

How can we help you?

Getting better value on temporary staff procurement



The Office of Government Commerce

We're here to help you

All of us in the public sector face the challenge of making scarce resources go further by achieving efficiency savings. With ambitious targets of £21.5 billion annual savings by 2008, including over £6.5 billion from local government, there is no doubt that the challenge is tough. For those of us involved in procurement, which is expected to make the single largest contribution to efficiency savings, the challenge is even more urgent.

The first step in meeting these challenges is collaboration. We need to work together to secure better deals, by aggregating demand where appropriate and competing more effectively in the marketplace. As you will see in this short guide to procuring temporary staff, the experienced procurement professionals and sector specialists here at the Office of Government Commerce are a resource for you. Whether you need an informal chat with an expert about managing an existing contract, or are looking for a new and better deal, our team offers you the advice, contacts, information, and tools to assist you to meet and exceed the strategic and financial goals of your organisation.



Please let us know how we can help. We look forward to hearing from you.

John Oughton
Chief Executive, Office of Government Commerce

How to find out more about getting better value in procuring temporary staff

Email us

Email the temporary staff team with your questions at:
tempstaff@ogc.gsi.gov.uk

Go online

Visit our website for more information, including a link to a toolkit for procuring and managing temporary staff, at **www.ogc.gov.uk/temporarystaff**

Call us

Whatever your query, the OGC Service Desk can direct you to the right person to help:
0845 000 4999
OGCbuying.solutions Service Desk:
0845 410 2222
Press enquiries:
020 7271 1318

Saving money and improving service

How can we help you?

The public sector pays almost £4 billion every year for the services of temporary workers filling a huge range of roles, from GP locums, supply teachers, and catering assistants to interim managers and IT analysts. Temporary staff are a necessary, and potentially significant part of every organisation's workforce – covering short term and permanent staff absences as well as presourcing fixed term projects.

In the temporary staff team at the Office of Government Commerce, we share your goals of improving the way agency and interim staff are procured and managed, including:

- reducing costs of engaging temporary staff *and*
- maintaining or enhancing service delivery *and*
- mitigating risk.

We're here to support you achieve better value in procuring temporary staff by developing new collaborative arrangements, and providing specialist expertise and best practice guidance on sourcing.

Our team can:

- advise you on how to incorporate and balance requirements from Human Resources, Legal, Procurement and the front line when addressing temporary staff spend
- help you analyse and model your costs to better benchmark prices
- give you information and guidance on using a range of different contracting models
- update you on the current legal issues you face when using temporary staff
- tell you what collaborative contracts are available to you in the marketplace now.

What's in this guide?

- Learn about the best practice guidance in the new Temporary Staff Toolkit
- Find out what collaborative contracts are currently available, and what's coming soon
- Discover how one group of local authorities cut temporary staff costs by 25% with an eAuction
- Find out how to get involved.



How can we get the most from our money?

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The temporary staff toolkit

“Without a robust policy to run along any new procurement strategy, compliance is hard to obtain.”

Are you looking for ways to take control of unmanaged agency staff spend?

Transforming the Procurement of Temporary, Agency and interim Staff: Your Toolkit for Success is a comprehensive, easy-to-use guide designed to help you get better value for money while taking into account all the HR and legal issues surrounding agency workers.

Developed by the London Borough of Havering, using grant funding from the London Centre of Excellence, the OGC recommends this Toolkit as an extremely useful guide for all procurement officers who want to improve efficiency, save money and manage risk in this significant area of spend.

Key issues addressed in the Toolkit:

- Why do organisations use agency staff and what issues arise without a controlled approach to procurement? What are the costs and risks of relying on agency staff?
- What are the legal risks of using agency staff? Recent case law has defined situations where agency staff may be deemed to be de facto employees by courts, causing organisations significant exposure on pensions, sick pay, and other benefits.
- What human resource concerns: understanding the demand side of agency worker procurement can highlight issues and concerns about local promotion, equality, and two-tier workforce.

What's the solution?

From a contracting perspective, the Toolkit clearly explains the options available to bring

a corporate approach to agency worker procurement – be it vendor neutral, master vendor, direct contracting, internal, or partially-outsourced Human Resources. It includes a self-assessment test to help you choose an option for your organisation, as well as case studies to show how different models work in different organisations. Once you have made your decision, matters ranging from the impact on SMEs/BMEs to transaction process automation, Data Protection and payments are covered.

Dealing with policy issues

Without a robust policy to run along any new procurement strategy, compliance is hard to obtain. The Toolkit addresses policy issues such as training workers, equalities and diversity issues, community strategies, and more, so you can make the right policy decisions for your organisation.

