

DERBYSHIRE COUNTY COUNCIL

CABINET

10 SEPTEMBER 2013

Report of the Director of HR

**REVIEW OF RESOURCES@DERBYSHIRE/COMENSURA
(Council Services)**

1. Purpose of the Report

To approve the establishment of Resources@Derbyshire and note the continued supply of agency workers through Comensura via the MSTAR (Managed Services for Temporary Agency Resources) framework.

2. Information and Analysis

There are two aspects to the provision of temporary agency staff for the Council:-

- Business Services via Resources@Derbyshire
- Other workers in different types of jobs via Comensura

Resources@Derbyshire – The Council's in-house agency providing temporary business support staff to Departments was approved by Cabinet on 20 September 2011, and went live in April 2012. As part of this approval, it was agreed that there would be a review of the first 12 months of the initiative.

Resources@Derbyshire was established in the context of an increasing demand for temporary business support staff provided to the Council by Comensura at a cost in 2011/12 of £1.23 million. It was estimated that the implementation of the Agency Workers Regulations in October 2012 would have added a further £100k because of the need to provide pay parity with comparable Council employees after 12 weeks in their placement. The development of Resources@Derbyshire also provided the opportunity for the Council to develop its own Business Services employees as well as reducing its spend.

Recruitment to 19 full time equivalent positions in the Resources@Derbyshire pool was achieved in April 2012 and the new arrangements have enabled the increased scrutiny of the need for placements. The reduction in spend with Comensura started immediately

but the level of savings has increased correspondingly throughout the year as the revised arrangements have become more effective. Where Resources@Derbyshire has not been able to provide employees because demand has exceeded the capacity of Resources@Derbyshire, Comensura have continued to meet the need for agency staff. The number of Resources@Derbyshire employees increased to 29 in November 2012 and the intention remains that Comensura Business Services placements should be kept to a minimum. The management of Resources@Derbyshire has focussed on challenging the need for the placement, supporting the business services apprenticeship programme, monitoring business services spend via Comensura resulting in considerable savings being realised. The main roles undertaken by Resources@Derbyshire employees are routine clerical/administrative support typically covering posts at Grades 4-6. A breakdown of the costs of all Business Services and other agency costs in 2012/2013 is attached at **Appendix 1**. Should the longer term demand for these employees diminish, they would have developed generic skills which are transferable and which would assist any redeployment that may be necessary.

The cost of providing Business Services temporary workers from Comensura and the cost of Resources@Derbyshire salaries for 2011/2012 and 2012/2013 was as follows:

| | | | |
|-----------|----------------------|--------|---------|
| 2011/2012 | Comensura | | £1,230k |
| 2012/2013 | Comensura | £677k) | £860k |
| | Resources@Derbyshire | £183k) | |

This reveals an overall reduction in spend during 2012/13 of £370k. This excludes any savings which have arisen from not paying the enhanced rate of pay arising from the Agency Workers Regulations (estimated at £100k). A graph illustrating the reduction of spend with Comensura and its downward trend is attached at **Appendix 2**.

The reduction in Comensura placements following the introduction of Resources@Derbyshire has highlighted the potential for savings to be made in other employee groups and consideration is being given to the same arrangements applying to Business Services Assistants (grade 6) undertaking secretarial duties. Two Business Services Assistants (grade 6) have recently been appointed to the Resources@Derbyshire pool. Work will also shortly commence to consider the provision of Drivers to Departments which has not been considered whilst the focus has been on the recruitment of Business Services apprentices. It is also intended that the level of rigour applied to Business Services requests be applied to all requests for temporary agency workers to ensure that such costs are kept to a minimum.

Resources@Derbyshire is now the central point for the recruitment to Business Services Grade 4 posts. Where possible Grade 4 vacancies are held and advertised as apprenticeship opportunities. This will ensure that true posts are available at the conclusion of the apprenticeship. The first intake of eleven recently started their apprenticeships and each apprentice will undertake three four month placements in different parts of the Council prior to them being “slotted” into a vacancy that is appropriate to the skills and experience gained during their apprenticeship. The benefits of this approach are the reduction in time spent on recruiting staff, a consistent approach to recruitment in conjunction with Learning Unlimited and that the apprentices are fully trained at the conclusion of their apprenticeship. Further recruitment of apprentices will be according to the demand for Grade 4 vacancies and it is intended that the September/October intake will be the largest to coincide with the availability of school leavers.

