

Report to:	Cabinet	Date of Meeting:	11 January 2018
Subject:	Provision of Agency Staff		
Report of:	Head of Commissioning Support and Business Intelligence, Head of Corporate Resources	Wards Affected:	(All Wards);
Portfolio:	Cabinet Member - Regulatory, Compliance and Corporate Services		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No		

Summary:

To seek approval to award a contract for the supply of Agency Workers, from 1st February 2018, for an initial period of 3 years with the option to extend for a further period of 1 year.

Recommendation(s):

That Cabinet:

1. Agrees Sefton Council's continued participation in the collaborative supply arrangement with other Liverpool City Region authorities, to ensure we maximise purchasing power on a common category of spend within the region.
2. Agrees to procure Agency workers through the new Agency Worker Framework via Matrix SCM, as negotiated by Eastern Shires Purchasing Organisation (ESPO).
3. Reinforces the requirement that all service areas utilise the new Framework, under a call off with Matrix SCM, for the supply of Agency Workers, so as to provide visibility of spend and scope for continuous improvement and value for money efficiency gains.

Reasons for the Recommendation(s):

There is an ongoing need to employ Agency Workers in some service areas, to ensure sufficient capacity is available for those services to be provided safely and effectively.

In December 2016 Cabinet agreed to utilise the one year extension option within the existing contract for the provision of Agency Workers, in order to facilitate collaborative work by Liverpool City Region (LCR) authorities, including pre-procurement analysis and options appraisal, ahead of an anticipated joint procurement of a new service to replace the current Framework Agreement at the end of its full contract term (31st January 2018).

The options have now been appraised, including existing Framework Agreements and a separate full OJEU collaborative procurement process, with the recommended option being identified as the one that provides the most economically advantageous.

Alternative Options Considered and Rejected: (including any Risk Implications)

The options appraisal is presented in paragraphs 1.3 to 1.6 of the report.

What will it cost and how will it be financed?

(A) Revenue Costs

The cost of employing Agency Workers, when required, is covered from within existing budgets.

(B) Capital Costs

None

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets):
Legal Implications:
Equality Implications: There are no equality implications

Contribution to the Council's Core Purpose:

Protect the most vulnerable: Employment of Agency Workers is necessary, on occasions, to ensure sufficient capacity to provide safe and effective services protecting the most vulnerable (e.g. Adult Social Care and Children's Social Care).

Facilitate confident and resilient communities: N/A
Commission, broker and provide core services: Employment of Agency Workers is necessary, on occasions, to ensure sufficient capacity, so as to provide safe and effective core services (e.g. Adult Social Care, Children’s Social Care, Street Scene services).
Place – leadership and influencer: N/A
Drivers of change and reform: Employment of Agency Workers is necessary, on occasions, to ensure sufficient capacity, to enable change and reform of services without diverting resources from day to day service delivery.
Facilitate sustainable economic prosperity: N/A
Greater income for social investment: N/A
Cleaner Greener Employment of Agency Workers is necessary, on occasions, to ensure sufficient capacity, so as to provide safe and effective street Scene services.

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Head of Corporate Resources (FD4961/17) and Head of Regulation and Compliance (LD4246/17) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

Consultation has taken place with Procurement Officers and HR Officer from the Liverpool City Region

Implementation Date for the Decision

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting

Contact Officer:	Lynda Mitchell
Telephone Number:	0151 934 4070
Email Address:	Lynda.mitchell@sefton.gov.uk

Appendices:

There are no appendices to this report

Background Papers:

There are no background papers available for inspection.

1.0 Introduction/Background

- 1.1 In 2014 the Merseyside Procurement Partnership, an informal procurement partnership of Merseyside authorities, accessed the Eastern Shires Purchasing Organisation (ESPO) Framework, MSTAR1, and made a direct award to Matrix SCM for the provision of a Neutral Vendor Managed Service for Agency Workers. The current contract ends on 31st January 2018.
- 1.2 The current Framework Agreement has enabled the delivery of the required service and the supplier has performed satisfactorily. Use of the Framework has resulted in greater visibility of spend through management information provided, and has also included additional elements for safeguarding vulnerable adults and children, with specified documents (i.e. DBS documents, candidate's photographs and qualifications available on-line for managers to verify prior to the potential candidate being accepted).
- 1.2 Over the past 12 months Halton Borough Council have led a review of Agency Worker provision on behalf of the Liverpool City Region (LCR) authorities and the pre-procurement of a collaborative contract for agency worker supply to LCR Authorities.
- 1.3 An options appraisal has been conducted, and the following options considered;
 - Option 1 Do Nothing
 - Option 2 Direct Award to a single provider accessing the Yorkshire Purchasing Organisation (YPO) framework – Ref: 00569 HR Services and Solutions
 - Option 3 Direct Award to a single provider accessing the Eastern Shires Purchasing Organisation (ESPO) framework – Ref: 653F Managed Services for Temporary Agency Resources (MSTAR2)
 - Option 4 Award the contract as a result of conducting a mini competition with the nominated providers on the ESPO or YPO framework
 - Option 5 Undertake a new tendering process from scratch on behalf of Liverpool City Region
- 1.4 Option 1 presents a risk of increased cost per placement as current rates could not be guaranteed beyond the end of the current contract.
- 1.5 Option 2, 4 and 5 do not deliver new savings and in addition carry the risk of additional cost were the provider to change as a result of the procurement process.
- 1.6 Option 3 was assessed as being the most economically advantageous, identifying savings of £104,790 across the Liverpool City Region, based on active placements at 20th June 2017.

- 1.7 The ESPO Framework is compliant with the Public Contract Regulations 2015.
- 1.8 The ESPO Framework is open for access by the Liverpool City Region authorities, via a direct award option within Lot 1: Neutral Supply Chain Management, which has 7 shortlisted providers. The preferred supplier is the incumbent provider, Matrix SCM, for the reasons set out in 2.4 and 2.5 below.

2.0 Financial Implications

- 2.1 The value of Sefton's call-off from the agency contract in 2016/2017 was £1.7m per annum.
- 2.2 Financial risk is minimised by awarding the contract within a pre-negotiated Framework and, as part of the pre-procurement process Halton Borough Council has carried out a financial assessment on the preferred supplier and has confirmed that they are a financially viable organisation.
- 2.3 Subject to Cabinet's decision, the new contract would be implemented as a corporate contract for the provision of Agency Workers. As such, the Council's Contract Procedure Rules would require all officers to utilise the contract for the employment of any Agency Workers (CPR 1.2.5). Any officer wishing to employ Agency Workers from alternative non-contracted suppliers would need agreement to Waive this particular rule, in accordance with the Waiver Procedure set out in the CPR, including a sound business case for doing so. This enables visibility of spend and scope for continuous improvement and value for money efficiency gains.
- 2.4 During the negotiations, Matrix SCM have agreed to honour existing fees for the duration of the new Framework period in addition to working with each Council to further reduce supplier profit margins and introduce a strategy targeting long term workers by implementing a tenure discount for any worker who has been in post for 52 weeks or more.
- 2.5 The Matrix SCM solution has already been successfully implemented in all 6 authorities and so there is a benefit of not having to implement a whole new solution, which will therefore not only save time and resource, but also ensure the continuity of supply and service remains uninterrupted.