

UPDATE REPORT ON THE INTRODUCTION OF OPUS LGSS

To: **General Purposes Committee**

Meeting Date: **19th September 2017**

From: **Paul White, Head of Procurement
Janet Maulder, Head of HR**

Electoral division(s): **All**

Forward Plan ref: **Not applicable** *Key decision:* **No**

Purpose: **To review progress since the creation of Opus LGSS People Solutions (Opus LGSS) earlier this year, which was formed after approval from GPC Committee in July 2016.**

Recommendation: **The Committee is asked to note progress made to date.**

<i>Officer contact:</i>		<i>Member contacts:</i>	
Name:	Janet Maulder	Names:	Councillors Count & Hickford
Post:	Head of HR	Post:	Chair/Vice-Chair
Email:	Janet.maulder@cambridgeshire.gov.uk	Email:	Steve.Count@cambridgeshire.gov.uk Roger.Hickford@cambridgeshire.gov.uk
Tel:	01223 699495	Tel:	01223 706398

1. BACKGROUND

- 1.1 Following approval by GPC Committee at the end of July 2016 the new arrangements with Opus LGSS People Solutions (Opus LGSS) were put into place as planned in January 2017.
- 1.2 Opus LGSS was created as a partnership with Opus People Solutions, who are owned by Suffolk County Council, to supply and manage Cambridgeshire County Council's requirements for temporary/interim workers. This replaced the previous arrangement with Guidant Group.
- 1.3 Opus LGSS has been set up by Opus People Solutions and LGSS on behalf of Cambridgeshire County Council who are part owners in the company.
- 1.4 The switch over went smoothly and whilst the new arrangements have only been in place for just over six months the anticipated benefits are now starting to be seen.
- 1.5 The original proposal identified three primary objectives:
 - To have greater influence over the wider issues including the quality and pay of agency workers in specific categories such as social workers as well as to support the overall workforce strategy;
 - To provide financial savings by reducing the costs associated with securing agency staff;
 - To ensure continuity of supply of agency workers

2. PROGRESS TO DATE AGAINST OBJECTIVES

2.1 Objective 1 – Greater Influence and support to overall workforce strategy

- 2.1.1 CCC like most organisations have to rely on the use of agency staff to cover key posts where vacancies or sickness arise. Our use of agency workers is most predominant in social care where cover can be critical to services being able to deliver and in some cases stay open. This usage is under constant scrutiny by senior managers. Our reliance on agency staff in the social work field is generally at around 10% of our workforce which, whilst higher than we would wish to see, is significantly lower than most other local authorities.
- 2.1.2 The table below shows the number of agency workers engaged each month during the first seven months of the calendar year. One of the key objectives of the Opus LGSS team is to source as many agency workers directly as possible rather than rely on just external agency providers.
- 2.1.3 There has been some positive development in the numbers achieved as the year progresses, as shown in the table below.
- 2.1.4 For each agency worker engaged directly the cost in terms of margins to CCC is lower, and this is expected to continue to rise as the year progresses, now that the team are fully staffed.

- 2.1.5 The target for directly sourced agency workers by 31 March 2018 was 17%, with this increasing to 44% by 31 March 2019. The table below shows that at the end of July this had reached 23%, therefore well ahead of the target set. The future target for March 2019 is still viewed as realistic and achievable.

Agency Numbers Sourced Via	Feb	Mar	Apr	May	Jun	July
Total No	204	200	178	187	220	200
Agency	92%	89%	83%	80%	79%	77%
Opus sourced	8%	11%	17%	20%	21%	23%

- 2.1.6 Feedback from users of the service has been positive. The Opus LGSS team are based on site at Shire Hall and co-located with the HR Team which provides a real benefit in terms of sharing knowledge on workforce matters, role details etc, and expediting issues that arise.
- 2.1.7 Recruiting managers have easier access to the team in person or by phone to discuss their requirements which has proved to be hugely beneficial in making sure the right candidates are sourced in a timely way. Where there are difficulties in recruiting or any feedback is received that needs addressing, the team can mobilise quickly to address any customer concerns.
- 2.1.8 Opus LGSS are providing additional vetting on CVs, ensuring that candidates of the right calibre are being put forward to recruiting managers to consider. This is not typically the case where agencies, or managed service providers are remotely based, therefore this new approach provides a much better service to our managers and saves time from having to review candidates that are clearly unsuitable.
- 2.1.9 Since the introduction of the new IR35 tax legislation in April of this year, Opus LGSS have managed the deduction of tax and national insurance from our agency workers who are self-employed, preventing the Council from having to establish arrangements on payroll for them. This is a more efficient and cost effective way of operating the regulations.

