

**Report for:
ACTION**

Item Number:

Contains Confidential or Exempt Information	NO
Title	Agency Worker Contract
Responsible Officer(s)	Amanda Askham, Strategic Director, Strategy and Change, AskhamA@ealing.gov.uk 020 8825 9697
Author(s)	Andrew Scully, HR Business Partner and Head of HR Operational Services, ScullyA@ealing.gov.uk 020 8825 6930
Portfolio(s)	Councillor Steve Donnelly, Inclusive Economy
For Consideration By	Cabinet
Date to be Considered	Thursday 12 th October 2023
Implementation Date if Not Called In	Tuesday 24 th October 2023
Affected Wards	All
Keywords/Index	Agency workers, Commercial, Eastern Shires Purchasing Organisation (ESPO), Framework Agreement for Managed Services for Temporary Agency Resources, MSTAR2, MSTAR3, London Council's Collaboration, Pan London, Procurement.

Purpose of Report:

The purpose of this report is to seek approval from Cabinet, to extend the current contract with Adecco UK Limited from 9th January 2024 to 8th January 2025.

1. Recommendations for DECISION

1.1. It is recommended that Cabinet:

Grants approval to extend the current contract between the council and with Adecco UK Limited dated 11 March 2022 for agency services ("the Contract") for a period of one year from 9th January 2024 to 8th January 2025 at an approximate cost of £25m.

2. Recommendations for NOTING

2.1. None.

3. Reason for Decision and Options Considered

3.1. Cabinet on 10th November 2021 resolved:

“That Cabinet:

- (i) Agrees to award a direct call off contract to Adecco UK Limited from the Eastern Shires Purchasing Organisation (ESPO) Framework Agreement for Managed Services for Temporary Agency Resources (MSTAR3) under Lot 1 (b) (Master Vendor), the ‘Framework Agreement’, for the provision of agency workers. The start date of the contract is 9 January 2022, and the contract would be for two years with the option to extend for a further 2 periods of 12 months each (2 + 1 + 1) with a value of £25,136,198 per annum (£100,544,702 for a four-year cost of the contract).”

3.2. This report seeks approval from Cabinet to extend the current contract with Adecco UK Limited from 9 January 2024 to 8 January 2025 as provided for in the contract and as per paragraph 2.1. above. Options have been considered including:

- I. Entering new contractual arrangements effective from 9 January 2024.
- II. Extending the current contractual for one year from 9 January 2024 to 8th January 2025 will allow time for the new leadership team to explore different delivery models for the council and determine the workforce needs for the future. The extension will be the most effective and financially advantageous decision to be made on behalf of council to ensure this happens.

3.3. The second option (ii) above is the preferred option which is being recommended to Cabinet for approval.

3.4. Current performance of the contract and value for money considerations have been taken into account when making this recommendation.

4. Key Implications

4.1. The key implications are:

- The council’s current contract with Adecco UK Limited will be extended for the period 9 January 2024 to 8 January 2025.
- During the period from now to 8 January 2025 the council will consider the most cost effective and financially advantageous options for going forward from 9 January 2025 based on the workforce requirements.
- A further report will be presented to Cabinet in Summer/Autumn 2024 with the options and recommendations for the best way forward effective from 9 January 2025.

5. Financial

5.1. There are no new financial implications on the budget, agency use should be managed within departments as part of their overall staffing budgets.

5.2. Under the current contract, ways of achieving financial savings to the council have been and continue to be explored both in-house and with Adecco UK Limited. Meetings with Adecco UK Limited have been taking place and will

continue to take place to seek to achieve financial savings. All requests for interim and temporary workers must first be placed through this contract to ensure that any mark-up is beneficial for the council before engaging with any other supply chain.

- 5.3. During the period from now to 8 January 2025 as part of the consideration of options and recommendations for the arrangements that need to be in place from 9 January 2025 every option to achieve financial savings will be assessed and, wherever reasonably practicable, will be put in place for any new future contract.

6. Legal

- 6.1. The Contract permits extension on 3 months' written notice before the expiry of the existing term as set out in the definition of Term.

