

# How to take back control

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of your contingent workforce





## How to take back control of your contingent workforce

A day doesn't go by without more doom in the recruitment press headlines. Surveys consistently report that the UK labour market is in a difficult situation; highlighted by the new record number of job vacancies in May 2022. Shortages across regions constrain service levels and affect staff morale and retention, often in roles where there are already key skills gaps such as social care. These trends impact both the permanent and the contingent workforce and local government is in a particularly difficult situation forced to compete against the private sector with an already constrained budget.

Most local authorities work through agencies to find their contingent workforce. But this means being one of many customers, including other local authorities, and the agency will place candidates where their priorities are, not yours. How do you champion your value proposition to would-be candidates, how do you change the balance of power in your favour?

## CSG's Local Government Joint Venture Partnership

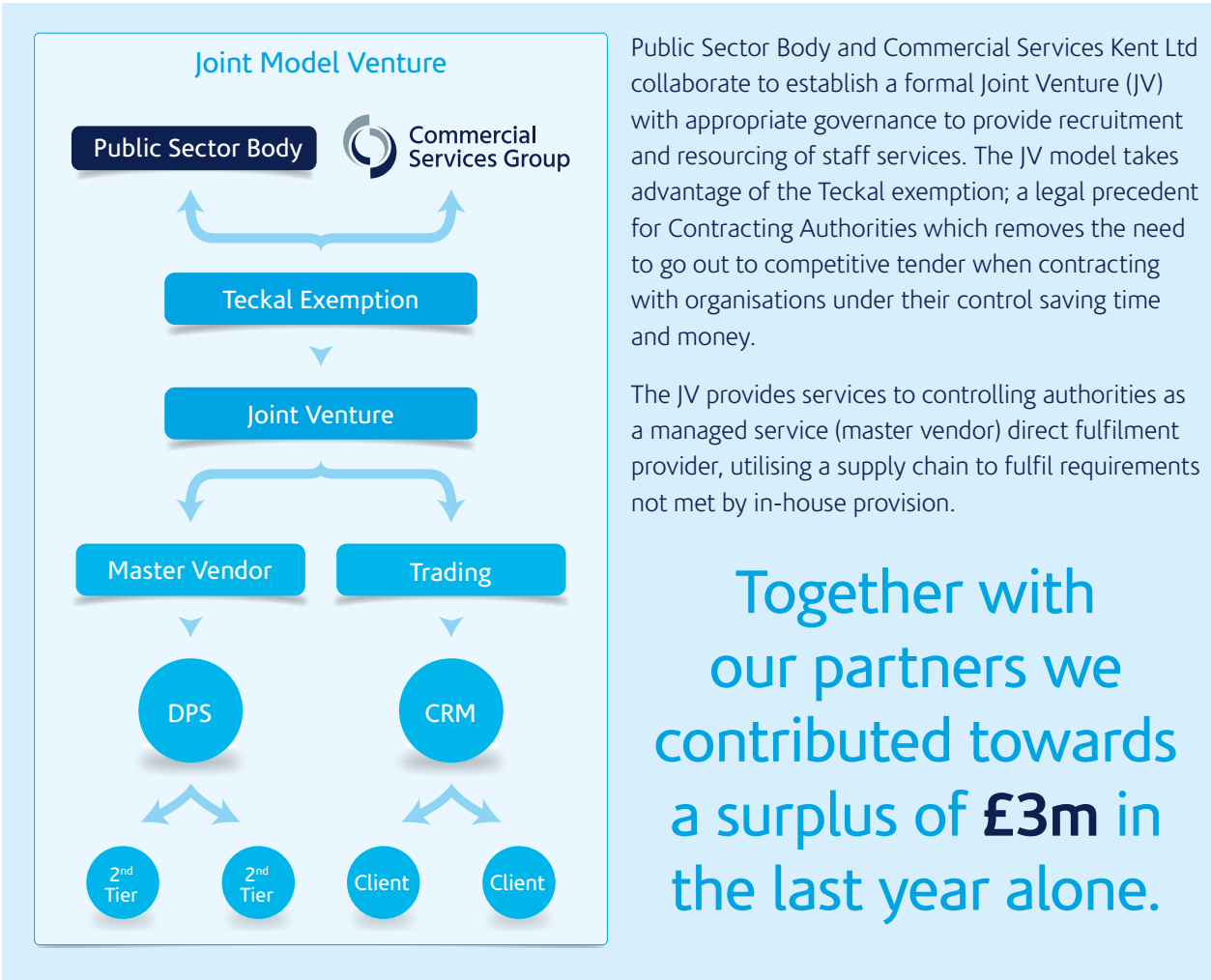
Commercial Services Group (CSG) is one of the largest, local authority owned, trading organisations of its kind in the UK, wholly owned by Kent County Council. With over 15000 customers we work closely across the public sector and understand the many challenges being faced.

