



Classification	Item No.
Open	

Meeting:	Cabinet
Meeting date:	17 th November 2021
Title of report:	Greater Manchester Collaborative Agency Contract
Report by:	Cllr. Tahir Rafiq, Cabinet Member for Corporate Affairs and HR
Decision Type:	Key Decision
Ward(s) to which report relates	All

Executive Summary:

Agency staff are engaged by organisations to provide workforce resources for a range of reasons, such as the provision of cover for vacancies or sickness, in essential and statutory services, and additional temporary resources to meet time-limited increases in demand or provide a specialist skillset.

The Council is committed to reducing the overall volume and value of agency engagements as part of the 'Let's Do It Well' Transformation Programme with a £65K savings target for 2022/23. However, there will always be some need for agency resources, particularly in statutory services and it is important that the Council has appropriate contractual arrangements in place to secure the right calibre of resources at pace and at the best possible value.

Bury Council, along with other Greater Manchester (GM) local authorities, and a number of other public sector partners, has had a shared contract in place since 2008 to provide this service. The current contract covers 16 organisations and provides significant financial and delivery benefits to Bury through economies of scale, collaborative contract management and the ability to align rates of pay across Greater Manchester.

The current contract operates via a 'Master Vendor' and series of sub-contractors, who are all recruitment agencies with significant experience in recruiting for Local Authorities and other Public Sector Clients.

The current contract is due to expire January 2022. Following a competitive tender process the intention is to re-award the contract for a fixed period of 3 years with a possible extension of a further 12 months if the majority of the collaboration agree.

Trafford Council (Via Star Procurement) will be the awarding body, but each member of the collaboration will be a signatory on this agreement.

The contract does not bind the Council to any minimum level of spend or exclusivity, but does provide preferential rates to acquire staff via the master vendor and their sub-contractors.

This report details the background and process followed for the retendering and requests Cabinet approval to proceed.

Recommendation(s)

That Cabinet:

1. Approve the continuation of the Council's participation in the GM Collaborative Agency Contract.
2. Note the contractual arrangements and give approval to proceed with the signing of the Beneficiary Agreement.

Key considerations

1. Background and Context

- 1.1 Agency staff are engaged by organisations to provide workforce resources for a range of reasons, such as the provision of cover for vacancies or sickness, in essential and statutory services, and additional temporary resources to meet time-limited increases in demand or provide a specialist skillset. Agency workers are employed by the agency and deployed to work for organisations for a defined period at an agreed rate of pay. Whilst agency workers form an important part of the workforce, it is important that robust controls are in place to ensure workers are appropriately inducted and supported and that utilisation and spend is managed within the overall workforce budget envelope.
- 1.2 In 2008 Greater Manchester Local Authorities, along with a number of other Public Sector partners, agreed a collaborative approach to the procurement of agency staff. The purpose was to secure preferential agency rates through a large-scale contract enabling savings on the additional marginal cost paid to the agency as well as a reduction in the actual rates paid through aligning these across Greater Manchester.
- 1.3 Currently 16 organisations, including Bury Council, procure agency workers through this contract.
- 1.4 The current contract ends in January 2022 and the GM collaboration chose to progress procurement of a new contract via an existing dedicated procurement framework administered by Yorkshire Purchasing Organisation (YPO).
- 1.5 By progressing through the YPO Framework parties to the contract can be satisfied that tenderers will have already satisfied core operational and technological criteria. The GM collaboration has core requirements similar to Framework criteria, so the collaboration's specification focused on local bespoke requirements, particularly support in areas which have been

challenging to recruit to (including Children's Social Workers) and learning through the current contract.

