

REVENUE INVESTMENT BUSINESS CASE

Procurement of the Contract for the Provision of Agency Workers, Interims, Consultants and Executive Search



EXECUTIVE SUMMARY

The Executive Summary is a short summary of the Business Case and should be the last section you complete, this will enable you to extract or only the key facts from relevant sections i.e. 'project on a page'. The summary is a 'snapshot' of the business case which will need to tell the story and sell the proposal.

This report sets out the proposal for the re-procurement of the agency worker contract and seeks approval to procure a new contract prior to the end of the current contract delivered by Pertemps which expires on 30 September 2022.

The Council's current agency worker spend, both on and off contract, is estimated at around £7 million per year and is increasing due to a number of strategies concurrently in process, in support of our transformation programmes as well as the Council's response to the COVID-19 pandemic. The Council wishes to ensure that any new arrangement in place is of suitable quality and is a cost effective provision for contingent resourcing and executive search wherever needed.

The proposal is for a new contract for an initial period of three years with the option to extend for up to a further one year, with a total estimated maximum value of £30m approx.

The new contract is recommended to be a change to the current contract's model, moving from a Master Vendor contract to a Vendor Neutral contract to open up the supply base and access the widest possible skillset for the wide range of skills required at PCC.

Temporary agency workers are an important part of the Council's workforce and help to ensure resilient and flexible service delivery. This enables the Council to ensure resources are in place where required to cover short term, statutory or specialist requirements and continue to deliver high quality services thereby meeting internal departmental needs and ultimately those of the Council's customers and residents.

SECTION I: PROJECT DETAIL

Project Value (indicate capital or revenue)	Estimated £30,000,000 Revenue over 4 years	Contingency (show as £ and % of project value)	N/A
Directorate	Customer and Corporate Services	Department	HROD
Portfolio Holder	Cabinet Member John Riley	Strategic Director	Andy Ralphs
Senior Responsible Officer (client)	Kim Brown	Project Manager	Polly Colville

Current Situation:

Temporary agency workers are an important part of the Council's workforce. The use of temporary staff enables the Council to operate without interruption to service levels, ensuring resilience and service continuity. There always will be a corporate requirement to engage temporary workers for a number of reasons:

- to cover for vacancies pending recruitment
- to cover for planned or unplanned absence (e.g. sickness or maternity)
- to cover for filling a post pending a restructure/reorganisation

- to ensure statutory guidelines are met in certain social care roles
- to cover for peaks in demand
- to deliver time-limited projects where capacity and/or skills base does not exist internally

The Council engaged in a Master Vendor Contract with Pertemps in 2006 to supply temporary resource to the Council's workforce. Prior to this contract the Council had more than 50 suppliers of agency workers and no control or visibility of expenditure.

The contract was re-awarded to Pertemps in 2010 following a full tender process and extended until September 2017. A further contract was awarded under the Yorkshire Purchasing Organisation ("YPO") which commenced on 1 October 2017 for an initial period of one year, and with the option to automatically renew for a further three years. However a review was delayed by the COVID-19 pandemic and was further extended until 30th September 2022 in accordance with the provisions of the Public Contract Regulations 2015.

Current service provision

The Pertemps contract is used throughout the Council by managers engaging temporary workers. Information on hiring patterns for the last calendar year (October 2020 to September 2021) on contract) is shown below:

Directorate (Subtitled Division)	Head count
Children's Services TOTAL	173
Children, Young People and Families	73
Education, Participation and Skills	100
Customer and Corporate Services TOTAL	77
Customer Service and Service Centre	20
Digital and Customer Experience	25
Financial Planning and Reporting	1
Human Resources & Organisational Development	29
Human Resources and Organisational Development	2
Executive Office TOTAL	9
Legal Services	7
Policy and Intelligence	1
Public and Partner Relations	1
Finance TOTAL	1
Procurement Service	1
People TOTAL	23
Strategic Co-operative Commissioning	23
Place TOTAL	204
Economic Development	47
Street Services	157
Public Health TOTAL	59
Civil & Disease Protection and Environmental Health	1
MDT1	11
MDT2	2
MDT3	29
MDT4	2
Operations and Development	14
Grand Total	546

Proposal:

The proposed contract for services has a value in excess of the EU threshold for services and so the procurement process will need to comply with the Public Contracts Regulations 2015 and the Council's own governance processes on procurement and contracts.