We have co-developed our public to public joint venture model for contingent workforce with local government partners in response to recruitment market challenges. We have created an insourcing model that not only meets public sector recruitment needs but delivers skills and talent, reduces costs and pays dividends back from the JV. Our model can:

- Put money in the pockets of your local residents
- Build the skills and talent pipeline you need
- Put social value at the heart of your recruitment and change lives

**We have already successfully launched JVs  
with spend in excess of £130m.**

## How the Joint Venture Model works



## Our partners:





## The contingent workforce market challenges - or why it's the best time for local government to take control

We know that local government budgets remain under pressure and this problem is not going away. Although managed service providers including neutral, hybrid and master vendors, have become more efficient through processes and technology, going forward there will be less opportunity for further savings. Recruiters are concerned with the quality of supply and the adherence to ever increasing compliance thresholds which result in an increased cost base. With many second-tier agencies already operating enhanced efficiency models, a reduction in margin will surely impact directly their bottom line making private sector or off-contract supply more appealing.

The rationalisation of supply chain models through neutral and master vendors has without doubt delivered savings benefits to local government but it has also resulted in a multi-layer effect with more parties striving to retain their share of a reduced margin. With the majority of Frameworks now in their fourth generation, agency margins are increasing and will continue to do so.

On top of the cost challenges recruiters are also trying to address the known skills gaps in the contingent market. These workers are an asset that you would like to invest in but why would you when they work for the agency? The National Procurement Strategy for Local Government in England identified that partnering and collaborating to bring services 'in-house' could deliver new savings but there are barriers for those who might wish to go down this route including:

- A lack of knowledge in establishing an 'in-house' model
- The significant up-front investment required
- Pressures on already stretched internal resource to implement
- A fear of failure

But there is a way that addresses these concerns and one that doesn't mean setting-up and running a contingent workforce recruitment agency on your own.



## The CSG public to public partnership

Our joint venture model addresses the potential operational barriers by working with you to deliver our tried and tested partnership so that you can benefit from:

- Our market knowledge
- Shared initial investment
- Our experienced team
- Shared management of organisational risk

We are confident that our JV model will deliver significant savings and dividends (surplus) to your organisation. If it does not provide savings through the creation of a surplus, we do not recommend you proceed.

Our JV becomes the equivalent of your managed service provider paying you to fill roles.

## 46% savings on fees, when compared to an outsourced provision.

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*Working with CSG is a really refreshing experience. The industry knowledge of the team is second to none. This is hugely important in giving reassurance to key stakeholders and in delivering solutions that have the potential to really make a difference to how we resource our business. There is a creativity involved, which I haven't experienced with any other temporary resourcing solution I have worked with. It has been a real pleasure working with the team!”*

Arabella Smith – Head of Insights, Programmes & Governance, People & Change - Surrey County Council



## How it works

CSG is in an unrivalled position to work with local government to efficiently implement sustainable Teckal solutions. We already have five partnerships with local authorities representing in excess of £130m annual spend.