Where to find the Toolkit

The toolkit can be downloaded from the London Centre of Excellence website at www.lcpe.gov.uk or there is a link to it at www.ogc.gov.uk/temporarystaff.

Saving money on agency staff

Current collaborative agreements available

If you are considering changing your current temporary staff arrangements, it's worth knowing what agreements are already in place and open for you to join.

Our work with Central Government Departments through the Temporary Staff Steering Group (see page 7) and the Regional Centres of Excellence National Procurement Programme helps us to stay current with the markets and keep you informed about best in class collaborative arrangements between multiple parties.

While a number of these agreements are structured in a way that allows you to access them right away, we recommend you contact us prior to commitment, to make sure the agreement is sufficiently broad to meet your temporary staff needs.

Existing agreements

Owning department	Services	Contract period	Available to	Supplier
HM Prison Service	Administration & Clerical	Until May 2007	Entire public sector	Adecco, Brook Street Carlisle, Hays, Manpower, Pertemps Reed, Select
OGCbuying.solutions	Specialist Contractors: <ul style="list-style-type: none"> ■ IT ■ HR ■ Finance & Audit ■ Project & Programme Management 	Until January 2009	Entire public sector	See www.ogcbuyingsolutions.gov.uk
OGCbuying.solutions	Interim Managers <ul style="list-style-type: none"> ■ Executives ■ Local Authority ■ Education ■ Health ■ Defence ■ Government ■ Public sector 	Until June 2009	Entire public sector	See www.ogcbuyingsolutions.gov.uk
London Borough of Haringey (on behalf of LCSG)	Vendor Neutral Managed Service for all temporary staff plus <ul style="list-style-type: none"> ■ permanent recruitment ■ executive search 	Until March 2011	Greater London public sector organisations	Hays Resource Management
London Borough of Hillingdon	Vendor Neutral Managed Service for professional/technical staff	Until June 2008	Members of the London Contracts and Supplies group	Eden Brown

PaSA also has a number of framework agreements for the provision of temporary staff. Health authorities are advised to contact PaSA to discuss their temporary staff requirements.

Saving money on agency staff

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New deals coming soon

New open collaborative agreements are coming on stream all the time. In addition to the contracts listed on page 5, the following are in the process of being let.

Owning department	Services	Contract period	Available to
Home Office	Administration & Clerical via either a Framework or Master Vendor Managed Service	4 years	Entire public sector
ESPO	All – Vendor Neutral Managed Service	3 years plus two extensions	All public sector organisations in the East, East Midlands, and West Midlands regions
Slough Borough Council	All – Managed Service	4 years	Local authorities in the Thames Valley Procurement Forum

The Home Office is currently representing more than 50 collaborating public sector organisations in the procurement of agency services for the provision of Administration and Clerical staff. Once concluded, the resulting framework agreements will give these organisations the option of buying from any Framework Agreement(s) or to establish a master vendor agreement with one of the successful agencies. These framework agreements will replace the existing HM Prison Service Administration & Clerical framework agreement.

Get involved

We'd like to hear from you

The OGC Temporary Staff team is keen to hear your feedback and gather your input on the initiatives we develop and promote, or on other initiatives and ideas you would like to share. There are a number of ways you can share your thoughts:

Join a forum

Temporary Staff Steering Group (TSSG)

The Temporary Staff Steering Group, chaired by OGC, meets monthly and consists of representatives of major central government organisations such as the Department for Constitutional Affairs, the Department for Work and Pensions, the Home Office, HM Revenue and Customs, the Metropolitan Police and the Ministry of Defence, and representatives of smaller organisations. Its meetings are open to any organisation in the wider public sector to attend. Please contact us for details.

Temporary Workers in Education Steering Group

We are working with the Department for Education and Skills' Collaborative Procurement Programme to set up a Temporary Workers in Education Procurement Steering Group to develop best practice and improved contracts in this specialist area. If you are interested in joining this group, or for more information, please contact us at tempstaff@ogc.gsi.gov.uk

Contact us direct		Email tempstaff@ogc.gsi.gov.uk
Local Government Temporary Staff – Christine Morton, Category Manager christine.morton@ogc.gsi.gov.uk 020 7271 1459 or 07920750584	Central Government Temporary Staff – Peter Groves, Category Manager peter.groves@ogc.gsi.gov.uk 020 7271 2858 or 07785 384 643	Temporary Workers in Education – Guy Jennings, Category Team Leader guy.jennings@ogc.gsi.gov.uk 020 7271 2692 or 07824 383 304

Saving money on temporary staff pricing without decreasing quality

Department for Constitutional Affairs

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The Department for Constitutional Affairs (DCA) has a framework arrangement for the supply of administrative and clerical staff.