It is proposed that the Council procures a Vendor Neutral Managed Service via entering into a mini competition through the YPO National Framework for Temporary Agency Managed Services. As the contract is governed by a framework, the next contract will be for a maximum term of four years (an initial period of three years with the option to extend up to one further year). The proposed contract term is in line with industry standards and provides enough time for the successful supplier to embed their service and gain a reasonable return on that investment, whilst allowing the Council the agility to react to market changes.

The service will be for the supply of agency workers across all categories of staffing (except Schools) and will include engaging contractors who are both deemed employed and self-employed for the purposes of tax and IR35. It is also proposed that the mini-competition process includes additions to the contract which currently do not exist in the Pertemps contract:

- The Council will look to include a 'Payroll Only' or 'Referral' service, where the MSP will either directly pay or nominate an agency to pay candidates that are known to officers of the Council and are therefore 'referred'. It is expected that the fee for this will be greatly reduced as the 'introduction' aspect of the hiring process is eliminated having been sourced by the Council.
- The Council will look to include a provision for Statement of Works contracts through the MSP, to deliver time-limited outcomes based contracts for PSCs and consultancy agreements.
- The Council will look to include an Executive Search category for Senior and Chief Officers (permanent and fixed term).

It is imperative that the services bought must give value for money against public spend but at supply chain rates (agency fees) the market can sustain.

Future service provision

Through discussion with key stakeholders across the Council, a set of principles has been developed for assessing any future service models:

Ability to source high quality resource across a wide range of council services –to ensure high quality provision across all Council services

Provides flexibility/experience to fill project/specialist/senior roles –to build on the benefits derived from an integrated approach to resourcing executive and project roles and be able to respond to changing needs

Supports greater transparency – a robust contract management model based on accurate and timely data that ensures accountability of supply chain and benchmarks against the wider market

Provides Value for Money and supports control over spend – to ensure controls are in place to manage spend and decision making

Customer-focused – dedicated support to hiring managers, adequate quality assurance processes and issue resolution

Supports local employment and growth – actively supports local employment and enables the Council to identify target groups to promote opportunity for local communities

Partnership approach to managing market and demand – to support active market management and act as a market disruptor where necessary

Continuously innovating/developing – best use of emerging technologies and industry best practice.

Why is this your preferred option:

After an internal review a number of common themes of feedback with the current service were raised. They are:

- The Pertemps contract continues to be an effective service for temporary general staffing roles
- The Pertemps team are helpful
- Roles of a more specialist nature are much more challenging to fill
- The contract is currently limited in scope and needs broadening to fill the wide base of skillsets needed in the Council

Throughout the consultation process it became apparent that in order to fill vacancy gaps in more specialist areas, departments were engaging consultancy agreements in order to obtain the skills needed.

By carrying out a market engagement exercise it became apparent that the model best placed to provide the most commercially adaptable service was the Vendor Neutral model, which unlike a Master Vendor model, simply operates a dynamic purchasing system of agencies negotiated to a lower mark-up than would be achieved directly with the agency. As this model service does not prefer any staffing from the awarded managed service provider, a wider base of suppliers in specialist areas are procured which accesses a wider candidate pool than a Master Vendor.

