

REPORT OF GROUP MANAGER - PROCUREMENT

UPDATE ON AGENCY STAFF TENDER

Purpose of the Report

1. The purpose of the report is to provide an update on the agency staff tender so the Finance and Major Contracts Committee can consider whether there are any actions they subsequently require.

Information

2. In 2014 Nottinghamshire County Council moved to a managed service provision for agency staff. This contract was awarded to Reed Specialist Recruitment Ltd. Prior to this, departments had been commissioning agency staff from a variety of companies and in most cases with no fixed rates in place. A managed service provider is a prime contractor with tiered providers underneath them that they manage. This means a single point of contact for commissioning, invoicing etc plus the provision of management information.
3. The current contract with Reed comes to an end 31/08/20 and allows 6 months for a transition from the incumbent supplier to a new supplier if required.
4. The relationship with Reed is managed through colleagues in Human Resources who undertake the contract management role with the company.

Current Status

5. Corporate procurement have done some market engagement already as well as working with framework providers to see what changes have happened in the market over the last 4 years. This has shown there is significant interest from the market in this contract
6. Significant work has been done on gathering all the management information to ensure that bidders can be provided with key data on spend, types of agency workers and volumes.
7. A stakeholder group of key commissioners for the contract has been formed to ensure they have input into the specification of requirements in the tender to ensure any issues with the current contract are addressed.
8. Whilst the current managed service provision has resulted in savings, fixed rates for agency workers and greater visibility of management information there have been some areas where there is room for improvement. This is largely around suitable candidates in certain areas such as catering and cleaning and Adults Social Care. These are areas that will be focussed

on as part of the new procurement. The key to this will be around the service providers with specialist agencies particularly local agencies as well as engagement with commissioners within the Council for forward planning.

9. The tender will also focus on Social Value and how the winning bidder will add value around local employment especially amongst more disadvantaged groups.
10. The tender will be done through an existing framework agreement that is run by the Yorkshire Purchasing Organisation. The framework has a variety of suppliers enabling the Council to look at different models as part of the bid process. Timescales for the tender are
 - 30th September 2019 - Invitation to Tender published
 - 28th October 2019 – Tenders received
 - November/ December 2019 – tenders evaluated and presentations by bidders
 - December 2019 – contract awarded for 1st April 2020 start

Other Options Considered

11. The option of no longer having a managed service was considered and contracting with multiple suppliers but this was not taken any further because of the resource overhead of managing multiple suppliers.

Reason/s for Recommendation/s

12. To provide the Finance and Major Contracts Committee with information in relation to the agency staff tender.

Statutory and Policy Implications

13. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

14. That members agree to receive a follow up/update report in the next 3 months and that this be included in the work programme.

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Constitutional Comments (EP 13/09/2019)

15. The Finance and Major Contracts Committee is the appropriate body to consider the content of this report.

Financial Comments (KP 19/09/2019)

16. The current agency staff contract costs circa £12.5m per annum. The costs of agency staff are charged to the relevant temporary staff budgets and are contained within the overall revenue budgets of the service areas concerned.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- None

Electoral Division(s) and Member(s) Affected

- All