

Walsall Council's approach to agency staff managed services - incorporating innovation and added value



In May 2006, Walsall Council implemented a managed service across its professional services, waste services and administrative agency staff spend. In October 2007, these arrangements were extended to cover the provision of agency staff within social care.

Walsall Council's approach to agency staff is recognised, both internally and externally, as innovative practice. The implementation of what was initially a cost saving measure has become a key pillar of workforce planning using an innovative system that is attracting the positive interest of other public sector bodies as well as the wider recruitment industry.

Satisfaction both from line managers and contract compliance is high. In addition, the managed service team works effectively with the Council, for example to support recruitment in difficult to fill areas, reducing reliance on agency staff and by supporting the worklessness agenda within the borough.

This case study is written by Walsall Council, West Midlands Improvement and Efficiency Partnership and OGC. It explores the background to the agency staff procurement project, the managed service approach adopted, the benefits delivered, lessons learnt/top tips and future developments.

Key facts

- **6% cashable savings realised.**
- **Master/neutral hybrid model adopted.**
- **Supports the worklessness agenda and economic development within the borough.**
- **Links to demand management and planning the use of agency workers, which will be further developed.**



Background

Prior to October 2004, if a manager had a temporary requirement they would place a booking with the agency of their choosing, paying whatever rate was stipulated by the market and agencies.

In October 2004, the Agency Clearing House (comprising two members of staff) was established within Walsall Council to administer a preferred suppliers list for the provision of front line social care staff together with ancillary workers for social care establishments.

The immediate success in terms of service delivery and significant cost savings led the push for the service to be expanded. Soon afterwards a project board was set up for the provision of all other temporary agency requirements at the Council.

An options appraisal established that a managed service system would provide the best opportunities for the Council to meet its diverse needs and provide the needed cost savings.

Following a competitive tender and comprehensive evaluation of all tenders a local company, Starting Point Recruitment, was appointed to deliver the agency staff managed service contract.

How does Walsall Council's Agency managed service work?

The managed service model

The Council had a good understanding of the dynamics of the recruitment market within their area and their own use of agency staff. They had also reviewed and analysed other public sector and private sector agency staff models looking at the pros and cons of each system.

The Council was keen to overcome some of the perceived problems with standard agency staff managed service models as Steve Stuart, Agency Clearing House Manager, explains:

"We originally considered a full master vendor service. The idea was the amount of agency staff provided through the master vendor from their own books would start from a high level and get higher throughout the term of the contract. However as the costs were the same no matter which source agency was used. We set the focus to be on securing the best temporary worker for that position through the system and not just the best worker that the master vendor could provide from their bank."

So with the exception of the area of grounds maintenance staff, all other positions are filled through a master/ neutral hybrid with Starting Point putting their own candidates alongside those from tiered suppliers.

Following an application and bid process, a tiered supplier base was created. It is comprised around 60 companies. These are a combination of local, regional and national agencies ranging from generalist to highly specialised recruitment agencies.

All vacancies in open (neutral/master hybrid) areas are supplied to all tiered agencies at the same time via email, but these agencies are not ranked in terms of previous supply response. The aim is to provide candidate access to the system so they are not disadvantaged on the basis of which agency they are registered with.

Walsall Council decided this was the best way to access the most suitable candidates across the shortlist whilst exploring the possibility of the best candidate being situated elsewhere.

Initial sifting, shortlisting and checking are undertaken by Starting Point to prevent unsuitable CVs being forwarded to recruiting managers. This saves a huge amount of time for recruiting managers and helps to improve candidate quality. It also allows Starting Point to review agencies' performance in terms of matching candidates to roles and addressing any issues. The ethos though is on seeking to assist agencies in providing the most suitable candidates for positions and supporting them to improve their matching and service to the Council rather than impinging on the potential supply of candidates.

The feedback from recruitment agencies to this approach has been very positive:

"We have found Walsall's approach to managed services an ideal solution to suit all parties involved; the candidate, client and agency. There is an open and honest dialogue in place together with transparency and integrity. The account is very efficient in relation to query management and response handling whilst always maintaining a personal nature. There is a good understanding of the recruitment process and the fair and open competition supports equal opportunities."

Samara Booth, Account Manager, Badenoch & Clark

“As a borough based high street agency the news that Walsall Council was looking towards a corporate contract was originally met with concern from myself and other agencies but to be honest the improvement in quality of service and communication has more than made up for any worries in the long term. I'm getting bookings for areas I didn't have before and the job specs and feedback are much improved..... this allows us to work more effectively our end! The single point of contact is really helping us in terms of consistency of information as opposed to just relying on the individual management relationships we had previously.”

Kerry Collins, Kerry Collins Recruitment

The managed service provider: starting point

It is also very important to understand Starting Point's history and its own objectives and aims within the context of its role as a master/neutral vendor supplier.