Description of models:

Service Model	Short Description	Ranking
Vendor Neutral Managed Service (VN)	Procurement service contracting with supply chain of agencies who bid CVs against roles with no preferential treatment of any agency	1 st (Recommended option)
Master Vendor Managed Service (MV)	Service pitching managing company's candidates (directly or via an affiliated group of agencies) either entirely or by way of time-lapse or category, before a 2 nd tier of contracted agencies pitch	2 nd (Incumbent model)

Key advantages and disadvantages of the two main models below:

Model	Advantages	Disadvantages
Master Vendor	<p>Works in partnership with the Council, often offering a more integrated service as they are incentivised to learn the organisation in order to have the best chance of filling orders by their own company brands.</p> <p>Account management often standardly involves sifting CVs taking the first sift burden off the hiring manager.</p> <p>If Pertemps are retained under a MV model, then there will be minimal investment in implementation, and the infrastructure is already in place.</p> <p>Master Vendors have been known to provide things like PPE in certain roles and accept filling 1-2 hour shifts (which is in the most part not commercially viable for them). Neutral vendors do not have the commercial model to be able to deliver this.</p>	<p>Off contract spend can increase if the MV is unable to meet demand/exacerbated by lack of visibility of second tier suppliers.</p> <p>Often MVs do not adhere to the contractual time limits of releasing an order to the supply chain, due to their own attempts to fill the role by in-house brands.</p> <p>Can limit talent if other agencies are not prepared to work with the MV/MV is not prepared to contract with supply chains</p> <p>MVs often try and keep the supply chain limited as their effort is to fill orders themselves. This can limit supply and cause frustration when there are</p>

		<p>specialist roles that aren't affectively filled by the traditionally smaller supply chain.</p> <p>Traditionally can be a more expensive model, as their service is high-touch in many cases employing multiple people dedicated to an account in order to fulfil the wide variety of orders a Council will place</p>
<p>Vendor Neutral</p>	<p>As a neutral vendor they act as a single point of contact with no affiliation or interest in any one supplier.</p> <p>Suppliers operate on an equal playing field and are performance managed so the best performing agencies get the first bid at orders that are released, as opposed to preferring affiliated supplier brands.</p> <p>There is more flexibility with a NV contract as the service provider will reach out to any agencies required by the council in order to fill the council's needs.</p> <p>Potentially wider scope of workers via a wider range of specialist agencies.</p> <p>Often a lower-cost model as by nature is lower touch.</p> <p>The main large NV companies own their own technology, this allows flexibility in how that system will work for any particular client. It also allows for consistent innovation and development that each client benefits from.</p> <p>The main large NV companies also have a consultancy provision allowing payment and in some cases management of statement of works contracts as a bolt on to their standard service, allowing a quick an easy procurement function for consultancy agreements.</p> <p>NVs often have a more flexible service giving more control to the Council as to which agencies they want on the supply chain, due to the fact there is no affiliation with any particular agency.</p>	<p>NV contracts usually take longer to embed from a client with an incumbent MV as it takes a few months for the wider supply chain to understand a client, and therefore be trained in the governance procedures.</p> <p>It also usually takes a few months to train the wider supply chain to not send through irrelevant CVs, and requires significant effort from the hiring community to engage with the supply chain (through the NV technology).</p> <p>No longer have one single point in the city recognised as the agency supplying temporary workers for PCC.</p> <p>NVs are by nature low-touch and geared towards a 'self-serve' culture of hiring. This will involve a sizeable cultural shift from the high-touch service Pertemps has provided the Council for 15 years.</p> <p>NVs are unable to provide PPE for certain roles and will struggle with filling short shifts as there is no bigger picture from the procured agencies to take a potential financial hit on providing these when they may only have lower graded general staffing workers to provide (and therefore lower margins).</p> <p>There is a risk that if a VN provider was awarded, Pertemps as an agency would choose to stop providing workers (as is their right) to the Council therefore leaving a notable risk in supply as a brand new supply chain learns the Council's needs.</p>

Additionally, because the Vendor Neutral model is more flexible and leans to be more of a 'self-serve' model, it makes room to be able to make savings on like-for-like spend.

Option Analysis:

Do Nothing Option

Do not re-procure the contract.

List Benefits:

Would save considerable effort on officer time.