“Collaboration with the OGC... resulted in the achievement of one of the best deals on the market today.”

Using our knowledge of the supply market and benchmarking current prices paid by DCA, we were able to show DCA how to deliver efficiencies by improving the prices being paid without decreasing the level of service quality. Following OGC’s advice and assistance with pricing discussions, DCA has achieved a 7% improvement in efficiency.



We’ve also been helping to facilitate discussions between the supplier and DCA to see how demand can be better managed to the benefit of both parties. Thanks to work like this, suppliers are now recognising the need to work in closer partnership with their customers, and increasingly understand that the future is one where the public sector shares knowledge and information with the objective of the best deals being available to the whole of the public sector.

“Collaboration with the OGC category management team allowed DCA to improve upon the already competitive rates it was paying for temporary staff. OGC’s commercial expertise and market knowledge gained through benchmarking rates paid across government, acted as a catalyst for DCA to commence negotiations which resulted in the achievement of one of the best deals on the market today.”

■ *Ian Currie, DCA Procurement Division*

Saving money on temporary staff with eAuctions

Wiltshire County Council

Wiltshire County Council identified a need to contract for the supply of temporary staff to meet their requirements. Having discovered that five neighbouring authorities had a similar requirement, agreement was reached to procure collaboratively. Wiltshire County Council led the procurement, with support from the South West Centre of Excellence and eAuction funding from the Office of Government Commerce.

The group of authorities first assessed previous usage and the typical costs of the various types of temporary staff to establish a baseline and provide packages against which potential suppliers could bid. All existing suppliers were



identified and new suppliers were sought through trade press advertising.

The group then divided their requirements into 11 sub-categories to reflect the capability scope of the supply market. Tenders were submitted and a number of suppliers per sub-category were invited to participate in an eAuction to finalise the offered prices.

The authorities will in future have a much clearer picture of the use of temporary staff, including duration of engagement, quality and performance and will reduce both the associated risk and the time taken to identify, select and engage temporary workers.

The process has generated average price reductions of 25%, which could potentially represent the opportunity to realise efficiencies for Wiltshire and its neighbours in excess of £5 million during the contract period.

“The process has generated average price reductions of 25%.”

Saving money on temporary staff through collaboration

The Temporary Staff Steering Group & HM Prison Service

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The Temporary Staff Steering Group (TSSG) collaboration is on track to realise significant efficiency gains.

The initial work undertaken by OGC's temporary staff category team highlighted the opportunity that existed to:

- significantly improve the prices being paid for temporary admin and clerical staff; and
- significantly increase the level of use of collaborative agreements.

We formed the Temporary Staff Steering Group to discuss and agree how organisations should collaborate in order to deliver the above opportunities and, in so doing, realise significant efficiency gains. Initially the membership of the TSSG was established around those organisations which either managed collaborative agreements or had significant levels of demand which was

not being channelled via the most efficient routes to the marketplace.

The TSSG's strategy involved:

- holding discussions with suppliers on the collaborative admin and clerical framework agreements managed by HM Prison Service (HMPS) whilst also improving contract compliance. The supplier discussions focussed on intelligence gathered by the TSSG on pricing models and typical prices paid for admin and clerical temps
- following suppliers offering price improvements, migrating non-contracted or non-competitively contracted spend to the HMPS framework arrangement.

Thirteen organisations, including Cabinet Office, now use the collaborative arrangements managed by HMPS, with expected annual efficiencies of £10 million. This brings the number of central and wider public sector organisations using the collaborative agreements to over 50.

The Temporary Staff Steering Group continues to grow in numbers and is now working to renew the HMPS arrangement, taking cognisance of previous lessons learned and best practice from elsewhere in the Public and Private sectors. The group is also looking at how it can positively influence other areas of temporary staff spend.

“You and your team have enabled the Cabinet Office to make an informed decision on the way forward and shown us how we can maximise our efficiencies.”





Office of Government Commerce

About OGC

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OGC Service Desk

OGC customers can contact the central OGC Service Desk about all aspects of OGC business.

The Service Desk will also channel queries to the appropriate second-line support. We look forward to hearing from you.

You can contact the Service Desk 8am – 6pm Monday to Friday

T: 0845 000 4999

E: ServiceDesk@ogc.gsi.gov.uk

W: www.ogc.gov.uk

Press enquiries

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