

<b>FRAMEWORK AGREEMENT FOR THE PROVISION OF NON - SOCIAL CARE TEMPORARY AGENCY WORKERS</b>
<b>COUNCILLOR DAVID SEATON, CABINET MEMBER FOR RESOURCES</b>
<b>December 2016</b>

Cabinet portfolio holder:	Councillor David Seaton, Cabinet Member for Resources
Responsible Director:	John Harrison, Corporate Director Resources
Is this a Key Decision?	YES If yes has it been included on the Forward Plan: Yes Unique Key decision Reference from Forward Plan : KEY/25JAN16/04
Is this decision eligible for call-in?	YES
Does this Public report have any annex that contains exempt information?	NO

**R E C O M M E N D A T I O N S**

The Cabinet Member is recommended to:

1. Authorise the award of a Contract to Reed Specialist Recruitment for the provision of Non-Social Care Temporary Agency Workers for a period of 3 years with the option to extend for a further 1 year period, to run from 1 January 2017. The total value of the contract is estimated at £1million per year, £4 million over the period of the contract; and
2. Temporary Agency Workers will be provided through a Publicly Procured Framework, from Eastern Shires Purchasing Organisation (ESPO) which is titled Managed Services for Temporary Agency Resources (MSTAR2).

**1. ORIGIN OF REPORT**

- 1.1 This report is submitted to the Cabinet Member for Resources to consider and approve the award of a contract for the provision of Non-Social Care Temporary Agency Workers to Reed Specialist Recruitment, via a publicly available Framework Agreement by ESPO, which has been sought to replace the Council's recently expired Framework Agreement for this provision. The new framework will deliver a cost effective charge rate and better quality of temporary labour for the Council.

- 1.2 The proposed new framework contract will provide value for money for the Council and will ensure the Council can fulfil its requirements for temporary staffing requirements.

## 2. PURPOSE OF THIS REPORT

- 2.1 The purpose of this report is to provide background information to support the recommendations for the award of a Contract for the provision of Non-Social Care Temporary Staffing requirements.
- 2.2 This report is for the Cabinet Member for Resources to consider exercising delegated authority under paragraph 3.4.8(a) of Part 3 of the constitution and in accordance with the terms of their portfolio at paragraph (r).

## 3. TIMESCALE

Is this a Major Policy Item/Statutory Plan?	<b>NO</b>	If Yes, date for relevant Cabinet Meeting	<b>N/A</b>
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## 4. DETAILS OF DECISION REQUIRED

- 4.1 The Council's HR policy allows hiring managers to utilise temporary agency workers in exceptional circumstances to ensure that the business unit operates effectively. The use of temporary agency workers is permitted therefore, when existing staff levels fall as result of sickness, where the recruitment process is delayed or where there are pressures on service levels during periods of increased demand. In these circumstances a temporary resource may be assigned to fill the post for a limited period to ensure the service is able to function appropriately. The Contract is designed to respond to the HR policy and the needs of hiring managers.
- 4.2 The procurement for the provision of Temporary Agency Workers has been divided into two separate procurements: (1) Social Care; and (2) Non-Social Care. The procurement for the provision of Social Care Temporary Agency Workers has not been part of this procurement exercise and has recently been procured and implemented via its own Framework Agreement. Furthermore, the Manor Drive Business Support operates an agency staff service, supplying temporary staff in administration and clerical roles.
- 4.3 It was decided that for this element, the provision that would suit the Council's needs, would be to utilise 'Lot 2' from the ESPO Managed Services for Temporary Agency Resource (MSTAR2) Framework. Lot 2 is a Master Supply Chain Management Agreement.
- 4.4 This procurement has been carried out in accordance with the Public Contract Regulations 2015 through a publicly available framework. Eight providers had been pre-approved by ESPO as specialist providers to the Publicly Procured MSTAR Framework for Lot 2. To determine the provider on the framework who would best meet the Council's requirements, clarification questions were issued to all eight providers, in respect of the Council's non-social care temporary staffing needs. The purpose of such clarification was to aid the Council's understanding of the service delivery, ability to supply all the roles required by the Council, approach to sourcing roles, local variations, transfer of current temporary agency workers and implementation plans.
- 4.5 Only three of the eight providers provided responses to the clarification questions declaring their interest to provide non-social care temporary agency workers to the Council. Following a review of the clarification responses, further clarification was undertaken through discussions with each of the three providers on how they would meet the Council's requirements. Subsequent to the clarification discussions, one provider was chosen as they demonstrated that they would best meet the Council's requirements.