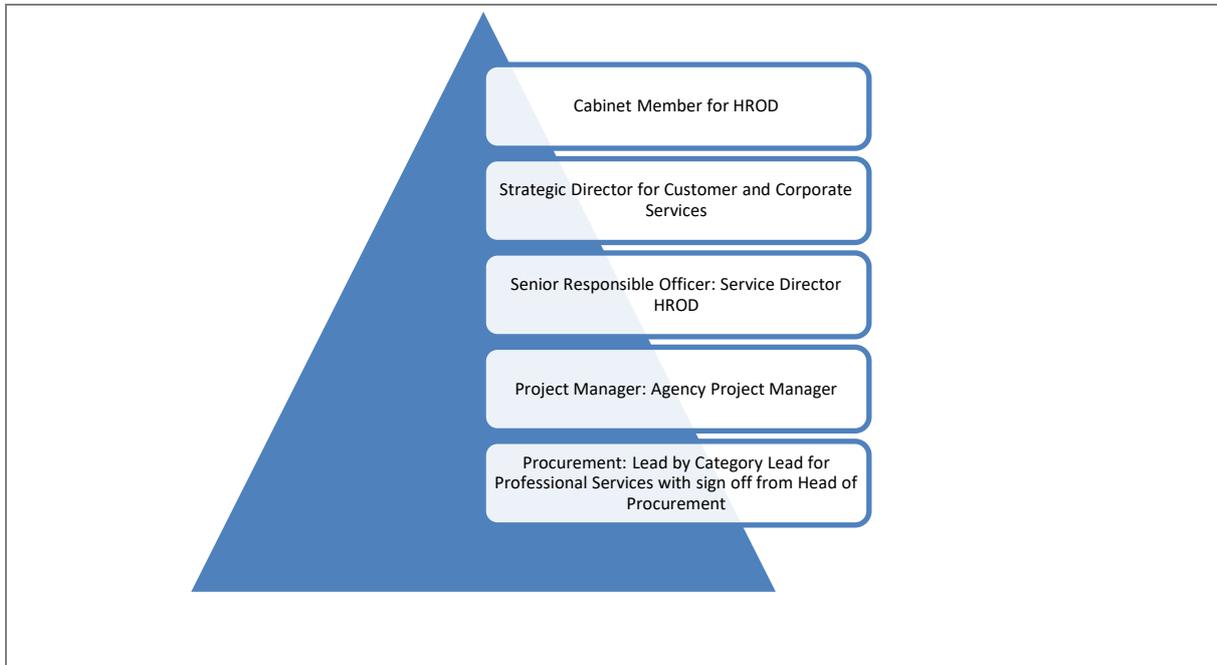
List Risk / Issues:	We would not be complying with the procurement regulations. As we are currently in a call of contract of a National Framework (YPO), this means that the contract term is limited to 4 years. We will have exceeded this at the point of expiry in September 2022. We also would not address the common issues expressed by multiple service users that the current contract is too limited in scope, particularly with specialist skillsets required for the diverse needs of the Council.
Cost:	From doing some financial analysis on what we currently spend to some market analysis, there is an opportunity to save money on our current contract of at least £150k per year
Why did you discount this option	Is not a legally viable option. There are also more significant and fundamental basics of the Council's approach to temporary labour that need improvement that a procurement exercise will address.
Do Minimum Option	Procure another Master Vendor Contract from a national framework such as YPO or MSTAR.
List Benefits:	The type of service is already familiar to the Council therefore minimum training would be needed into how the service works.
List Risk / Issues:	Whilst this option is still a viable one, it would not address the crux of the issues raised by the consultation process, in that a Master Vendor contract is less flexible than a Neutral Vendor contract therefore limiting PCC's ability to bring in different types of resourcing via alternative methods. The other major risk is that it is likely that no savings would be created from moving to another Master Vendor contract.
Cost:	Likely to be equivalent or higher than proposed option
Why did you discount this option	By adopting the same model that has been in place for the last 16 years, will not address the main issues with the current service.
Viable Alternative Option	To go out with no model in mind, was considered
List Benefits:	Investigation and scoping was done into looking to go to the market with no specific model identified. This was to counter the risk of changing model and to access the widest scope of managed service provider available.
List Risk / Issues:	However, from doing some market engagement, the suppliers that operate on a more hybrid model are often more expensive than a vendor neutral option as they add manpower to be able to fill a wide variety of roles. A change in model will require organisational behavioural change, and there are case studies from vendor neutrals that they will be able to supply in these areas – just by a multitude of agencies, as opposed to supply from one. There is a possibility that in these categories the agency fee might increase from what we are paying at the moment, however, the vast majority of the contract will mostly likely gain savings swallowing that increase up into an overall saving.
Cost:	Potentially a greater cost from bidding suppliers.
Why did you discount this option	If savings are to be created from the new contract, PCC needs to move to a low-touch self-serve model. There is a role that will be created in HR to assist hiring managers in the change of model.
Make or Buy Assessment	Bring the service in-house
List Benefits:	As a result of a 'Make or Buy' assessment it is considered whether an outsourced service provision would best deliver the intended outcomes and ensure a quality service in the short to medium term.

