

PROFESSIONAL SERVICES PRESS

OCTOBER 2010

Welcome to the first edition of the Professional Services Press, the quarterly newsletter on temporary staff and consultancy procurement.

This edition brings you an update on the agency worker directive, information on collaborative contracts, our behavioural change initiatives and much more!

We're keen to hear your feedback on this newsletter and future articles you'd like to see – please send us your views and articles for future inclusion to Verity Smith at Verity.Smith@gloucestershire.gov.uk

Know the legislation

Increase to Minimum Wage

National Minimum Wage rates rose from 1 October 2010, with the minimum rate for workers aged 21 and over rising to £5.93 per hour.

For further information please visit the following link: http://www.direct.gov.uk/en/employment/employees/pay/dg_10027201

Agency workers – new responsibilities

The Agency Workers Regulations 2010 which were published back in January are due to come into force on

The Regulations will apply to those who are placed to work in hirers through temporary work agencies or intermediaries.

1 October 2011. The Regulations give agency workers the right to equal treatment in

terms of basic working and employment conditions. Although the Government has indicated that the Regulations are now under review, any changes that result must be consistent with the European Agency Workers Directive, which gives agency workers equal treatment rights. Therefore, as the Regulations stand now, hirers can work out what their responsibilities to agency workers might look like.

Who will the Regulations apply to?

The Regulations will apply to those who are placed to work through temporary work agencies or intermediaries (such as under master and neutral vendor agency arrangements), or who work through umbrella - companies. However many of the rights under the

Regulations do not apply until the worker has been in post for a 12-week qualifying period.

The Regulations do not change the status of temporary agency workers and will not make them employees. Also the Regulations do not give employees any rights, therefore if an agency worker is paid more than a comparable employee the Regulations do not give the employee the right to be paid more.

What does equal treatment include?

These are some of the areas where equal treatment is required:

- Pay - basic pay or any other payment directly referable to the employment, such as overtime, and some bonuses
- Holidays and working time - contractual not just statutory
- Vacancies - the right to be informed of relevant vacancies in the hirer
- Access to collective on-site facilities, such as childcare and canteens

The last two rights kick in from the start – the qualifying period does not apply to them.

Exceptions to equal treatment include occupational sick pay, pension payments, redundancy compensation, and bonuses which are not linked to the amount or quality of the work done by the worker (e.g. an annual loyalty bonus).

How is the 12-week qualifying period calculated?

Even a small amount of work (full- or part-time) carried out in a calendar week will make that week count towards the 12-week qualifying period. Continuity will normally be broken by a break of six weeks between assignments in the same job, or when an agency worker moves to a new role with the hirer which is substantially different from the old one. However, breaks between assignments due to a number of specified reasons, such as illness, maternity or pre-determined closure periods (e.g. school closures during holidays) will not break the qualifying period.

Who is responsible for providing equal treatment?

Responsibility for ensuring equal treatment for most of the rights is with the agency. However, the hirer will become liable if the agency took “reasonable steps” to obtain the necessary information from the hirer to determine the agency worker’s basic working and employment conditions and acted accordingly. So the hirer will be liable if it did not give correct information to the agency about its own employees’ terms and conditions. Hirers should note that they will always be liable for unequal treatment in relation to access to on-site facilities and information about vacancies.

What do hirers need to do now?

Although the implementation date of 1 October 2011 is a year away, it is important that hirers work out now what the potential impact of the Regulations will be on their organisation by reviewing their current and anticipated use of agency workers. Hirers should also remain alert to any changes that may be made to the Regulations.

For further information and updates on the review of the Regulations visit:

- <http://www.lge.gov.uk/lge/core/page.do?pageId=1192366>
- <http://www.bis.gov.uk/policies/employment-matters/strategies/awd>
- or contact: philip.bundy@local.gov.uk

Workstream updates

The Local Government

Professional Services Group

Baseline workshops: collaboration in professional services

Following the 2009 national baseline survey for professional services in local government, the LGPSG has been working with the Regional Improvement and Efficiency Partnerships (RIEPs) and OGC to deliver workshops in the regions. These workshops provide structured support for councils seeking cashable savings from their spend on temporary staff, interims and consultancy.

Workshops in each of the nine regions have now been completed, and over 110 councils attended to hear from other organisations about their experience in securing savings from professional services spend, participate in panel discussions and help shape plans for future activities such as implementing the Consultancy Value Programme (CVP) in their region.

