

Meeting of:	Cabinet
Date of Meeting:	Monday, 29 July 2019
Relevant Scrutiny Committee:	Corporate Performance and Resources
Report Title:	Agency Contract via the NPS Framework
Purpose of Report:	To obtain Cabinet approval for the introduction of a new agency worker contract via the NPS framework
Report Owner:	Report of the Leader
Responsible Officer:	Rob Thomas, Managing Director
Elected Member and Officer Consultation:	This report does not require Elected Member consultation. The report has been discussed with Corporate Management Team and key Managers who use Agency Workers within the Council.
Policy Framework:	This report is a matter for Executive decision by the Cabinet
<p>Executive Summary:</p> <p>The Council has operated the current Agency Worker Contract via the National Procurement Services (NPS) Framework since January 2014. The current framework has been in operation since April 2015 with the provider Randstad. Following an exercise by the NPS, a number of options were presented that would enable the Council to review the costs of supplying agency workers and enter into a Direct Award Contract.</p> <p>The current contract expired on 30th April 2019, however, Welsh Authorities have until 31st October 2019 to move to a new contract. Information from the NPS was not finalised until the end of May 2019, and following a review of the various agency providers, the Council is in a position to proceed with a Direct Award subject to Cabinet approval.</p> <p>The Framework is compliant with EU procurement regulations, so there is no need for the Council to run a full EU tender.</p> <p>A direct award may be made where it is possible to establish the most economically advantageous offer on the basis of the terms laid down in the Framework Agreement, and where all services required, and proposed contract terms are included in the Framework Agreement and Specification. This work has been completed.</p>	

Cabinet is asked to review the information in both Part 1 and 2 reports in order to approve the appointment.

Recommendation

1. That Cabinet notes this report and considers the matter in connection with the Part II report later in the agenda.

Reason for Recommendation

1. To allow the Part I and II reports to be considered together and to permit the execution of formal contracts between the Council and the Agency provider. The contract will run until 30th April 2022 with an option to extend for 12 months.

1. Background

- 1.1 The Council has operated the current Agency Worker Contract via the National Procurement Services (NPS) Framework since January 2014. The current framework has been in operation since April 2015.
- 1.2 Following an exercise by the NPS, a number of options were presented that would enable the Council to review the costs of supplying agency workers and enter into a Direct Award Contract.
- 1.3 The current contract expired on 30th April 2019, however, Welsh Authorities have until 31st October 2019 to move to a new contract. Information from the NPS was not finalised until the end of May 2019, and following a review of the various agency providers, the Council is in a position to proceed with a Direct Award subject to Cabinet approval.
- 1.4 The Framework is compliant with EU procurement regulations, so there is no need for the Council to run a full EU tender.
- 1.5 A direct award may be made where it is possible to establish the most economically advantageous offer on the basis of the terms laid down in the Framework Agreement, and where all services required, and proposed contract terms are included in the Framework Agreement and Specification.
- 1.6 Further details can be found in the Part II report which contains commercially sensitive information.

2. Key Issues for Consideration

- 2.1 The reason for the introduction of the arrangements is not to encourage the use of agency staff within the Council, rather to ensure greater visibility and control in the use of Agency Staff.
- 2.2 In line with the Council's Digital Strategy, the move to a new contract will also enable implementation of an agency booking system, which will provide improved management information.
- 2.3 Following a review of the agency providers, a preferred provider has been selected, as stated in the Part II report.

- 2.4 The evaluation of bids was undertaken by an evaluation panel consisting of cross sector representatives of which the Vale of Glamorgan Council was part of. The evaluators independently assessed the technical responses comprising of method statements for each Lot using the scoring guidance and methodology provided. Following the completion of the individual evaluations a consensus scoring exercise was conducted to arrive at a single score for each question and criterion set.
- 2.5 Information on the assessment criteria can be found in Part II.

3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?

- 3.1 The use of Agencies can facilitate long-term job opportunities, together with supporting areas of the Council that are dependent on Agency Workers which require cover at short notice.
- 3.2 Tackling low pay through the implementation of minimum pay rates for Agency Workers. Improved employment opportunities through ethical supply chains.
- 3.3 Promotion of opportunities for local providers, supply chain and local workers. The agency contract, used in conjunction with direct recruitment and apprenticeships will enable roles to be filled as required.
- 3.4 Work with local and national providers to enable them to understand the issues faced with supplying agency workers to the Council. To work with other Councils who use the agency provider in order to share service issues.
- 3.5 Ensure we promote ethical procurement and compliance with best practice and to provide feedback to the National Procurement Service as required.

4. Resources and Legal Considerations

Financial

- 4.1 The savings anticipated during the duration of a 4 year contract could amount to approximately £500k on a current spend of about £5.5m p.a. This is based upon the engagement of agency staff for 2018/19. The actual savings achieved under this contract will vary dependent on the number of staff actually engaged during the period.
- 4.2 The utilisation of this contract supports the Corporate Priority of managing the Council's money efficiently and effectively in order to maximise its ability to achieve service aims and the service objective of providing sound financial management.

Employment

- 4.3** The NPS framework is established on the basis of combined agency and booking fees. The basis of the rate to which these fees are added is as follows:-
Hourly rate paid to the individual + National insurance (NI) Element + Working Time Regulation (WTR) for Holiday Pay + Pension Auto Enrolment (PAE) Contribution.
- 4.4** The Hourly Rate is clearly determined by the Council based upon the grade of the job which would normally undertake the type of work to be carried out. The NI, WTR and PAE rates are in line with employment legislation.
- 4.5** All recruiting managers and budget holders will need to be trained on the ordering and approval system. This will take place during the implementation period with a mix of online training and face-to-face support.

Legal (Including Equalities)

- 4.6** The Council will need to enter into a User Agreement which sets out the Terms and Conditions against which individual orders would be placed.
- 4.7** There will be opportunities for SME's and Local Companies to engage with the agency provider to supply temporary agency staff under this contract.

5. Background Papers

Part II - Details of the evaluation and costs are provided in the Part II report.