

HAMPSHIRE COUNTY COUNCIL

Report

Committee/Panel:	Employment in Hampshire County Council Committee
Date:	13 March 2019
Title:	Joint Venture with Commercial Services Kent Ltd to supply agency workers to HCC
Report From:	Director of Corporate Resources

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1. Recommendation

- 1.1. EHCC are asked to note the programme of work currently underway to implement the new Joint Venture 'Hampshire & Kent Commercial Services' for the sourcing and provision of Agency Workers from April 2019.

2. Summary

- 2.1. In September 2018, Cabinet took a decision to create a new Joint Venture with Commercial Services Kent Ltd, a company wholly owned by Kent County Council, for the sourcing and management of agency worker provision to Hampshire County Council.
- 2.2. The purpose of this paper is to update EHCC on the new Joint Venture, and the work underway to implement the new arrangements from 1 April 2019.

3. Contextual information

- 3.1. On 17 September 2018, Cabinet considered a report from the Director of Corporate Resources, recommending the creation of a new Joint Venture Local Authority Trading Company (LATC) for the purpose of providing Agency services to all departments within the County Council.
- 3.2. Agency workers fulfil a valuable and important aspect of the council's workforce requirement, supplementing and/or complementing our permanent workforce. This temporary workforce often fulfills hard to recruit or very specialist roles, as well as providing essential cover for periods absence within our permanent workforce.
- 3.3. However, the County Council continues to face a range of challenges with regard to the recruitment of agency workers. Despite a growing use and dependency of this resource (and therefore rising financial cost),

increasingly it is difficult to source workers of sufficient quality, particularly at short notice. These issues are particularly common in the social care market, which at times has posed potential risk to the vulnerable people the council support's.

- 3.4. It is recognised that the make-up of a modern workforce must comprise of not only permanent employees, but also those skilled individuals who may require or seek greater flexibility in their employment arrangements to meet their personal circumstances; agency working offers these individuals an appropriate alternative.
- 3.5. Good agency workers provide a valuable role in to the council, integrated and working alongside our equally important permanent workforce. To support delivery of improvements in service continuity and quality, it is therefore critical that the council has the ability to attract and retain these workers over longer periods, as well as providing a route for them to attain potential permanent employment with the council in the future.
- 3.6. Consideration has therefore been given to how the council could respond to these challenges; this included the creation of a Local Authority Trading Company owned by the County Council to source and manage our agency worker requirement, providing an opportunity to collectively retain greater control and influence in this area.
- 3.7. It is recognised however that the council does not have the necessary skills and experience to set-up this type of arrangement on its own, or quickly. As a result, it was agreed by Cabinet that we would enter in to a new Joint Venture with Commercial Services Kent Ltd who have an existing and well established agency service that they provide to Kent County Council. This new venture will be owned 50:50 by HCC and CSKL, providing the council with the extent of control over service delivery that is sought. Other benefits of this approach include:
 - Access to CSKLs extensive and specialist knowledge in this area;
 - Adoption of CSKLs existing 'Master Vendor' delivery model, which seeks to provide both fulfilment of agency workers who are directly registered with the new Joint Venture, as well as access to agency workers from a broader supply chain of 3rd party agencies registered through a compliant procurement vehicle with the Joint Venture;
 - Access to CSKL systems, processes and back office support, such as IT infrastructure, pay and bill, client and agency portals, CRM, job boards and HR employee relations, required to run an agency;
 - Ability to share the initial cost of setting up and implementing the LATC.
- 3.8. Whilst it is envisaged this new arrangement has the potential to deliver modest financial efficiencies in the longer-term, this is not the primary driver for the decision taken. In recognition that our temporary workers will continue to form an important aspect of our future workforce strategy, our key focus and priority is to improve the quality of our agency workers.

4. Implementation of the new Joint Venture – Connect2Hampshire

- 4.1. Since the decision taken by Cabinet in September 2018, work has progressed with CSKL to develop the delivery plan, which included the formal set-up the new Joint Venture, Hampshire & Kent Commercial Services LLP. It will operate under the local trading name Connect2Hampshire, providing agency worker services to the County Council with effect from 1 April 2019.
- 4.2. A key priority of the implementation is to ensure that continuity in agency worker provision is maintained throughout the transition. As such significant focus is being placed (and project resources from both the council and Connect2Hampshire) on both the sign-up of existing suppliers to the new agency's procurement vehicle (through a Dynamic Purchasing System), as well as preparing our hiring managers for the changes in process and approach, planning outgoing exit arrangements with the outgoing contract holder, and recruiting to key team roles within Connect2Hampshire. These aspects are being managed closely by HCC project leads to ensure that any emerging risks are identified and can be mitigated accordingly.
- 4.3. Other key activities underway include completion of the various legal agreements that will underpin the new venture, as well as the design, build & implementation of technology changes that will support both Agency Workers and Hiring Managers.
- 4.4. Work is also underway with Connet2Hampshire to consider the future recording and reporting requirements of its agency workers e.g. nationality. This will be important in gaining an understanding of the agency workforce composition and factoring into workforce strategies.

5. Managing Performance of the new arrangement

- 5.1. Upon commencement of service delivery, performance of the new arrangement will be governed through Hampshire & Kent Commercial Services LLPs Executive Board. This Executive Board includes two Directors; the Deputy Chief Executive & Director of Corporate Resources for the County Council and the Chief Executive of Commercial Services Kent Ltd.
- 5.2. In addition the day-to-day performance and delivery of services to the County Council will be managed through a set of Key Performance Indicators (to be agreed with the Executive Board), and through contract management arrangements which will be put in place with key officer(s) of the County Council.

CORPORATE OR LEGAL INFORMATION:**Links to the Strategic Plan**

Hampshire maintains strong and sustainable economic growth and prosperity:	Yes
People in Hampshire live safe, healthy and independent lives:	Yes
People in Hampshire enjoy a rich and diverse environment:	Yes
People in Hampshire enjoy being part of strong, inclusive communities:	yes

Other Significant Links

Links to previous Member decisions:	
<u>Title</u> Creation of a Joint Venture Local Authority Trading Company	<u>Date</u> 17 September 2018
Direct links to specific legislation or Government Directives	
<u>Title</u> N/A	<u>Date</u>

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

IMPACT ASSESSMENTS:

1. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2. Equalities Impact Assessment:

It is not expected that this proposal would impact groups with protected characteristics.

2. Impact on Crime and Disorder:

2.1. There is no expected impact on Crime and Disorder.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption?

No impact.

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

No impact.