	The way current innovation is going in the industry, many MSP suppliers own their vendor management system which makes development of a user friendly self-sufficient system more attractive for them to sell either as part of the service, or as seen more recently as a self-contained 'technology only' offering. Several Local Authorities around the country have moved to bringing the service 'In-House' and therefore simply license an MSP's system. In order to develop a commercially sustainable internal model, it would be advisable to assess the viability of adopting this model and bringing the service in-house for the next opportunity of contract.
List Risk / Issues:	Resourcing costs would increase as would costs for licensing appropriate software. There is a risk that without the reputational standard that service providers in the market have in this area, the negotiated rates would not be as beneficial and would possibly take some time to gain such credibility
Cost:	Substantially increased resourcing costs and cost of licensing software
Why did you discount this option	Time limitations have prevented this from moving forward. It is anticipated that a good 18 months would be needed to properly investigate, procure, resource and implement such a new model. It would take 1-2 years to embed the contract credibly in the market place.

Strategic Case:	
Explain how the project delivers or supports delivery of Corporate Plan, Joint Local Plan/Plymouth Plan Policies	The temporary labour contract supports the delivery of the entire Corporate Plan as well the Joint Local Plan/Plymouth Plan Policies by ensuring the Council has a suitable workforce and helps to ensure resilient and flexible service delivery. This contract enables the Council to ensure resources are in place where required to cover short term, statutory or specialist requirements and continue to deliver high quality services thereby meeting internal departmental needs and ultimately those of the Council's customers and residents.

Project Scope: <i>(To avoid scope creep and cost escalation it is important to have an agreed scope of what the project will and will not deliver. List below what is included and not included in the project 'budget'. Projects should be delivered within scope and budget, but should project change happen then the business case requires revisiting, updating and re-approval)</i>	
In Scope	Out of Scope
All staffing across general and specialist staffing. Interims and consultants. PSCs out of scope of IR35. Executive search for permanent and fixed term senior and chief officers.	Schools staff, care packages, some leisure sole traders.

Project Governance : <i>How the project delivery is structured (amend example chart as appropriate)</i> <i>High Risk Projects will require a Project Board Chaired by Portfolio Holder</i> <i>Low Risk Projects will require a structured Project Team reporting to Portfolio Holder</i>
The temporary labour re-procurement is a low risk project, and we are proposing the following governance structure:



Milestones and Date:		
Contract Award Date	Contract Commencement Date	Contract Completion Date
1 st April 2022	1 st October 2022	30 th September 2025 with option to extend for 1 year

Who are the key customers and Stakeholders	Hiring managers across the Council	Which Partners are you working with	N/A
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SECTION 2: PROJECT RISK, OUTCOMES AND BENEFITS

Risk Register: *The Risk Register/Risk Log is a master document created during the early stages of a project. It includes information about each identified risk, level of risk, who owns it and what measures are in place to mitigate the risks (cut and paste more boxes if required).*