Established in 1999 Starting Point Recruitment began trading as a project within Steps to Work (Walsall) Ltd. Steps to Work was funded to assist long term unemployed and disadvantaged people within the borough into work.

In 2003 Starting Point became an employment business, trading in its own right, and continued to support Steps to Work in its activities. Its primary

aim is to assist local people get into paid work placements whilst receiving access to training opportunities. Agency work can provide a good stepping stone for their clients looking to get back into work. Thus Starting Point was established as a limited company supporting its parent charitable organisation operating as an employment business with its main aim being to assist local people getting into work placements whilst receiving a wage and training opportunities.

The philosophy and objectives of Starting Point is to get the right people into the right job with the right skills. Any profits are invested back in to helping the agency achieve this aim. As such, they are able to focus on the right candidate for the job, irrespective of the agency in the open areas and provide their candidates into roles core to their own local candidate base where they act as master vendor.

The Agency Clearing House

The Agency Clearing House, run by one full-time contract manager, sits within Walsall Council to fulfil a number of roles regarding service delivery, contract management and strategic direction of the agency managed service.

Key elements of its role include:

- Providing one point of contact within the Council for the contract management of the managed service for recruiting managers who may wish to escalate concerns or positive feedback.
- Driving continuous improvement and strong delivery and working with the managed service to improve the standard of information and service to the Council.
- Identifying and securing further savings.
- Implementing consistent business standards and agency worker policies throughout Walsall Council.
- Providing innovative corporate communications and training across the Council such as producing a number of video tutorials (YouTube style) for recruiting managers detailing how to make the most effective use of the system. These are available to all managers via the intranet and also on CD-Rom. The CD-Rom is distributed via the recruitment training seminars for new managers into the Council.
- Providing recruitment and sourcing support to managers. In the rare event of any request not being met from within the Master Vendor system, the booking is referred to the Agency Clearing House for process review as well as to source candidates outside of the system, in line with the Council's terms and conditions.
- Implementing screening and safeguarding policies for agency staff, seeking to ensure that the

Council takes the same care and diligence when recruiting temporary staff as for permanent members of the workforce.

- Demand management, using sessional workers and drawing on internal resource to reduce reliance and spend on agency workers.

Demand management for Children's Services: a success story

The Agency Clearing House supported a demand management initiative for Children's Services at Walsall Council to reduce the use of agency staff. This was achieved by using sessional workers within Children's Services on zero-hour contracts and introducing a central co-ordination and booking mechanism for the sessional workers. This approach also allowed for innovation – a talent bank database approach supported close skill matching and use of technology, such as text messaging, ensured that requirements could be met as quickly and efficiently as possible.

Cashable savings

Initially the posts were jointly funded from three areas - Children's Services, Children's Residential and Youth Offending, Assessment and Inclusion - at a cost to each service area of around £8,000.

Centralised recruitment reduced officer time and resources spent on this key area - 30,000 hours of individual shift work were commissioned via the sessional service with an average saving over the existing Preferred Supplier List (PSL) of £4 per hour within Children's Residential Services.

For this service area, spend had been in the region of £450,000 per annum. The savings realised by the service area were significant, in the region of 20%.

In addition, there were other significant benefits alongside the cashable savings:

- Increasingly flexible workforce allowing the service area to manage their staffing in a more responsive way to meet changing needs.
- Spend on agency workers reduced by having a sessional pool to draw from.
- It has offered workers a spring-board into permanent employment, reducing demand for agency workers in the longer term as well as the short term.
- This approach has increased continuity of care, and use of database tools to improve skill matching has helped improve the quality of care.
- Use of technology supports the team to meet recruiting managers' needs quickly and efficiently, and a centrally coordinated approach has helped maximise value for money from training courses by offering any spare places to sessional workers, which has also improved the skill-base of the workforce.

With the transfer of the PSL into the managed service system, staffing within the Clearing House was reduced. Cover for the sessional service is now managed via a Children's Services administration team with the Walsall Agency Clearing House offering technical support.

The managed service: what are the benefits?

Cashable savings!

Savings via the contract have been captured centrally at a rate of 6%. Further cashable savings have been achieved on a continuous improvement basis. These are currently being calculated across the Council and, although it is recognised this can be variable depending on the job type, in some areas savings have been up to 20%.

Personalisation of services

The focus of the managed service is on quality. They discuss vacancies and candidate CVs with managers to help get the right candidate for the assignment. In addition, the managed service aims to give a high quality of service to the suppliers by ensuring the recruitment consultant has as much information as possible so Walsall Council gets the best candidates and a high quality of engagement for the agencies. Candidate quality is continually assessed and is an important inclusion in the monthly service review.