Our experience in this market is unique and means you will benefit from:

- Team of recruitment experts with the capacity and capability to establish a strong recruitment brand in your local market
- Best practice and knowledge sharing to address the challenges of setting up and delivering a managed service model including cost management
- A model that provides control and governance above and beyond that from a traditional Managed Service solution
- A proven track record in organisational transition and transformation with complete adherence to TUPE
- An increase in quality and compliance through in-house ownership coupled with a proven track record of delivery
- Full control of your agency supply chain through a compliant DPS Framework
- The commitment to build a sustainable joint venture that can complement your social values and is focused on your quality requirements.



*Connect2Dudley is a true partnership between Dudley Council and Commercial Services Group (CSG) to provide high quality, compliant workers at a challenging time in recruitment. The key driver was an income for the Council to reinvest in services. CSG has provided Dudley with the systems and expertise to get the JV up and make it a success. Ten months in, we are overachieving our income targets, have been shortlisted for 'Business Start Up of the Year' at the Nachural Awards and more. It is genuinely a pleasure to work alongside an organisation like CSG.*

Faye Parrett, Head of Commercial Commercial Digital, Customer & Commercial Services, Dudley Council



## How to get started

Each council is different, and CSG has invested in developing a comprehensive business case template, based on experiences of working with our partners. This detailed business case includes capturing existing agency spend and how the application of a JV model could work in your local area. When the business case stands up, we believe so strongly that we invest our own money.

We can help overcome some of the potential challenges facing local authorities in setting up their own company by providing:

- Tried and tested business case with rigorous cash flow forecasting
- Full transparency for operational and financial performance and supplier chain management
- Successful governance structure
- Thorough knowledge of the recruitment market
- Additional support as your trusted advisor

There aren't many other opportunities for councils to save money whilst increasing the quality of supply of staff.



*Working with CSG is a real partnership experience. The potential complexity of this project has been made much simpler for us with the support and involvement of CSG colleagues. We are already seeing the benefits of greater transparency and great working practices.*

Carolyn Williamson, Chief Executive Hampshire County Council

## Free options appraisal

If you're still not sure it's for your council, we offer a free consultation to review your existing recruitment process. Or, if you prefer, you could choose to use an independent consultant.

Our joint venture model is based on using the Teckal exemption which means there is no need to complete a full procurement process which delivers further savings; however, our options appraisal will thoroughly explore how the JV model performs against alternatives.

The final report will outline the suitability of the JV approach for your organisation including a comprehensive SWOT analysis versus other options. This, for us, is about developing a long-term partnership and our guarantee is that if the figures don't show savings can be delivered we won't recommend going ahead.



Commercial  
Services Group

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## About Commercial Services Group

Since its inception over 70 years ago, CSG has grown to be one of the leading suppliers of products and services to education and the public sector. CSG is the umbrella for 25 trading brands which continues to grow, with 1800+ staff and nearly £500m in revenue. We are about profit with a purpose and have contributed over £45m back to frontline public services.

As we continue to develop, CSG is proud to be recognised not only by our public sector peers, but also within the UK Recruitment market

## Our partnerships:

connect2kent<sup>®</sup>

connect2hampshire<sup>®</sup>

Connect2Luton<sup>®</sup>

Connect2Surrey<sup>®</sup>

Connect2Dudley<sup>®</sup>

## Can't wait to know more?

We would be delighted to have an opportunity to talk through what we can offer your organisation.

Steve Wilson - Commercial Director

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**WINNERS 2023**

Best Partnership/Collaboration and GOLD Award



**SHORTLISTED 2023**

Most Effective Back Office Operation and Best Client Service



**SHORTLISTED 2023**

MSP of the Year - Connect2Hampshire



**SHORTLISTED 2023**

Best Innovation in Recruitment



**WINNERS 2022**

Best Public/3rd Sector Agency



**SHORTLISTED 2022**

Best Recruitment Agency Marketing Team



**SHORTLISTED 2022**

Public/Public Partnership - Luton Borough Council

1 Abbey Wood Road, Kings Hill, West Malling, Kent ME19 4YT

[commercialservices.org.uk](http://commercialservices.org.uk)