Category plans are now with each region. **If you would like to know more about the plans for securing savings from professional services for your region, or would like information on how to tap into existing national workstreams, please contact your RIEP or LGPSG representative**

www.ogc.gov.uk/documents/LGPSG_contacts.pdf.

Collaborative contracting

MSTAR: Managed Service for Temporary Agency Resources

LGPSG, in conjunction with Pro5, OGC, DfE (formally DCSF) and interested local authorities, has commissioned the letting of a national framework

agreement for managed service provision. In this instance, the Eastern Shires Purchasing Organisation (ESPO) is leading on behalf of Pro5, but the agreement will be open to any local government and education authorities wishing to use it.

The intention is to award the contract to go live in April 2011. The contract will be advertised through a voluntary OJEU process, with tenders due back in December 2010. **For more information see <http://www.ogc.gov.uk/managedservicecontract.asp>**

This collaboration was proposed by the LGPSG following the Baseline Survey 2009, which identified that a significant number of local authority contracts for temporary staff provision were due to expire during 2011/12.

Conversations with colleagues in local authorities indicated that many would be keen to make use of existing agreements rather than letting their own, but that the current options were limited.

Consultation with potential users is seen as a core part of the work to create the MSTAR framework, with 27 local authorities involved to date in working groups to develop the scope and specification. This involvement will continue through the letting and management of the framework.

The contract structure will be such that three lots are available – one for corporate requirements, one for education and a final lot covering both. Each lot will sub-divided into a supply chain management solution and a resource pool management solution.

If your authority would be interested in using this contract, or you would like to find out more, please contact professionalservices@cabinet-office.gsi.gov.uk.

Buying Solutions – new Management Consultancy and Accounting Services framework agreement (MCAS)

Buying Solutions has recently awarded new framework agreements providing access to small medium and large consultancy providers.

More details of the framework agreement are available from:

www.buyingsolutions.gov.uk/services/ConsultancyServices/managementconsultancy/

Andrew Foster of the East Midlands RIEP is leading on representing local authority needs:

“We are keen to ensure this contract reflects the real needs of councils who may wish to use it. This means that we want to get views from as many local authorities as possible, whether they are keen to be part of the contract from the start or just think they’d like to have the option a year or so down the line.”

Change your behaviour!

Recap on the Consultancy Value Programme (CVP)

In simple terms, CVP is an initiative aimed at ensuring organisations only use consultants where there is a clear business case need, and that where they are used maximum value is obtained.

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This behavioural change initiative to improve value for money from consultancy is based on four areas - demand management, category management/expert procurement, supplier management and other benefits associated with procuring consultants.

Demand management is the key area of focus and includes ensuring that –

- the requirement is actually necessary and that the use of internal resource has been considered as an alternative solution
- requirements are not over-specified, are outcome-focussed and the correct type of resource is procured
- a robust business case process is adhered to with appropriate stakeholder input and sign-off, resulting in affordable and commercially sound projects.

More information available from:

www.ogc.gov.uk/professional_services_consultancy_value_programme.asp

CVP progress in local government

The CVP initiative is moving ahead with lots of interest being expressed by local authorities. In three regions funding has been granted by the individual RIEPs in order to secure three full-time project officers to work with lead authorities across the region to adopt and embed CVP:

- **South West** - Gloucestershire County Council, (GCC) recruited their project officer in October 2009 and have made improvements in the way consultancy is bought and managed, including the introduction of a new business case process from 1st April 2010. Several other councils in the region are also making early progress through the work being cascaded from Gloucestershire.
- **East Midlands** - Lincolnshire Procurement hub was set up as a shared service embedded within Lincolnshire County Council. As with GCC, the procurement hub has recruited a project officer to lead in the implementation of CVP throughout the region.

- **West Midlands** – Birmingham City Council are leading this initiative across the West Midlands region and have engaged a Project Manager.
- **North East** – The region have appointed a lead for consultancy who is developing a strategy which will be adopted regionally.

To find out more or get involved, please contact Professionalservices@cabinet-office.gsi.gov.uk

CVP in a Box

This Toolkit, aimed at all local authorities and wider public sector bodies who are interested in driving better efficiencies and savings from their consultancy spend, has been developed to provide an end-to-end solution for the implementation of this programme. As well as an overall framework of activities from project initiation to action planning and delivery, it also includes key tools and templates for each stage of the process.

