

# Cabinet



Date of meeting:	08 February 2022
Title of Report:	<b>Procurement of the Contract for the Provision of Agency Workers</b>
Lead Member:	Councillor John Riley (Cabinet Member for Governance, HR, IT & Community Safety)
Lead Strategic Director:	Andy Ralphs (Strategic Director of Customer and Corporate Services)
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Your Reference:	
Key Decision:	No
Confidentiality:	Part I - Official

## Purpose of Report

To seek the agreement of Plymouth City Council Cabinet to the recommendations in the Business Case for the Procurement of the Agency Worker Contract. The Business Case seeks approval to operate a mini-competition against the Yorkshire Purchasing Organisation's (YPO) framework for Temporary Agency Resourcing for Local Authorities, for a Vendor Neutral contract.

## Recommendations and Reasons

It is recommended that Cabinet:

1. Approves the Business Case and in particular the procurement exercise being a mini-competition against the YPO framework for Temporary Agency Resources for Local Authorities to the value of £30 million over 4 years (3 + 1).
2. Approves the change in model from the incumbent Master Vendor contract to a Vendor Neutral contract
3. Approves the additions to the scope of the contract.
4. Delegates the award of the contract to the Strategic Director of Customer and Corporate Services.

## Alternative options considered and rejected

4 options considered and rejected:

**Option 1 – Do Nothing** – Not an option due to the fact that the contract has been extended beyond its natural Framework term of 4 years. Contract expires 30<sup>th</sup> September 2022 and a new contract must be procured by then.

**Option 2 – Procure another Master Vendor Contract** – Whilst this is a viable option, it would not address the concerns and issues raised in the consultation process in that Specialist and Senior resource could potentially struggle as Master Vendor's limit the supply chain in order to try and fill roles in the first instance from their own group brands. It would also likely to come in at a similar or increased cost making it unattractive.

**Option 3 – Procure with no specified model** – This was a close second as it would open up bidding to more suppliers. It was discounted due to the fact that we would open PCC up to increased costs more than any other issue.

**Option 4 – Bring the Provision of Agency Workers In-House** – More managed service providers are now offering the licensing of their system for this purpose. There are varying packages available. Whilst this is a long term viable option to consider in the next few years, it would take too much resource and up-front cost to be a viable option in the short term. There are time limitations to the procurement of the next contract which made this option impossible.

### **Relevance to the Corporate Plan and/or the Plymouth Plan**

The temporary labour contract supports the delivery of the entire Corporate Plan as well the Joint Local Plan/Plymouth Plan and ensures that the Council has a suitable workforce with the right skills as well as providing resilience 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.

### **Implications for the Medium Term Financial Plan and Resource Implications:**

In the short term there would be an embedding period where there may be sustained costs in certain categories of staffing. However, after the contract is embedded there would be savings estimated at around £168K per year based on current hiring volumes however this is not factoring in additions to service which would create savings against areas like consultancy agreements and Executive Search. There are further potential savings after the contract embeds with new ways of working through a tightened policy around hiring agency workers due to be implemented at the same time as the contract. There is a proposal for an additional resource in HR to assist with the roll out and management of the contract and policy, to enhance demand management and tighten corporate control.

### **Financial Risks**

Temporary staffing will continue to be covered by existing staff budgets and in some instances may exceed staff budgets due to market rate inflation, but will be governed and controlled by internal governance procedures.

### **Carbon Footprint (Environmental) Implications:**

The Service Provider's vendor management system will be online which reduces the use of paper. Information technology will be further enhanced through the contract and in doing so will reduce the carbon footprint

### **Other Implications: e.g. Health and Safety, Risk Management, Child Poverty:**

*\* When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.*

There will need to be some internal change management to embed the contract affectively, to ensure robust demand and contract management. The roll out of a Hiring & Managing Agency Workers Policy will assist in the process along with a Contract Manager in HR who will act as an expert in this subject. There are further Social Value implications in that the contract will endeavour to engage with local agencies for the supply chain, as well as aspiring to hire from the local community.

## Appendices

\*Add rows as required to box below

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable)						
		If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.						
		1	2	3	4	5	6	7
A	Business Case for Agency Worker Contract							
B	Equalities Impact Assessment							

## Background papers:

\*Add rows as required to box below

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable)						
	If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.						
	1	2	3	4	5	6	7
Options Appraisal for the Procurement of Agency Workers Contract							

## Sign off:

Fin	ba.21. 22.24 4	Leg	MS/3 7956	Mon Off		HR		Assets		Strat Proc	KK/PS/616 /CP/0122
Originating Senior Leadership Team member: Andy Ralphs (Strategic Director of Customer and Corporate Services)											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 14/12/2021											
Cabinet Member approval: Councillor Nick Kelly – verbally agreed on 22 <sup>nd</sup> December 2021 and Councillor John Riley – verbally agreed on 13 <sup>th</sup> January 2022											
Date approved: 13/01/2022											