



**Report for:  
ACTION**

**Item Number:**

<b>Contains Confidential or Exempt Information</b>	<b>NO</b>
<b>Title</b>	Contract for the provision of a managed service for temporary agency workers
<b>Responsible Officer(s)</b>	Liz Chiles, Director of HR & OD
<b>Author(s)</b>	Andrew Scully, HR Business Partner and Head of HR Operational Services
<b>Portfolio(s)</b>	Councillor Bassam Mahfouz, Finance and Leisure
<b>For Consideration By</b>	Cabinet
<b>Date to be Considered</b>	Tuesday 20 <sup>th</sup> April 2021
<b>Implementation Date if Not Called In</b>	Tuesday 4 <sup>th</sup> May 2021
<b>Affected Wards</b>	All
<b>Keywords/Index</b>	Agency workers, agency worker contract, managed services for temporary agency resources, procurement, commercial, Eastern Shires Purchasing Organisation (ESPO), Framework Agreements

**Purpose of Report:**

Authority is to be sought by Cabinet to conduct a mini competition for a call off contract from the Eastern Shires Purchasing Organisation (ESPO) Framework Agreement for the provision of a managed service for temporary agency workers. The start date of the contract is 9<sup>th</sup> January 2022 and the contract would be for two years with the option to extend for a further 2 periods of 12 months each.

**1. Recommendations**

1.1. It is recommended that Cabinet:

Gives authority to conduct a mini competition for a call off contract from the Eastern Shires Purchasing Organisation (ESPO) MSTAR3 Framework Agreement for the provision of a managed service for temporary agency workers which has been effective from 11<sup>th</sup> April 2019. The start date of the contract is 9<sup>th</sup> January 2022 and the contract would be for two years with the option to extend for a further 2 periods of 12 months each for an estimated value of £25,136,198 per annum.

## 2. Reason for Decision and Options Considered

- 2.1. On 13<sup>th</sup> September 2016 Cabinet granted approval for the Council to enter into a contract with The Adecco Group from 9<sup>th</sup> January 2017 for a period of three years, with an option to extend for a further one year under the Eastern Shires Purchasing Organisation (ESPO) Framework Agreement for Managed Services for Temporary Agency Resources (MSTAR2). The Adecco group was awarded the contract under Lot 2 (Master Vendor) of the MSTAR2 Framework Agreement, following a collaborative mini-competition exercise led by the London Borough of Newham on behalf of a number of London Boroughs.
- 2.2. On 10<sup>th</sup> December 2019 Cabinet granted approval to extend the current contract with The Adecco Group from 9<sup>th</sup> January 2020 to 8<sup>th</sup> January 2021. The reasons for this were:
- oneSource, working on behalf of the London Boroughs of Havering and Newham council, had been working on arrangements for a new contract and procurement activities had been taking place over Summer/Autumn 2019.
  - oneSource, were presenting to London councils on Tuesday 3 December 2019 the launch of future arrangements under the MSTAR3 Lot1a and Lot1b Collaboration Launch.
  - Decisions needed to be made ahead of this launch on 3<sup>rd</sup> December 2019 of the best way forward for the council; and
  - Options considered included:
    - Entering into new contractual arrangements effective from 9 January 2020; and
    - Extending the current contractual arrangements for one year from 9 January 2020 to 8 January 2021 to allow time for the most effective and financially advantageous decisions to be made on behalf of the council.

The option of extending the current contractual arrangements for one year for 9<sup>th</sup> January 2020 to 8<sup>th</sup> January 2021 was the preferred option which was recommended to Cabinet for approval.

- 2.3. On 10<sup>th</sup> November 2020 Cabinet authorised the extension of the existing contract with Adecco UK Limited for the provision of Managed Services for Temporary Agency Resources for the duration of one year from 9<sup>th</sup> January 2021 to 8<sup>th</sup> January 2022.
- 2.4. The current contract ends on 8<sup>th</sup> January 2022.
- 2.5. A Managed Services For Temporary Agency Resources – Agency Worker contract will be required from 8<sup>th</sup> January 2022.

2.6. Options have been considered including:

- Continuing with the current contract using emergency COVID19 procurement regulations.
- Continuing with a contract through joining an appropriate Framework Agreement.
- Re-procuring a contract. This would have significant capacity and resource issues across several Service Areas which have not been planned or budgeted for to date and will be difficult particularly due to COVID-19.
- Providing the service requirements in house. This would have significant capacity and resource issues across several Service Areas which have not been planned or budgeted for and will be difficult; and
- No longer providing agency workers. For a large organisation with circa 3,000 employees it is essential to have a Managed Services For Temporary Agency Resources – Agency Worker Contract to provide additional temporary resources required by the council to deliver its business requirements.

The preferred option is that with effect from 8<sup>th</sup> January 2022 Ealing Council enters a contract for Managed Services For Temporary Agency Resources – Agency Workers through joining the ESPO Framework Agreement.