Potential Risks Identified		Likelihood	Impact	Overall Rating
Risk	No bidders	Low	High	Low
Mitigation	By accessing a National Framework (YPO), there are already bidders successfully operating and able to bid. A market engagement exercise has been undertaken and there are bidders who have expressed interest.	High	High	High
Calculated risk value in £ (Extent of financial risk)	£N/A	Risk Owner	Polly Colville and Kim Kingdom	
Risk	Winning bidder is more expensive than incumbent.	Medium	High	Medium
Mitigation	By accessing a National Framework, there are caps to pricing in all categories of staffing. There are Neutral Vendors who are expected to bid who are already at a lower cost than what we are paying at the moment. Where there are higher prices, we can either cap in the specification or they will be swallowed up by the other categories where there is an expected reduction.	Medium	Medium	Medium

Calculated risk value in £ (Extent of financial risk)	£ N/A	Risk Owner	Kim Brown		
Risk	A change in model will cause operational disruption		High	Medium	Medium
Mitigation	There will be a full implementation plan including a communications plan and a training plan in to the suppliers system (if Pertemps are not awarded). There are also plans for an internal policy that will help navigate the new processes and a IFTE in HR to help managers.		High	Medium	Medium
Calculated risk value in £ (Extent of financial risk)	£ N/A	Risk Owner	Kim Brown		
Risk	Resourcing from internal teams. There are resourcing pressures in internal teams which may cause the project timelines to creep. Consultant engaged is only here for a few months.		High	High	High
Mitigation	Raised awareness at CMT and had internal discussions. Accessing increased support from YPO with the procurement exercise to assist at no extra cost. Using a framework which already has documents such as Ts & Cs and template Specification and SLA to assist.		High	High	High
Calculated risk value in £ (Extent of financial risk)	£N/A	Risk Owner	Kim Brown		

Outcomes and Benefits

List the outcomes and benefits expected from this project.

(An **outcome** is the result of the change derived from using the project's deliverables. This section should describe the anticipated outcome)

(A **benefit** is the measurable improvement resulting from an outcome that is perceived as an advantage. Benefits are the expected value to be delivered by the project, measurable whenever possible)

Financial outcomes and benefits:

Data financial analysis has indicated that savings are anticipated at approximately £150K per year on a Vendor Neutral contract based on current volumes. This is based on call-off contract rates for some of the suppliers available on the YPO framework and already anticipates areas of spend where the category rate may increase

Savings will be created from adding competition to a Statement of Works model, allowing the Council to accept bids for consultancy pieces of work outside of IR35.

Further savings are anticipated from specifying a 'Payroll Only' or 'Referral' service where Council officers know an interim/consultant capable of delivering a piece of work, and eliminates the 'introduction fee' element of the agency fee

Non-financial outcomes and benefits:

By adopting a Vendor Neutral contract it will give the opportunity to open up supply to a wider base of suppliers and therefore a wider base of candidates particularly in more specialist and hard-to-fill roles

Vendor Neutral contracts tend to be more flexible to a client and places more service control on how the contract should be run with the Council.

Vendor Neutral contracts have adapted their models to already include elements such as a Statement of Works provision and allowing bids for consultancy agreements

As the service is lower-touch the concentration of effort from a Vendor Neutral is often placed on developing technology, the Vendor Management System, that is easy to use and flexible to the needs of the client organisation

Savings should be created by bringing the Executive Search for Permanent and Fixed Term Senior and Chief officers by adding an element of bidding competition to this process.	Reporting from the Vendor Management System and a role created in HR will support more transparent management information and more robust demand and contract management.
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SECTION 3: CONSULTATION

