

TERMINATION OF THE AGREEMENT FOR THE SUPPLY OF ALL THE COUNCIL'S TEMPORARY RESOURCE VIA OPUS PEOPLE SOLUTIONS LIMITED
COUNCILLOR ANDY COLES, CABINET MEMBER FOR LEGAL, FINANCE AND CORPORATE SERVICES
June 2023
Deadline date: June 2023

Cabinet portfolio holder: Responsible Director:	Councillor Andy Coles, Cabinet Member for Legal, Finance and Corporate Services Cecilie Booth, Executive Director of Corporate Services and S151 Officer
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/31JAN2023/01
Is this decision eligible for call-in?	YES
Does this Public report have any annex that contains exempt information?	NO

RECOMMENDATIONS	
The Cabinet Member is recommended to:	
1. Authorise the termination of the agreement for the supply of all the Council's temporary resource (social care and other services) between OPUS People Solutions Limited and the Council with effect from 30 September 2023.	

1.	PURPOSE OF THIS REPORT
1.1	This report is for Cabinet Member for Legal, Finance and Corporate Services to consider exercising delegated authority under paragraph 3.4.8 of Part 3 of the constitution in accordance with the terms of their portfolio.
2.	TIMESCALES

	<table border="1"> <tr> <td>Is this a Major Policy Item/Statutory Plan?</td> <td>NO</td> <td>If yes, date for Cabinet meeting</td> <td>N/A</td> </tr> </table>	Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	N/A
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3.	BACKGROUND AND KEY ISSUES				
3.1	<p>The Council commenced its contract for provision of all agency requirements (including social care and all other agency services) with OPUS People Solutions Limited on 26 May 2021 for the provision of Lot 1 – Managing Temporary Recruitment for local authorities via the YPO Framework - Managing Temporary and Permanent Recruitment (Reference 942). The contract is due to expire on 30 May 2024 and there is an option to extend the contract for a further period of 12 months. After careful consideration and analysis of the Council’s overall agency requirements, the decision has been taken to terminate the contract between the Council and OPUS People Solutions Limited.</p> <p>The Council has reviewed their agency procurement approach and going forward wish to offer three different routes that they believe better meet the Council’s requirements. This approach will mean that there is one generic route to market for all services with separate specific routes for both Social Care and the specialist care needed for Clare Lodge. By way of the future procured solution, it is anticipated that OPUS will still play an important role in provision of the Council’s agency staff specifically within the Social Care requirements.</p> <p>The new way forward could reduce the fees charged by Opus because they would provide a Master Vendor offering instead of MSP+. Also, the new arrangement will be appointed in the main through ESPO so the Council will receive a rebate from ESPO, which it is not presently getting. MSTAR4 also identifies savings target with gainshare opportunities which will be investigated further.</p>				
4.	CORPORATE PRIORITIES				
4.1	<p><i>Consider how the recommendation links to the Council’s Corporate Priorities:</i></p> <ol style="list-style-type: none"> 1. <i>The Economy & Inclusive Growth</i> 2. <i>There will be no change to the carbon impact on the council or city as the proposal is to terminate an existing contract and procure a new solution. Our Places & Communities</i> <ul style="list-style-type: none"> • <i>Achieve better outcomes for the council’s agency provision.</i> 3. <i>Prevention, Independence & Resilience</i> 4. <i>The procurement of separate routes for Social Care, all other services and the specialist care needed for Clare Lodge will offer a more effective and resilient agency provision. Sustainable Future City Council</i> <ul style="list-style-type: none"> • <i>The new approach will allow greater flexibilities and efficiencies in how recruiting managers engage social care and all other services agency resources.</i> <p><i>Further information on the Council’s Priorities can be found here - Link to Corporate Strategy and Priorities Webpage</i></p>				
5.	CONSULTATION				
5.1	The contractor, Procurement, Legal and Finance. The end users have also been consulted to ascertain the level of requirement they will have in the future.				

5.2	The recommendation has been considered by the Corporate Leadership Team.
6.	ANTICIPATED OUTCOMES OR IMPACT
6.1	To align with the contract's termination date, the Council shall procure three lots using the most appropriate procurement route. The three lots are: (i) social care; (ii) all other services; and (iii) Specialist care for Clare Lodge. The procurement routes for each specific lot will be through compliant existing frameworks available for use by the Council.
7.	REASON FOR THE RECOMMENDATION
7.1	<p>The Council's annual spend on temporary agency workers, both social care and all other services has reduced in recent years, but there is still a requirement for provision of a temporary agency worker across the businesses and specialist care for Clare Lodge.</p> <p>The new approach will allow recruiting managers to have more flexibility when procuring agency staff and remove the cost of using a Master Service Provider Plus (MSP+). The specialist care for Clare Lodge has always been difficult to procure but compliant arrangements will be put in place via a Crown Commercial framework. It is proposed that OPUS will be appointed via a framework and continue to provide social care staff which will also provide continuity with the existing agency staff we employ through the existing OPUS arrangement. Other agency requirements will be procured using the ESPO framework.</p>
8.	ALTERNATIVE OPTIONS CONSIDERED
8.1	<p>Option 1 Maintain Status Quo – Continue with OPUS Contract however, this was discounted as it was not meeting all the Council's agency staff requirements.</p> <p>Option 2 Exit Opus using Break Clause and use an alternative Framework (ESPO/CCS/YPO) via direct award. Whilst procurement would be quicker via direct award, it would still require a high level of procurement resource and potentially the addition of a specialist category manager and associated additional costs.</p> <p>Option 3 Exit Opus using Break Clause and use an alternative Framework (ESPO/CCS/YPO) via mini competition. Each procurement would be managed by procurement department and would result in a high level of procurement resource.</p> <p>Option 4 Exit Opus using Break Clause and complete open procedure in accordance with PCR 2015 for a local framework with appropriate lots. This would require a consultant and high level of business input to develop the detailed specification. It would also require a named contract manager to ensure good supplier performance of the resulting framework.</p> <p>Option 5 Exit Opus using Break Clause and appoint another managed Master or Neutral vendor. Fees would be applied for the finder service, which would result in the arrangement we have today and not give the Council the specific arrangements they need to meet their agency staff requirements.</p> <p>Option 6 Exit Opus using Break Clause and procure three lots using the most appropriate procurement route. The three lots are: (i) social care; (ii) all other services; and (iii) Specialist care for Clare Lodge giving the Council a better way of meeting the individual specific agency staff needs for the three different areas and minimise the procurement resource requirement. RECOMMENDED</p>

9.	IMPLICATIONS
	Financial Implications
9.1	This recommendation could reduce the fees charged by Opus because they would provide a Master Vendor offering instead of MSP+. Also, the new arrangement will be appointed in the main through ESPO so the Council will receive a rebate from ESPO, which it is not presently getting. MSTAR4 also identifies savings target with gainshare opportunities which will be investigated further.
	Legal Implications
9.2	In accordance with clause 48 of the contract, the Council has the right to terminate the contract at any time by giving three months' written notice. Under the break clause, the Council shall indemnify OPUS against any commitments, liabilities or expenditure which would otherwise represent an unavoidable loss to them by reason of the termination of the contract, provided that OPUS takes all reasonable steps to mitigate such loss.
	Equalities Implications
9.3	None.
10.	DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED
10.1	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.
11.1	None.
12.	APPENDICES
12.1	None.