

SUPPORTING & BACKGROUND INFORMATION

The Local Government Professional Services Group (LGPSG)

The Local Government Professional Services Group (LGPSG) is a stakeholder group representing and supporting local authorities across England in delivering savings from the procurement of professional services. The group are tasked with delivering measurable savings through the development of national toolkits and best practice coupled with a programme of regional implementation.

The Group represents a real breakthrough in national collaboration and has a representation from at least one contracting authority in each region, the Regional Improvement and Efficiency Partnerships (RIEPs), the ERG (previously OGC) within the Government's Cabinet Office and some of the largest Professional Buying Organisations (PBOs) such as ESPO; a member of Pro5.

Initially the focus of the LGPSG was on two high spend areas; temporary staffing and consultancy. To better understand the landscape in Local Government, the LGPSG commissioned a baseline survey to review the usage of contractual arrangements for temporary staff, and more specifically the use of Managed Service Providers (MSPs).

The key results of a survey (known as the baseline survey) which was sent to all local authorities in the UK, and generated a very healthy response, indicated that

- spend on Temporary Agency Workers had increased year on year since 2006/07 (8% between 2006/07 and 2008/09)
- 85% of Contracting Authorities who responded would be interested in joining a collaborative agreement or using a national framework established by a PBO such as ESPO
- approximately £425m worth of temporary staffing spend would be required to be re-tendered between 2010 and 2012.

As a consequence of the above, the LGPSG commissioned Pro5 (with ESPO as lead) to establish a national Framework for Managed Service Providers of Temporary Agency Resources which would;

- harness the opportunity to aggregate spend and procurement know-how to gain better value for money and improve cashable savings for the public sector
- minimise duplication of effort and time taken within the tendering process (for both customers and suppliers)
- build strategic relationships with suppliers to gain better value for money, to take out cost, improve performance and align them with the organisational priorities

Managed Service Provision

In more recent years, as far as temporary staffing is concerned, the Local Government sector has seen a substantial shift from the more traditional frameworks or PSLs (Preferred Supplier Lists) in operation to the use of a Managed Service Provider (MSP) to deliver their needs. Typically the benefits of an MSP are perceived to be;

- a single point of contact for the Hiring Manager and the Contracting Authority
- streamlining of invoicing
- structured management information and reporting
- reduced and standardised rates of commission
- transparency of charges and savings
- performance-based tiering of agencies
- adherence to safeguarding matters and consistent compliance
- allowing access to a number of (tiered) agencies to ensure sufficient capacity exists
- a greater opportunity for 'local' and SME suppliers within the MSP supply chain.