- 4.6 Following a comparison of provider clarifications, the recommendation is to award a Contract through the ESPO framework to a single provider, Reed Specialist Recruitment, for a period of 3 years with the option to extend for a further 1 year period.
- 4.7 An overall comparison of the clarification question responses and discussions were carried out by a panel appointed by the Council from the procurement and legal teams.

## **5. CONSULTATION**

- 5.1 Consultation is key to the continued successful commissioning of services. Consultation has been undertaken with service providers and key stakeholders.

## **6. ANTICIPATED OUTCOMES**

- 6.1 The new provider will provide capacity to meet the needs and requirements of the Council for experienced and quality non-social care temporary agency workers. It is expected that the new provider, will provide the range of specialist resources that the Council believes will best achieve the necessary requirements the Council has.
- 6.2 The Council uses non-social care temporary agency workers as a contingency measure to cover periods of sickness, long term absence, or unplanned shortfall in its internal resource levels, where there are pressures on service levels during peak periods of demand or where the recruitment process is delayed. The Managed Service Provider will ensure these contingency measures are readily available.
- 6.3 All orders can only be placed in accordance with the council's Recruitment Guidance for the use of non-social care temporary agency workers. The Council will only use agency workers where there is an essential service need that cannot be covered through any other means.

## **7. REASONS FOR RECOMMENDATIONS & ANY RELEVANT BACKGROUND INFORMATION**

- 7.1 The new provider will ensure a range of essential services can be delivered by the Council and benefits of the new provider agreement include:
- i. Standardisation of the pay rates in relation to the specialist categories and skills requirements.
  - ii. Reduced cost having one provider.
  - iii. Better control of spend and clearer management information.
  - iv. Provision of non-social care temporary resources that meets the council's requirements and expectations first time every time, reducing the level of poor performance.
  - v. Improved management information supplied on a monthly basis enabling better contract management and identification of savings and service improvement.
  - vi. A more efficient and responsive ordering and hiring process. The process will comply with the contract terms and current regulations. The hiring managers must justify the use of temporary agency workers before any purchase orders can be raised.
  - vii. The Council is not liable for a minimum order.
- 7.2 The successful organisation has demonstrated their ability to support and deliver these benefits.

## **8. ALTERNATIVE OPTIONS CONSIDERED**

- 8.1 To do nothing, however this was rejected on the basis that the Council is required to maintain the continuity of the service, for reasons outlined within this report. Approval will enable the provider to provide capacity to meet the needs and requirements within the Council for experienced and quality non-social care temporary agency workers and ensure the Council continues to be deliver and support key services.
- 8.2 To call-off from an alternative government framework agreement. The Council could have called-off this requirement through other framework agreements, however those identified have not included the range of staffing roles needed by the Council.

## **9. IMPLICATIONS**

### **Financial**

- 9.1 The pricing structure is standardised, and hiring managers will be aware from the outset what the cost of the temporary resource would be in advance. The pay rates will only vary in respect of statutory charges.
- 9.2 The estimated annual spend on non-social care temporary agency workers is based upon the spend in the spend covering January to June 2016 and it is anticipated similar demand levels for the duration of this contract.

### **Legal**

- 9.3 The Local Government (Contracts) Act 1997 makes provision about the powers of local authorities to enter into contracts. Every statutory provision conferring or imposing a function on a local authority confers power on the local authority to enter into a contract with another person for the provision or making available of assets or services, or both, for the purposes of, or in connection with, the discharge of the function by the local authority.
- 9.4 The procurement of the temporary agency worker contract has been undertaken in accordance with the Public Contract Regulations 2015 through a publicly available framework.

### **Equalities**

- 9.5 Consideration was given to human rights and equalities legislation.

## **10. DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED**

None.

## **11. BACKGROUND DOCUMENTS**

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985) and The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

None.