being accepted. We will ensure that these documents continue to be available at the beginning of the process prior to implementation of a placement

7.3 New Agency Worker Regulations (AWR) on additional Rights of Agency Workers come into force in October 2011, which states after 12 weeks in a given job agency workers will be entitled to equal treatment on basis working and employment conditions, including pay and holidays, as if they had been recruited directly by the council.

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 There are no equality and diversity implications arising from this report.

9.0 REASON(S) FOR DECISION

9.1 This will bring the most economic advantageous option to the council for the supply and management of agency workers.

10.0 ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

10.1 Options being considered are to access an open Framework Contract or undertake a full EU compliant procurement exercise across MPP.

11.0 IMPLEMENTATION DATE

11.1 The existing Merseyside Framework Agreement with Matrix is due to expire on 30th September 2013, However due to MPP members accessing the Agreement at different times after the award, a decision will be made on what date to state in the 6 months' notice period, required by the current Terms and Conditions by Matrix.

**12.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE
LOCAL GOVERNMENT ACT 1972**

None.