2.2 Objective 2 – To provide financial savings

- 2.2.1 The original business case identified modest savings for CCC in the 1st year that were anticipated to increase once the model became established and other LGSS partners joined the model in subsequent years. The tables below show the projected savings for each financial year and the projected actual benefit in 2017/18.

Savings by Financial Year	2017/18	2018/19	2019/20	2020/21	2021/22
Projected savings for each Financial year	£65,240	£275,419	£334,524	£374,844	£388,289

Projected savings actual	£107,220	£275,419	£334,524	£374,844	£388,289
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- 2.2.2 The actual projected savings for 2017/18 of £107k are slightly ahead of the forecast of £65k, which is mainly due to the success of Opus LGSS sourcing agency workers directly earlier than originally envisaged and also securing at a lower overall cost. The projected actual savings for 2018/19 onwards remain as forecast.
- 2.2.3 As projected in the original business case Northamptonshire County Council (NCC) have now also gone live with the same arrangements in August 2017. This will support the ability of Opus LGSS to attract agency workers to sign up and support the delivery of the future projected savings. The opportunity will also be undertaken to explore the how other local Councils such as Peterborough City Council could participate at the end of their current contract.
- 2.2.4 Opus LGSS have reported that as of 31st July 2017, 59% of administrative and business support staff have successfully been engaged on the rate of pay used for permanent staff.

2.3 **Objective 3 - To ensure continuity of supply of agency workers**

- 2.3.1 The switch over to the new arrangements went smoothly with all existing agency workers moved over in January. The only issue in the first few weeks after go live was ensuring all recruiting managers had been trained in the electronic system for booking, which did require some manual intervention in the early weeks.
- 2.3.2 To ensure on-going continuity of supply Opus LGSS have now signed up nearly 90 Agency providers to their extended supply chain to ensure they can provide agency resources where they are unable to supply directly. The ability to attract key workers such as Social Workers to sign up with Opus LGSS directly is a primary future focus for Opus LGSS, and this should be helped by the addition of Northamptonshire County Council.

2.4 **Summary**

- 2.4.1 The introduction of Opus LGSS has already delivered an improved service to the Council's managers who have to maintain staffing levels in order to deliver critical front line services. In addition it has delivered savings to the Council beyond the original projections which is a very promising start to this new venture.

3. **ALIGNMENT WITH CORPORATE PRIORITIES**

3.1 **Developing the local economy for the benefit of all**

There are no significant implications for this priority.

3.2 **Helping people live healthy and independent lives**

There are no significant implications for this priority.

3.3 **Supporting and protecting vulnerable people**

There are no significant implications for this priority.

4. **SIGNIFICANT IMPLICATIONS**

4.1 **Resource Implications**

There are no significant implications within this category.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

4.3 Statutory, Legal and Risk Implications

There are no significant implications within this category.

4.4 Equality and Diversity Implications

There are no significant implications within this category.

4.5 Engagement and Communications Implications

There are no significant implications within this category.

4.6 Localism and Local Member Involvement

There are no significant implications within this category.

4.7 Public Health Implications

There are no significant implications within this category.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Not applicable
Have the procurement/contractual/Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Not applicable
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	Not applicable
Have the equality and diversity implications been cleared by your Service Contact?	Not applicable
Have any engagement and communication implications been cleared by Communications?	Not applicable
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Not applicable
Have any Public Health implications been cleared by Public Health	Not applicable

Source Documents	Location
General Purposes Committee – July 2016	https://cmis.cambridgeshire.gov.uk/ccclive/Committees/tabid/62/ctl/ViewCMISCommitteeDetails/mid/381/id/2/Default.aspx