Rate standardisation

Where the market allows, Walsall Council has adopted a pay parity approach across agency workers and permanent staff. This is more difficult in professional and harder to fill areas. Here, capped rates are used for budgeting purposes. On occasion, in response to prevailing market conditions, pay rates need to be flexible. In these circumstances, the managed service collects and reports sector specific agency pay rate market intelligence to the Council, who in turn decide the recruitment approach and rate.

Whilst the final details of the Agency Worker Directive are yet to be decided, Walsall Council consider the present agency arrangements will help future-proof the impact with all clerical, administrative and professional positions already meeting the requirements for pay parity.

Tailored management information

Reports from Starting Point, developed to suit the needs of the Council, detail all aspects of performance. This includes fill rates, financial and equalities information.

The management information helps support other wider council community objectives aims. For example there are details about which workers have been supplied from other local agencies, which live in the borough is listed, together with extensive equalities information. This helps the Council to achieve level three of the equalities standard.

Providing additional recruitment support to managers

Market control has been of critical importance in professional areas, especially those where there is a high demand and limited supply of suitably qualified and experienced candidates.

For example, in Revenues and Benefits a variety of methods have been used to bring down unit costs as well as addressing the key areas of demand.

Following a large increase in service demand, Walsall Council Revenues and Benefits had a backlog equating to approximately 30,000 cases/correspondence. This backlog, combined with a third of their permanent posts lying vacant, led to a heavily reliance on agency staff.

Initially the managed service worked with the agencies to improve the quality of candidates being sent through to Walsall and reduce costs. Having completed several market tests, the managed service was able to standardise pay rates against job type, implement an expenses scheme and reduce commissions.

Improved quality of the supply of agency workers and a planned approach to their use helped reduced the backlog to under 3,000 cases. The need to access temporary workers was reduced.

However, with the economic downturn, the workload and therefore the demand for benefits staff has risen within Walsall as well as across the public sector generally. Revenue and Benefits agency staff were in short supply and rates were high. A different approach was therefore adopted. A large-scale recruitment exercise was carried out, in conjunction with Starting Point and Walsall's procurement team, to take on eight workers as trainee benefit assessors. The trainees would undergo specific training supported by funding accessed from Local Employment Partnerships and the Learning and Skills Council via Starting Point's parent company, Steps to Work.

The recruiting mechanism, managed by Starting Point and assisted by the Agency Clearing House, generated nearly 1,500 job enquiries, These were whittled down over a period of three weeks via five rounds of assessments to select eight local unemployed workers. These workers received further training and have been taken on for ten months on an agency basis ahead of permanent positions being advertised.

Support with permanent recruitment

The bank of tiered suppliers and the Master Vendor system can also be used to recruit permanent staff should the Council's usual recruitment procedures fail. Two options are possible, a straight fee or an extended hire period via a temp to permanent route where there is no transfer fee to pay.

In terms of the temp to permanent route, candidates are recruited upfront via the Council's permanent assessment route and then temp for the Council for 26 weeks. The candidate can transfer to become a permanent employee of the Council at the end of the 26 week period. There is no introductory fee to

pay. As the candidate is recruited via the permanent process and procedures, the 26 week period also runs in conjunction with the Council's own 26 week probationary period.

This method was piloted with the hard to fill position of qualified social worker within Fostering and Adoption. The first permanent placements were made earlier this year and Children's Services has been satisfied.

Links to worklessness and economic development

As part of the wider worklessness and regeneration agenda, Walsall Council and Starting Point work closely with its parent company, Steps to Work, to identify the potential for skills development and employment creation opportunities that contribute towards the reduction of people of working age on out of work benefits (National Indicator 152). In addition to the previous example of Local Employment Partnership recruiting the trainee benefit advisors, recruitment of people on New Deal has gained waste and grounds maintenance opportunities

Of the 704 workers placed directly from the managed service provider into Walsall Council, 175 were from the long term unemployed and disadvantaged groups within the borough.

Starting Point also looks to support other public sector organisations and SMEs with various projects related to worklessness.

Management and inductions for agency workforce

All temporary workers, prior to starting, receive an induction from Starting Point to provide more information on their temporary role and to quality check from third party suppliers. The induction covers general issues relating to the position and the wider role of Walsall Council. All frequently encountered queries or problems associated with agency staff are dealt with in this induction, and summarised in a folder which is taken away by the candidate.

The folder also contains notes on the first day protocol for the worker to be completed in conjunction with the recruiting manager. This is

focussed on the housekeeping aspects of each service area and any safeguarding issues relating to role and department.

Certain positions have a specific induction brochure. For waste operatives, Starting Point and the Council have produced a job specific guide for agency workers. These have been produced for ground operatives and further ones are planned. Some personal protective equipment is also provided through the managed service.