Does this business case need to go to CMT	Yes	Date business case approved by CMT (if required)	25 th January 2022 (am)
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Have you engaged with Procurement Service?		Yes
Procurement route options considered for goods, services or works	<p>In accordance with The Public Contract Regulations 2015 and the Council's internal Contract Standing Orders the following Procurement route options have been considered:</p> <p><u>Formal Tender Procedure as defined under The Public Contracts Regulations 2015</u></p> <p>This opportunity would be nationally advertised and any interested supplier would be able to submit a response</p> <p>The benefits of this route include:</p> <ul style="list-style-type: none"> • ability to tailor the procurement to all the specifics required and wanted for in the future service • PCC would have ultimate control over the process • The opportunity would be widely advertised increasing the level of competition resulting in likelihood of more competitive tender • Alleviate framework fees that each of the national frameworks charge each client (in both national frameworks this is 1 pence per timesheet-hour). The Council would be paying around £2500-3000 per year to the framework. <p>However the drawbacks of this route are:</p> <ul style="list-style-type: none"> • Would be expensive to run for both PCC and the suppliers • would be considerably more time-consuming- procedures must meet strict minimum regulatory timescales • would require more substantial internal resource to develop and manage the full process; all documents must be created from scratch • High level of compliance required- legal challenge a significant risk • Suppliers can reject any/all elements of the procurement • Unknown quantity of responses to evaluate • Need to assess supplier suitability <p><u>Direct Award under a framework</u></p>	

Award a contract directly to a framework supplier

The benefits of this route include:

- Compliant with regulations
- Supplier suitability already assessed
- Lowest cost activity
- Enjoy economies of scale inherent in using a national framework
- Fastest process
- Set rates
- Framework templates available
- Some documents already agreed e.g. Terms and Conditions
- Framework provider support
- Known quantity to evaluate

However the drawbacks of this route are:

- Specification restricted by framework scope
- Unable to amend set documents e.g. Terms and Conditions
- Set processes limited/no flexibility
- Direct award supplier(s) often prescribed
- Often unable to meaningfully assess direct award supplier
- No further competition or ability to negotiate price-set rates only
- Some frameworks charge customers for usage
- Supplier framework fee will be built into tender price
- Risk of supplier challenge- e.g. buy local agenda
- Potential value restrictions

Run a further competition under a framework

Run a competitive process under a framework

The benefits of this route include:

- Compliant with regulations
- Supplier suitability already assessed
- Low cost activity
- Enjoy economies of scale inherent in using a national framework
- Fast process
- Maximum capped rates set
- Drive rates down further through competition
- Framework templates available
- Some documents already agreed
- Framework provider support
- Known quantity to evaluate

However the drawbacks of this route are:

- Specification restricted by framework scope

	<ul style="list-style-type: none"> • Unable to amend set documents e.g. Terms and Conditions • Set processes- limited/no flexibility • Competition limited to suppliers on framework • Some frameworks charge customers for usage • Supplier framework fee will be built into tender price • Risk of supplier challenge- e.g. buy local agenda • Potential value restrictions
Procurements Recommended route.	<p>The recommended route is to run a mini-competition against the Yorkshire Purchasing Organisation 'YPO's "Temporary Resourcing for Local Authorities" National Framework.</p> <p>The benefits of running a procurement via a framework far outweigh the drawbacks and running a further competition rather than a direct award enables the Council to introduce an element of competition to the process which should deliver best value for money.</p> <p>There are two main national Frameworks available:</p> <ul style="list-style-type: none"> • Yorkshire Purchasing Organisation 'YPO's "Temporary Resourcing for Local Authorities" National Framework; and Eastern Shires Purchasing Organisation 'ESPO's' Managed Services for Temporary Agency Resources 'MSTAR' National Framework. <p>Both Framework options are very similar and either are a viable option, however YPO are already incumbent at Plymouth therefore familiar and they also provide a more extensive support service during the further-competition that the council could benefit from when resources are stretched.</p>
Who is your Procurement Lead.	Kim Kingdom
Which Members have you engaged with and how have they been consulted <i>(including the Leader, Portfolio Holders and Ward Members)</i>	<p>Nick Kelly. Meeting with presentation attended by Nick Kelly, Andy Ralphs and Polly Colville</p> <p>John Riley. Briefing meeting attended by John Riley, Andy Ralphs and Polly Colville. Presentation emailed.</p>
Confirm you have taken necessary Legal advice, is this proposal State Aid compliant, if yes please explain why.	Yes- The proposed contract is being competitively procured in line with the Public Contract Regulations 2015.
Who is your Legal advisor you have consulted with.	Mohammed Sajjad

Equalities Impact Assessment completed (This is a working document which should inform the project throughout its development. The final version will need to be submitted with your Executive Decision)

Yes

SECTION 4: FINANCIAL ASSESSMENT

FINANCIAL ASSESSMENT: In this section the robustness of the proposals should be set out in financial terms. The Project Manager will need to work closely with the capital and revenue finance teams to ensure that these sections demonstrate the affordability of the proposals to the Council as a whole.