The recruitment of apprentices is consistent with the Council’s overall approach to apprentices and will provide a significant contribution to the overall target of recruiting 500 apprentices by 2015/16.

The Trade Unions will be informed of these developments via the Corporate Joint Committee and the appropriate workstream.

The co-ordination and management of the service will be managed by the existing Resources@Derbyshire Manager and an additional HR Officer post who will be recruited in line with the Council’s recruitment and selection procedures. Business Services support will be provided by an apprentice covering a Grade 4 position.

These costs will be met from within the existing HR Division budget.

In light of the success of Resources@Derbyshire since April 2012, it is recommended that Cabinet approve its permanent establishment.

Comensura

In October 2007 Cabinet agreed that Comensura would supply agency staff to the Council under a framework agreement set up by the ESPO (Eastern Shires Purchasing Organisation) consortium. The framework was set up following competition under European Procurement procedures.

Prior to the implementation of the Comensura contract it was estimated that the Council spent £1.34 million per annum on all agency staff (excluding schools). This includes frontline employees undertaking operational roles in for instance Care Homes. The management information provided as a consequence of utilising Comensura showed that the actual level of spend was as follows:-

| | |
|---------|-------|
| 2009/10 | £3.4m |
| 2010/11 | £3.6m |
| 2011/12 | £3.1m |
| 2012/13 | £2.7m |

Prior to the expiry of the ESPO framework agreement in December 2011, Cabinet agreed in September 2011 to continue with the existing arrangements with Comensura and migration to the new national MSTAR framework, until the Council's future demand for temporary agency workers was determined. This was intended to enable the most effective method of meeting future demand to be identified.

The national 'MSTAR' framework, managed by ESPO commenced in April 2011 and has a contract term of 3 years plus 1 year. ESPO have advised that the extension option until April 2015 is highly likely and any contracts let within this time period would be honoured for the full contract term of up to four years.

Public bodies utilise the framework by either calling off the most suitable supplier from the framework, or carrying out a 'mini competition' between suppliers, thereby removing the need to conduct full tender exercises or lengthy supplier evaluations, and saving time and cost.

Individual call-off contracts under the Framework can run for an initial three year period with an option to extend for up to a further year. Having entered into a call-off with Comensura at the start of January 2012, the Council will need to consider future service provision in good time to ensure that any such service is in place by 1 January 2014 or, if the extension option is taken, by 1 January 2015.

3. Legal Considerations

The framework is compliant with the Public Contracts Regulations 2006. Terms and conditions have been established to underpin the framework, and the aggregated spend has enabled reduced and standardised rates of commission and better value for money. Comensura is one of the successful suppliers under the MSTAR framework.

4. Financial Considerations

Total annual spend on agency staff via Comensura within the Council has decreased from £3.6 million in 2010/11 to £2.7 million in 2012/13.

5. Other Considerations

In preparing this report the relevance of the following factors have been considered; prevention of crime and disorder, equality and diversity, human resources, environmental, health, property and transport considerations.

6. **Key Decision**

No

7. **Call-in**

Is it required that call-in be waived in respect of decisions proposed in the report? **No**

8. **Officer's Recommendations**

That Cabinet approves:

1. The permanent establishment of Resources@Derbyshire;
2. The continued supply of agency staff through Comensura via the MSTAR framework.

**TONI COMPAI
DIRECTOR OF HR**

Resources@Derbyshire & Comensura Agency Spend 2012 – 2013

| Department | Resources@Derbyshire | Comensura Business Services Assignments | Comensura Non Business Services Assignments |
|--|----------------------|--|--|
| Adult Care | £48,061 | £79,395 | £367,270 |
| CAYA | £65,218 | £421,805 | £311,659 |
| Corporate Resources | £43,708 | £155,698 | £1,040,363 |
| Cultural & Community | £2,637 | 0 | 0 |
| Health & Community Safety | £9,064 | £3,985 | £102,326 |
| Environmental Services | £14,756 | £16,117 | £184,163 |
| Total | £183,444 | £677,000 | £2,005,781 |

Appendix 2

Analysis Of Average Weekly Cost, Per Month Incurred Via Comensura For Business Services Placements, Taken From The Comensura Invoice. (Figures amended slightly from previous COG report due to comensura invoice dates)