The managed service sends the requests for Council ID cards and PC logins for agency staff on behalf of the recruiting manager, to ensure a seamless start on arrival.

Compliance and safer recruitment

All temporary agency workers at Walsall, whether recruited from Starting Point or a tiered supplier, have their own file held at Starting Point for the duration of the assignment at Walsall Council. The file contains proof of eligibility to work in the UK, written references and where appropriate and applicable, details of CRB, qualifications and memberships of professional or registering organisations.

Top tips/ lessons learned

- **Set up a project board** to overview the procurement and implementation of the managed service. This board should include recruiting managers, ideally from high volume areas (such as social care, environmental services and parks) and finance, procurement and HR representatives.
- Prior to any procurement, **consult, understand and engage internal** stakeholders to get buy in and a contribution to the requirements and on-going commitment to use the contract. Laurence Brazier, Head of Procurement explains,

“The initial tender process was only the first stage in getting the most out of temporary staffing at the council and delivering savings. The major lesson learned was the differing attitudes and culture towards temporary staff in different sections in the Council.

The success of any system is to ensure that all people’s needs are met in the first instance. After this, further project work and close collaborations can take place to allow the use of agency staff to be conducted in the right way.”

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- **Engage up front with the supplier market.** Share information regarding your plans and provide opportunities for them to find out more and use the chance to gather market intelligence.
 - Aligned with best procurement practice, issue the draft contract and insurance, indemnity and liability levels with the invitation to tender. Walsall Council considered this helped providers fully understand what was expected and any clarifications or points were submitted prior to award and as a result there were no protracted contract negotiations.
 - If you have a presentation/clarification stage, **meet those that will be working on the account**, or who will be responsible for it rather than the corporate sales teams. This will help determine the service proposed in the tender is deliverable from those who will be accountable in the longer term after award.
 - **Work closely with your provider** and maintain a good working relationship. Starting Point and Walsall Council’s Agency Clearing House collaborated closely straight away which helped improve the service delivery and supported joint problem solving.

“It is important to work closely, in an open and honest relationship, whichever partners you work with and provide them with a level of service which they can match and build upon.”

Lawrence Brazier, Head of Procurement at Walsall

- **Provide dedicated internal resource.** The Agency Clearing House has played a key role in monitoring and increasing contract compliance (thus increasing savings), and working to drive business improvements such as electronic invoicing.
- **Secure active senior-level support.** The support of Corporate Management Team has been essential for the managed service to become successfully embedded within Walsall Council, for example, helping to drive the work on better transactional processes and to optimise savings.
- **Continuous communication.** Maintain visibility of the requirement to use the Managed Service across the Council. This serves as a reminder for line managers particularly where their usage of agency workers is infrequent and/or when they are new to their role or the Council. This helps ensure contract compliance and the realisation of cashable savings.



Steve Stuart, Agency Clearing House Manager and Lawrence Braizer Head of Procurement at Walsall Council

Where next?

The contract was signed in May 2006 for four years, with the option of an extra year which the Authority will be taking up shortly.

The many innovations will be formalised in the re-writing of the service specification ahead of the tender exercise for future provision. In the shorter term, Walsall Council is keen to continuously improve and the main focus of the developmental work will be:

- working with its managed service regarding consolidation of invoices and different payment methods including P-Cards
- distributing a Council wide satisfaction service regarding the Agency Clearing House and the overall provision and management of agency staff
- to build and extend the demand management initiative, for example by introducing a peer challenge element prior to booking approval, or seeking opportunities within individual service areas to provide different/alternative staffing solutions - all with a view to decreasing spend, improving quality/efficiency and any over reliance on agency staff
- build on the lessons learnt from the peer challenge and alternative sourcing to review their application to other areas of procurement and commissioning, particularly in social care such as domiciliary care, contact centres and independent fostering
- link with other public sector bodies within region and further afield to collaborate on areas of best practice and regional skills shortages, for example for professional staff, such as social workers, and legal interims where a regional approach may be the best solution.

Contacts

To find out more about Walsall's approach to agency staff, contact

Steve Stuart

Agency Clearing House Manager, Walsall Council.
stuart@walsall.gov.uk
01922 658394

Lawrence Brazier

Head of Procurement, Walsall Council.
brazierl@walsall.gov.uk
01922 650990

To find out more about other models, the market, pricing strategy, and the procurement and management of agency staff contact

OGC Temp Staff Team (Professional Services)

tempstaff@ogc.gov.uk
Service desk- 0845 000 4999

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OGC 1 Horse Guards Road,
London SW1A 2HQ

Service Desk: 0845 000 4999
ServiceDesk@ogc.gsi.gov.uk
www.ogc.gov.uk

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