2. 2021 Retendering Process

- 2.1 Following a comprehensive tendering process, overseen by Star Procurement (based within Trafford Council) all authorities involved in the arrangement took part in a full day moderation for the 8 bids received. Contract leads scored the bids with the quantitative element and social value scored by STAR centrally.
- 2.2 Following this process, the intention is to award the contract to Reed, the current provider. As with the current contract, the intention is for the new arrangements to be contractually between Reed and Trafford Council, with other partners as named beneficiaries. The contract does not guarantee any minimum level of spend or activity or bind any of the partners to an exclusive arrangement. Therefore, if the Council feels its needs can be better met through alternative arrangements or if a more cost-effective provider or approach is identified, then it is free to pursue this.
- 2.3 Reed's bid included details of current practice and reflections on how this could be improved in the future. As a result of this, members of the collaboration felt confident in their abilities to offer alternative solutions to previous barriers to resourcing. To strengthen the performance of the contract, Greater Manchester HR Directors have agreed to a more robust approach to contract management including more regular formal performance reporting and a strengthened process of escalation for any issues which arise.
- 2.4 An alternative option to remaining part of the collaboration would be to put in place our own arrangements locally. However, the economies of scale achieved as a result of being part of the GM arrangements are significant in terms of both the supplier margin and ability to control rates of pay. The provider fees under the new contract have been frozen and contractual terms are also positive in comparison to engaging stand-alone providers, for example the Council is not subject to any financial penalties if it chooses to offer agency workers substantive appointments. As a practical example of the financial benefits of the collaborative contract, a Qualified Social Worker would attract an additional agency fee of circa. £2.51 per hour if engaged outside of this arrangement. We are also able to benefit from centralized contract management capacity working on behalf of GM HR Directors.

3. Financial Implications

- 3.1 The Council's agency spend represents less than 7% of the total contract value.
- 3.2 Whilst, as noted above, there will always be an element of need for agency resources, the Council is committed to reducing spend in this area through the 'Let's Do It Well' Transformation programme. This work will include:

- Strengthening governance arrangements around the engagement and continuation of agency resources
- A series of service-level discussions led by HR Business Partners to review current engagements, informed by strengthened workforce analytics.
- The development of specific targeted plans to bring longer term agency engagements to an end and review service structures and resourcing models in the areas of greatest spend.
- A sustainable reduction in agency spend through the delivery of a more resilient structure for Business and Executive Support enabled by the creation of a new corporate service as agreed by Cabinet in September.
- In addition to the above, a review of current agency specific budgets to identify an additional £65K of savings before April 2022.
- Streamlining current recruitment policy and processes and the Council's Employee Value Proposition to ensure vacancies are filled at pace and with quality candidates to avoid the need to engage agency

4. Conclusion and Next Steps

- 4.1 That Reed have been awarded the contract and Cabinet support our ongoing participation in the GM collaboration and approve the signing of the Beneficiary Agreement (through legal services) between ourselves and Trafford Council

Community impact/links with Community Strategy

Equality Impact and considerations:

Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;*
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;*
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.*

The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services.

Equality Analysis	<i>Please provide a written explanation of the outcome(s) of either conducting an initial or full EA.</i>
The contract award does not affect organisational policy or practice and so no Equality Analysis is required. The appointed provider will be expected to ensure appropriate standards of practice in relation to equality and inclusion as a contractual requirement.	

Assessment of Risk:

The following risks apply to the decision:

Risk / opportunity	Mitigation
The inability to fill key positions within the contract	Robust monitoring of the contract and close communications between Reed and the Council alongside a clear exceptions process where off-contract spend is needed.
Spend is not managed effectively	Clear plan in place to reduce spend and overall agency usage as part of the Let's Do It Well Transformation Programme

Consultation:

Following the procurement process, HR Directors from the 16 Authorities have been consulted to agree the recommendation to proceed and detailed contractual arrangements.

Legal Implications:

This recommendation is a key decision within the policy framework and Financial Procedure rules. The arrangement is a legally compliant method of reducing timescales whilst adhering to procurement regulations, the arrangements allow the council is able to maximise the opportunity to secure best value. This approach aligns with the Council's financial governance framework.

Financial Implications:

The inclusion of Bury within the collaborative framework offers preferential rates when staff are engaged through this process but there is no penalty for using other agencies if staff with the correct skill set or within the required timeframe are not available. However, as noted within the report the Council is committed to reducing its agency spend but does recognise at times agency offers a short term and immediate solution to capacity and skill gaps. Any costs of agency staff must be from within existing budgets as part of the Councils budgetary control procedures or have Executive team approval in advance.

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Background papers:

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning