

Report to CABINET

Temporary Staffing Supply Contract

Portfolio Holder:

Councillor Jean Stretton, Cabinet Member, Corporate Services

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Reason for Decision

This report seeks approval for the Council to re-contract for a Temporary Staffing Supply provider from the 29 January 2022 as part of an GM HR collaboration for the reasons outlined below.

Executive Summary

The Council currently uses a temporary staffing supply provider to advertise for and engage temporary (agency) staff. This supports the Council in engaging temporary staff in a transparent and fully auditable manner.

These services are presently delivered, through contract, by REED Specialist Recruitment. The lead authority for procurement is Trafford Council. This contract is managed in collaboration with all GM Local Authorities, partner Local Authorities, GMCA and GMP. The current contract ends on 28 January 2022.

This Cabinet report sets out how the collaboration, now consisting of Blackpool Council, Blackburn with Darwen Council, Bolton Council, Bury Council, Greater Manchester Police, Greater Manchester Combined Authority (including Fire Services), Oldham Council, Rochdale MBC, Salford City Council, Stockport MBC, Trafford Council, Warrington Borough Council and Wigan Council, have retendered the contract and selected a preferred supplier.

Recommendations

It is recommended that Cabinet:

Notes the outcome of the procurement process and approves the award of the contract to REED to provide a temporary staffing supply for the next three years (with option for a one-year extension) effective from the 28 January 2022.

Temporary Staffing Supply Contract

1 Background

- 1.1 The GM HR/OD Collaboration was established back in 2008 and comprises of the 10 Greater Manchester Local Authorities plus partners. The collaboration jointly procures a number of services one of which is our temporary staffing service. The organisations use a provider to advertise for and engage temporary (agency) staff. This supports the organisations in ensuring we onboard in a transparent and fully auditable manner.

Current organisations utilising this framework are; Blackpool Council, Bolton Council, Bury Council, Greater Manchester Police, Greater Manchester Fire and Rescue Service, Oldham Council, Rochdale MBC, Salford City Council, Stockport MBC, Tameside Council, Transport for Greater Manchester, Trafford Council, Warrington Borough Council and Wigan Council.

2 Current Position

- 2.1 The joint contract has been in place for 12 years and has been held by several suppliers in this time. Our current supplier is REED Employment Agency. After a stringent procurement process via the YPO Framework the contract was awarded to REED in January of 2016 for a 4-year term. In light of the pandemic and given the size of the contract and the amount of work that would be involved in a retender process, it was agreed that we would extend the contract for a further year utilising the COVID PPN which would take us to Jan 2022. This gave our authorities the ability to keep staff focused on priority COVID work and not having to deploy staff to an intensive retender process.

- 2.2 As of October 2020, the collaboration commenced planning for the retender process in earnest, with a view to award our 4th generation of service in September 2021. Due to the size of the contract and its complexity we need in excess of 12 months to successfully tender and implement our solution.

It is understood that there will always be a need for some level of agency staffing, therefore our collaboration has expressed an interest in continuing to jointly contract an agency supplier.

The benefits that the organisations gain from being part of this framework are;

- Lower margins
- Consistent approach
- 80+ agencies included in the consortium
- Support through a fully defined and agreed hiring process
- Control and influence on temporary staffing market

- 2.3 Prior to publishing the invitation to tender, work was undertaken by the collaborating bodies to re-specify the service required. This focused on the managed service cover requirements:

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- To operate in strategic partnership with the collaboration and, where appropriate/necessary, offer guidance on workforce planning, fulfilment methods and process governance
 - Operationally advise on agency worker need, method, engagement, and rates
 - Agency worker ordering processes including technical support
 - Supply chain management (including auditing)
 - Vacancy filling including support through the process
 - Time-sheeting
 - Invoicing
 - Issue resolution
 - Monitoring and reporting

2.4 The GM collaboration chose to procure a new agency staffing managed service via an existing, dedicated procurement framework administered by YPO. This framework allows for flexible managed service solutions and has an optimum number of capable providers. The mini competition allowed providers, by responding to the Quality Assessment Questions and Pricing Evaluation, to offer proposals for bespoke, innovative, and flexible solutions to the collaboration's strategic and operational needs.

By being awarded the right to supply through the YPO Framework, the GM collaboration is satisfied that tenderers will have already satisfied core operational and technological criteria.

2.5 The STaR Procurement Team have provided advice throughout the process, ensuring that the GM process satisfies all procurement rules and local requirements.

2.6 Supplier selection took place between the 20 July and the 19 August 2021 with all collaborating bodies agreeing the outcome of the selection process. Selection included a full bid assessment supported by Supplier Interviews and clarification. The outcome identified REED as the preferred supplier of the collaborating bodies.

2.7 Our models indicate that the new service will not cost more than the current one. This contract and ordering system/process will be key to driving reductions, compliance and developing actionable intelligence.

2.8 It's important to note that there will inevitably always be some need to engage temporary workers across the organisation. There are a number of options currently being considered in relation to how we procure our agency resource in the future and given the flexible nature of this current contract and that there is no minimum spend requirement we are able to redesign our approach within the contract period without any penalty.