7. Value For Money

- 7.1. Robust contract management arrangements are in place. The contract is managed by the Workforce & OD department with support from the Commercial Hub. Quarterly meetings are held with the supplier to ensure the contract is achieving KPIs. The contract is currently meeting the key performance indicators.
- 7.2. Directorates review the usage of agency workers to ensure that this is the most effective and appropriate approach to meet staffing requirements. Agency worker metrics now form part of the quarterly metric report to SLT.
- 7.3. The supplier regularly shares data and case studies on the latest market insights across the labour market and neighbouring public sector organisations. This is important as the council is able to benchmark itself and spend.

8. Social Value

- 8.1. Adecco is committed to:
- delivering employability and skills workshops for young people and over 24-year-olds
 - providing young adults that are Not in Education, Employment or Training access to the Adecco Community Mentoring Programme
 - continuing to grow the Local Jobs for Local People initiative with the aim of increasing residents employed in the borough by 10%
 - Offering guaranteed interviews for those that participate in an employment programme ran by Adecco, including workshops and mentoring programmes.
 - Prioritising applications with an Ealing postcode

- Adding a statement to the top of the CV of those who are local residents to say:
 - *“This candidate resides in the London Borough of Ealing and is keen to work for their local authority making a difference to the community that they live in, contributing to the Local Jobs for Local People initiative.”*
 - Creating a partnership with Ealing Job Centre and Shaw Trust with a ‘self-referral’ form to register with Adecco. Referrals will then be contacted by an Adecco recruiter who directly works on the MSTAR contract
 - attending one job fair per annum
 - offering work experience to local residents every quarter with support of the council
 - one day of volunteering per annum to a cause which directly impacts the community improvements in Ealing.
- 8.2. The commitments will be monitored during contract meetings to check progress during the contract meeting.

9. Sustainability Impact Appraisal

Not applicable.

10. Risk Management

- 10.1. Agency workers are a key part of the council’s workforce and provide flexibility and resilience to meet the needs of the council. If the contract was not extended this would have an impact on service deliverables. The council would need to find another way for providing temporary agency staffing resources.

11. Community Safety

None.

12. Links to the 3 Key Priorities for the Borough

- 12.1. The efficient provision of temporary agency worker resources supports the delivery of the council priorities of fighting inequalities and creating good jobs. Agency worker assignments are paid no less than the Real Living Wage (RLW). Agency workers are paid in line with the council’s evaluated role profiles.

13. Equalities, Human Rights and Community Cohesion

- 13.1. The council aspires to have a workforce, which reflects the diversity of the borough’s population. Agency workers are part of the council’s workforce. The management information provided by the supplier includes information on the ethnicity, age and gender of the council’s temporary workforce which will assist in wider planning activities and ensure it supports the council’s ambition in relation to equalities.

14. Staffing/Workforce and Accommodation implications:

14.1. Provisions are in place for the relationship manager to be on- site. Due to hybrid working drop-in sessions are available using Teams and face to face as appropriate.

15. Property and Assets

No implications.

16. Any other implications

None.

17. Consultation

17.1. The options were discussed at Joint Contracts Board, including representatives from all departments, on 22 August 2023.

18. Timetable for Implementation

18.1. With effect from the implementation date to 8 January 2025.

19. Appendices

None.

20. Background Information

Cabinet – 10 December 2019

Cabinet – 10 November 2020

Cabinet – 20 April 2021

Cabinet – 10 November 2021

Consultation

Name of consultee	Post held	Date sent to consultee	Date response received	Comments appear in paragraph:
Internal				
Kim Brown	Director of Workforce and OD			
Chuhr Nijjar	Senior Contracts Lawyer			
Amanda Askham	Strategic Director, Strategy and Change	14 th September 2023	14 th September 2023	Throughout
Emily Hill	Strategic Director, Resources	15 September 2023	20 September 2023	
Baljinder Sangha	Finance Manager – Planning and Monitoring			
Zamil Ahmed	Assistant Director – Commercial Hub			
Andrew Shorter	Category Lead, Commercial Hub			
Shadi Brazell	Head of Cabinet Office			

Report History

Decision type:	Urgency item?
Key decision	No
Report no.:	Report author and contact for queries:
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