To obtain your copy of this toolkit, please email servicedesk@cabinet-office.gsi.gov.uk

e-learning CVP modules

Two e-learning modules have been developed, hosted on the National School of Government website. Although written for Central Government, these modules may be of use / interest to Local Authorities which are implementing CVP.

- Module 1 covers the strategic, commercial, financial, budgetary and project management components associated with developing a sound business case.
- Module 2 looks at consultancy performance reviews - process which manage and assess the project at periodic intervals as well as at the close to ensure everything is delivered as specified. This open and transparent process should lead to the prevention of scope creep and poor delivery and help both the client and supplier to work together in a more cohesive and beneficial way.

For further information visit the Virtual School website: virtual.nationalschool.gov.uk/Pages/Welcome.aspx

or link to CVP programme direct:

www2.nationalschool.gov.uk/moodle/login/index.php

Demand Management of Temporary Staff: how many is too many?

Contracting authorities must ensure they are getting the best value for

Organisations are starting to ask where the equilibrium should lie between a temporary and permanent workforce. Whilst this will vary across organisations, there can be benefit in exploring where the optimum balance lies.

money from the use of their resources as well as ensuring they have the best resource, at the right time and the right place, with the right skills, at the right price. With this pressure, organisations are starting to ask where the equilibrium should lie between a temporary and permanent workforce. Whilst this will vary across organisations, there can be benefit in exploring where the optimum balance lies.

The *Demand Management in 9 steps* guide, published by OGC in December 2009, provides an overview of

Demand Management places a structure and focus on external spend, targeting the rationale, quantity and specification of purchases rather than just the price.

practical ways that demand management can be used to deliver real, cashable savings and improve value for money from spend on temporary agency staff, including interims and specialists.

Demand Management places a structure and focus on external spend, targeting the

rationale, quantity and specification of purchases rather than just the price. At a tactical level, it will challenge the match between business requirements and the products or services procured; at a strategic level it may form part of a wider transformation agenda.

To request your copy, contact OGC

ServiceDesk@cabinet-office.gsi.gov.uk.

OGC would also like to hear from organisations that have used the guidance or implemented their own demand management process.

Guidance, Resources and Events

Guidance and tools

The following guidance and tools are available on request from professionalservices@cabinet-office.gsi.gov.uk:

- **Case examples** of professional services procurement approaches from AGMA, Cambridgeshire, Walsall and Islington
- ***Demand Management in 9 Steps*** – practical guide to implementing demand management
- ***CVP in a Box*** – toolkit aimed at Local Authorities

The following guidance and tools are available at http://www.ogc.gov.uk/temporarystaff_7133.asp

- **Choosing the right resource** – decision tool to support organisations in selecting the appropriate external resource option to meet their needs
- **Margins, Mark-ups and Multipliers** – understand the various pricing mechanisms the market offers

Online now – Local Government Professional Services Forum

The Forum promotes collaboration and improvement in the procurement of professional services (i.e. consultancy, temporary/agency workers, interims, specialists and similar) in local government. The Forum also support councils in securing better value from professional services spend.

Hosted on the LG Improvement and Development (formally IDeA) Communities of Practice platform, the forum can be accessed by any local government employees or other invited individuals who have a .gov.uk email address and who have been approved by the community administrators. It is simple and free to

join the discussion at -

<http://www.communities.idea.gov.uk/comm/landing-home.do?id=3154840>

Over 150 of your colleagues have already signed up – join them now!

Please note - if you are not already registered on an LGA website, you may need to register for the main site as well as the Forum.

Events in Local Government

Contact your RIEP or LGPSG representative for a list of regional events.

- SOPO Annual Conference, Exhibition and Gala Awards Dinner – 16th November 2010, The Grand Hotel, Brighton

Procurement Policy Notes (PPNs)

PPNs provide guidance on, or request information about, public procurement policy. Recent PPNs include:

- The need to ensure that bodies permitted to use frameworks are adequately identified and clarification is issued if necessary
- Use of framework agreements set up by non-contracting authorities
- How to indicate the use of eAuctions on contract notices
- Requirement to include 30 day payment clause in new contracts
- Publication of contract award notices
- Time limits for challenges under the public procurement regulations

More information available from:

www.ogc.gov.uk/procurement_policy_and_application_of_eu_rules_procurement_policy_notes.asp

Contacts

Contact details for the Professional Services Category Team can be found at www.ogc.gov.uk/temporarystaff.asp or email: professionalservices@cabinet-office.gsi.gov.uk