### **3. Key Implications**

- 3.1. Ealing Council is a large organisation with circa 3,000 employees (this excludes employees based in Schools) and, as for any organisation of this size, it is essential to have a Managed Services For Temporary Agency Resources – Agency Worker Contract.
- 3.2. The contract is needed to provide temporary additional resources so that the organisation can meet and deliver business requirements etc.
- 3.3. A continued contract is required because any large organisation, such as Ealing Council with circa 3,000 employees, needs to be able to access temporary additional resources from time to time to meet and deliver organisational requirements.
- 3.4. The option of procuring a new Agency worker contract via the ESPO framework is the most sensible route to market and ensures the council will achieve the best possible solution for the council. Procuring via the framework will involve assessing the suppliers who are on the framework against our specification and selection to the provider who best meets our

needs. Social benefits will be assessed as part of the framework supplier evaluation.

- 3.5. The chosen provider will be required to deliver a Managed service portal to enable staff to manage their agency requirements through an on line portal, the service is managed internally by the HR & OD department and the supplier will be subject to regular meetings with management information provided. The chosen provider will be responsible for managing the agency supplier base to ensure compliance and ensure a high level of agency hire.
- 3.6. The contract will be managed by the Director of HR & OD and HR Business Partner and Head of HR Operational Services, who will hold regular contract review meetings with the chosen supplier to ensure the contract is achieving the Key Performance Indicators (KPIs) set and to address issues that arise. In addition, and with the support of the Commercial Hub, HR & OD will carry out annual benchmarking exercises to certify the council is receiving value for money.
- 3.7. Authority is to be sought by Cabinet to permit a mini competition for a call off contract from the ESPO Framework Agreement for the provision of a managed service for temporary agency workers. The start date of the contract is 9<sup>th</sup> January 2022 and the contract would be for two years with the option to extend for a further 2 periods of 12 months each.
- 3.8. A further report to Cabinet will be made in late Summer/Autumn 2021 with recommendations about the chosen provider following the usual procurement and governance processes.

#### **4. Financial**

- 4.1. There are no new direct financial implications on councils overall budgets, as individual services will continue to manage cost of employing temporary agency workers within their existing service budgets.
- 4.2. Under the current contract, ways of achieving cashable and non-cashable savings to the Council have been and continue to be explored both in-house and Adecco UK Limited and meetings with Adecco UK Limited have taken place. Meetings with the future chosen provider will take place to achieve financial and efficiency savings (both cashable and non-cashable).

#### **5. Legal**

The ESPO Framework Agreement has been procured in accordance with the Public Contracts Regulations 2015 and the mini competition for the call off contract will be in accordance with its rules.

#### **6. Value For Money**

The contract will be managed by the Director of HR & OD, HR Business Partner and Head of HR Operational Services and other staff in the HR & OD department. Regular contract review meetings will be held with the supplier to ensure the contract is achieving the KPIs set and address any issues that arise.

In addition, and with the support of the Commercial Hub HR & OD will carry out an annual benchmarking exercise to certify the council is receiving value for money.

The contract performance information will be shared with the Joint Contracts Board (JCB) on a regular basis.

**7. Sustainability Impact Appraisal**

Not applicable.

**8. Risk Management**

Risk management will be managed through regular Service Review meetings.

**9. Community Safety**

None.

**10. Links to the 3 Key Priorities for the Borough**

None.

**11. Equalities, Human Rights and Community Cohesion**

These remain as stated in the reports to Cabinet on 13<sup>th</sup> September 2016 and 10<sup>th</sup> December 2019.

**12. Staffing/Workforce and Accommodation implications:**

These remain as stated in the reports to Cabinet on 13<sup>th</sup> September 2016 and 10<sup>th</sup> December 2019.

**13. Property and Assets**

No implications.

**14. Any other implications:**

No other implications.

**15. Consultation**

Please see table below.

**16. Timetable for Implementation**

The new contract is effective from 9<sup>th</sup> January 2022. The Council and the chosen provider will need to sign the contract before 9<sup>th</sup> January 2022.

**17. Appendices**

None.

**18. Background Information**

Cabinet – 13<sup>th</sup> September 2016

Cabinet – 10<sup>th</sup> December 2019

Cabinet – 10<sup>th</sup> November 2020.

## Consultation

Name of consultee	Post held	Date sent to consultee	Date response received	Comments appear in paragraph:
<b>Internal</b>				
Liz Chiles	Director of HR & OD	11.03.2021		
Helen Harris	Director of Legal & Democratic Services	11.03.2021		
Ross Brown	Chief Finance Officer	11.03.2021		
Shabana Kauser	Assistant Director – Strategic Finance	06.04.2021	08.04.2021	4
Anita Hamilton	Finance Business Partner	11.03.2021		
Darren Sullivan	Category Lead	11.03.2021	16.03.2021	1
Chuhr Nijjar	Senior Contracts Lawyer	11.03.2021	16.03.2021 and 08.04.2021	1 and 5
Julie Pickett	Recruitment and HR Administration Manager	11.03.2021		

## Report History

<b>Decision type:</b>	<b>Urgency item?</b>
Key decision	No
Report no.:	Report author and contact for queries:
	Andrew Scully, HR Business Partner and Head of HR Operational Services. 020 8825 6930.