2.9 The Council does have access to other established frameworks such as Bloom and ESPO when needing to recruit temporarily to more niche or senior roles. HR and procurement can support with access to these.

3 **Options/Alternatives**

3.1 **Option 1 - Do nothing**

This is not practically an option and would result in the expiration of the Council's current service provision and lead to the loss of essential services to the Council.

3.2 **Option 2 - Run a separate procurement process independently**

This would likely result in a more costly services and negate the benefits outlined in this report. This will also result in a period of service withdrawal given the timescales in which a new provider is required.

3.3 **Option 3 Join the GM HR Collaboration**

To contract the services of REED for the full contract period of three years (with option for a one-year extension). This would give the Council the operating model required to continue to engage temporary workers where required whilst working to reduce our reliance on agency staffing and consider alternative options.

4 Preferred Option

4.1 It is recommended that Oldham Council join the GM HR Collaboration and contract the services of REED for the full contract period of three years (with option for a one-year extension) on the following basis:

- The procurement process, led by a GM Procurement Manager, has been robust, inclusive of all collaborating bodies and identified a cost-effective service for all organisations including Oldham
- The Council has had significant input into the specification of the service and been represented at all stages of selection. The outcome accords with the Council's own internal assessment.
- The financial and non-financial impact of the re-commission has been modelled for Oldham with no negative impact identified.
- There is no minimum spend requirement on this contract, therefore the risk is low to the authority as we are able to reduce our agency spend without consequence.

4.2 Work will continue to reduce our reliance on agency spend over the contract period by implementing more modern and innovative ways to recruit and promoting Oldham Council as an employer of choice. In collaboration with the other Greater Manchester Authorities, we will work to share good practice and drive down spend as this is a common priority, particularly within Social Care.

5 Consultation

5.1 As the agency engagement process is now fourth generation, consultation is limited. However, Trade Union Representatives, the Unity Human Resources Transactional Teams as well as service Managers will be consulted in any operational impact of the transition to the new service specification. Full communications and any guidance required to support the change will be provided by People Services.

6 Financial Implications

6.1 The preferred option is option 3, which is to join the AGMA collaboration and award the contract for employing temporary staff to Reed. The contract will be for a period of three years with the option to extend for a further year, commencing on 29th January 2022.

The charging method for temporary staff is that Directorates are recharged with the costs of the temporary member of staff at the agreed hourly rate plus a percentage of the management fee paid to the provider. This will remain the same with the new contract and Directorates will bear all costs.

(Jenny Howarth Senior Accountant/Nicola Harrop Finance Manager)

7 Legal Services Comments

7.1 Procurement rules and the Council's Contract Procedure Rules support collaborative procurement activity. Trafford Council has procured the service provision in accordance with procurement legislation and the Council has been involved in the process. Each GM

authority will have the right to enter into call-off contracts under the overarching agreement and these will be in the advertised format and subject to pre-agreed terms and conditions. Legal Services should be engaged to assist in respect of any call-off arrangements.

(Sarah Orrell)

8. **Co-operative Agenda**

8.1 The social value element on this contract can have a significant positive impact on our residents. Examples of the successful supplier's social value contribution includes a commitment to encourage the employment of Oldham candidates where possible, long term unemployed, disabled and care leaver candidates.

REED is able to provide additional support in relation to employment support for our residents including CV writing and interview support. REED is also committed to supporting our charitable efforts for example volunteering at our community settings.

We also have the ability to work with REED to access a portion of their Apprenticeship levy funds (if all our allocation is spent).

97% of the team REED employ to manage our contract and service live in the Greater Manchester area. REED have also employed a dedicated Officer for Greater Manchester to support the maximisation of the use of the social value offer across our boroughs.

The examples mentioned here are not exhaustive and REED work with the collaboration regularly to offer social value support and are committed to working with us to develop innovative ideas to provide value to our borough.

9 **Human Resources Comments**

9.1 These are embodied in the report.

(Catherine Pearson, Strategic HR Lead)

10 **Risk Assessments**

10.1 N/A in the context of this approval report.

11 **IT Implications**

11.1 The service is designed to operate through the use of a secure online portal. However, this is compliant with IT requirements.

12 **Property Implications**

12.1 None

13 **Procurement Implications**

13.1 The Commercial Procurement Unit supports the recommendations outlined in the report. The use of a compliant framework complies with the Council's Contract Procedure Rules (clause 4.1).

(Emily Molden)

14 **Environmental and Health & Safety Implications**

14.1 None

15 **Equality, community cohesion and crime implications**

15.1 None

16 **Implications for Children and Young People**

16.1 None

17 **Equality Impact Assessment Completed?**

17.1 Not required, the service will be offered equally across the Council.

18 **Key Decision**

18.1 Yes

19 **Key Decision Reference**

19.1 This item has been included on the Forward Plan under reference CS-01-21.

20 **Background Papers**

20.1 There are no background papers for this report.

21 **Appendices**

21.1 N/A