The last five financial years of spend through the Pertemps Contract are:

Year	Annual Agency Spend	Average Number of Active Placements per month
2016/17	£7,404,081.77	794
2017/18	£5,553,675.68	345
2018/19	£4,817,345.76	308
2019/20	£3,826,121.16	232
2020/21	£3,555,780.09	237
2021/22	£5,941,644.76*	375**

* Projected data for full year spend as at September 2021 (includes estimated £100-120K on COVID response roles)

** Number of placements as at end September 2021

Based on analysis of the market rates, it is anticipated that the equivalent spend of the last calendar year could have been around £150k less in a re-procured contract. However it must be acknowledged that the rates are already low in the current contract and the bulk of the £150k saving is based on challenging some higher costed categories and bringing off contract resource into the next contract. There is little more wiggle-room to get out of the market without affecting quality, therefore a Vendor Neutral contract would open a risk of supply in certain areas of staffing.

In addition the Council has spent around £1.3m on temporary workers outside of the Pertemps Contract (which would have been at a better value for money on contract).

It has come to light that there are departments in the Council that are engaging consultancy agreements to cover vacancy gaps in the department. It appears this has come about through both permanent recruitment difficulty and agency worker recruitment difficulty. This approach whilst will deliver what is needed, is the most expensive way to plug the vacancy gap.

There has also been a number of Senior and Executive Recruitment campaigns led by agencies. Approximately four senior appointments have been made in this financial year so far and the council has ultimately spent around £60-80K for this service. Adding this provision to the agency worker contract would challenge companies that have the market share and open up healthy competition to harness the best value for money within this area.

FUTURE FUNDS – Temporary staffing will continue to be covered by existing staff budgets, but will be governed and controlled by internal governance procedures.

SECTION 5: MONITORING PERFORMANCE & POST PROJECT REVIEW

To conclude, the purpose of a business case is to outline the business rationale for undertaking a project and to provide a means to continually assess and evaluate project progress throughout delivery. It is the responsibility of the project manager to ensure the project remains on time and within budget during delivery and to monitor the project throughout and provide a Post Project Review on completion.

Project Team Monitoring:

Project monitoring will be led by the Project Manager up to and including contract mobilisation at which point contract management will be handed over to the HROD department and transition to a business as usual activity.

During the procurement process the Project Manager in collaboration with the Procurement Service will regularly provide updates to the Senior Responsible Officer and briefings will be provided to the Strategic Director as and when requested.

Finance Monitoring :

There are no revenue finance costs (other than Officer time) to be monitored during the re-procurement however once the contract commences, contract spend will be closely monitored by the HROD department in collaboration with Finance.

Version Control: *(The version control table must be updated and signed off each time a change is made to the document to provide an audit trail for the revision and update of draft and final versions)*

Author of Business Case	Date	Document Version	Reviewed By	Date
	00/00/2020	v 1.0		00/00/2020
	00/00/2020	v 2.0		00/00/2020
	00/00/2020	v 3.0		00/00/2020
	00/00/2020	v 4.0		00/00/2020
	00/00/2020	v 5.0		00/00/2020

SECTION 6: RECOMMENDATION AND ENDORSEMENT

Recommended Decision

It is recommended that the Leader of the Council:

- Approves the Business Case

[Name, Portfolio]		Service Director	
Either email dated:	<i>date</i>	Either email dated:	<i>date</i>
Or signed:		Signed:	
Date:		Date:	
		Service Director	
		<i>[Name, department]</i>	
Either email dated:	<i>date</i>	Signed:	
Date:		Date:	