

Cabinet Meeting		Agenda Item: 5
Meeting Date	7 September 2016	
Report Title	Comensura Contract Extension	
Portfolio Holder	Cllr D Dewar Whalley	
SMT Lead	Mark Radford, Director of Corporate Services	
Head of Service	Dena Smart, Head of HR Shared Service	
Lead Officer	Bal Sandher, HR Shared Services Manager	
Recommendation	<ol style="list-style-type: none"> 1. To approve the extension of the existing contract with Comensura for the provision of agency workers for a period of one year, from 1 October 2016 to 30 September 2017 as allowed for under the current contract. 2. To agree that the Procurement Team commence a tender exercise for Temporary Agency Resource services to be in place from 1 October 2017. 	

1 Purpose of Report and Executive Summary

- 1.1 This report seeks approval from Cabinet to extend the existing contract with Comensura from 1 October 2016 to 30 September 2017.

2 Background

- 2.1 Swale Borough Council is currently part of a vendor-neutral managed contract with Comensura for the supply of temporary agency staff through the Eastern Shires Purchasing Organisation (ESPO) and their Managed Services for Temporary Agency Resources (MSTAR) framework.
- 2.2 In September 2013, the Procurement Team in Maidstone examined the market for supply options for temporary staff. The review was carried out for Maidstone Borough Council and at that time a decision was made to include Swale Borough Council.
- 2.3 This is because, at the time, services were able to call any agency and negotiate any price, which resulted in vastly different levels of pay and generated many invoices to administer, whereas under the proposed arrangements Comensura would contribute to cost reduction by using bulk purchasing to achieve better prices, whilst departments retain responsibility for managing the hire, management and costs of agency staff.
- 2.4 The outcome based on the tender exercise was for Maidstone Council to remain with Comensura, and for Swale Council to join the contract under the ESPO and MSTAR framework.

- 2.5 On 1 October 2013 the Council entered into a three-year contract agreement with Comensura for the provision of a neutral vendor service for Temporary Agency Resources Services. The current contract provides the option of a one year extension from October 2016.
- 2.6 Under the contract, using an online portal and helpdesk services Comensura provides temporary staff via managed services. In the event of a need for a temporary member of staff, the relevant manager would notify Comensura of their need and Comensura then pre-selects the details of suitable candidates from agencies listed with them.
- 2.7 All transactions are carried out with Comensura, rather than individual agencies, and the necessary 'vetting' procedures required to ensure that the agencies are complying with our requirements are carried out by Comensura.
- 2.8 The benefits obtained from the contract since joining have been:
- both cashable and non-cashable savings;
 - improvements in the quality of agency staff;
 - an effective engagement route for finding good quality temporary staff;
 - improved management and administration procedures by reducing the volume of invoices;
 - reduction in risk from the employment of agency staff;
 - improved reporting procedures; and
 - training on the system.
- 2.9 In particular, since October 2013, Swale BC has benefited from increased savings each year due to annual benchmarking and reduced agency margins. This ensures the Council receives the best value for money from the contract.
- 2.10 A breakdown of spend and savings with Comensura over the last three years is set out in the table below: It should be noted that the total spend on temporary staff through Comensura includes the amount paid to the agency worker, fees paid to the employing agency, and the fee paid to Comensura for their service.

Time Period	Total Spend	Total Saving
2013/14	£120,746	£8,116
2014/15	£254,668	£27,745
2015/16	£282,492	£51,311

- 2.11 The table shows an increase in spend for agency staff over the last three years. This has primarily been caused by the difficulty in permanent recruitment within Legal Services where the manager has appointed agency staff to temporarily fill vacancies. The table shows the whole of the cost to Swale BC as the employing authority, but the expenditure by both Maidstone and Tunbridge Wells BCs will be recovered through the general recharge for the shared service.

- 2.12 Given this good performance, the extension of the current contract will enable the Council to continue to benefit from using the current agency terms agreed in October 2013. It will also allow managers to continue to utilise the current streamlined processes that they are familiar with when resourcing staff on a short term basis.

3 Proposal

- 3.1 To extend the current contract for another year from 1 October 2016 to 30 September 2017. This allows managers to use the current system of obtaining temporary staff without having to go out and find suitable agencies.
- 3.2 It is also proposed that during this period the Procurement Team will commence a tender exercise for Temporary Agency Resource services to be in place from 1 October 2017.

4 Alternative Options

- 4.1 The decision could be not to extend the existing contract and to go out to the market to re-tender the contract now. However, this will leave a gap in the provision of Temporary Agency Resource services, which will have cost implications when using other agencies and different pay rates.
- 4.2 The decision could be to return to the practice of directly contacting multiple agencies. However, this will cause additional cost implications by departments paying any agency rates that are quoted, administration of more invoices as these will no longer be managed through one central point, and increased costs of appointing agency staff to permanent roles as finders' fees will be applied.

4 Consultation Undertaken or Proposed

- 4.1 Managers who regularly make use the Commensura contract, the Procurement Team, and the Strategic Management Team have been consulted in preparation of this report.

5 Implications

Issue	Implications
Corporate Plan	A Council to be proud of.
Financial, Resource and Property	There is no cost to the Council of extending the Comensura contract for an additional year. The current spend and saving of the contract has been outlined in the report.
Legal and Statutory	There is a requirement under the Agency Workers Regulations 2011 to ensure that agency workers that have a minimum 12 weeks service are given the same basic employment conditions as permanent staff. Comensura have developed software to manage the regulations and track the length of assignments so that we are compliant with the regulations.

Crime and Disorder	None identified.
Sustainability	None identified.
Health and Wellbeing	None identified.
Risk Management and Health and Safety	Not using a neutral vendor for supply of temporary staff will have a significant impact on the control and governance of the process for resourcing agency staff. There will be a risk of not being able to accurately report on agency spend as this will no longer be reported centrally through one system, and the risk of inadequate checks being carried out before being appointed to jobs. In addition, there will be issues on providing responses to Fol requests
Equality and Diversity	There are no equality and diversity implications in extending the contract with Comensura.

7 Appendices

7.1 The following documents are to be published with this report and form part of the report:

- None.

8 Background Papers

8.1 Cabinet decision on 4 July 2012 on Procurement of Temporary Staff report:
<http://services.swale.gov.uk/meetings/CeListDocuments.aspx?MID=303&RD=Minutes&DF=04%2f07%2f2012&A=1&R=0>