

Report to Cabinet

25th March 2021

By the Cabinet Member for Finance and Assets

DECISION REQUIRED



**Horsham
District
Council**

Not Exempt

Exempt Appendix 1 under Paragraph 3 Part 1 of
Schedule 12A of the Local Government Act 1972

Temporary Agency Staff contract

Executive Summary

The purpose of this report is to recommend the use of a dynamic purchasing system for temporary agency staff (DPS) established by Crawley Borough Council through the Shared Procurement Service.

The contracts are set up from April 2021 for a three year term, with a one year optional extension period, subject to the suppliers' satisfactory performance.

Recommendations

That the Cabinet is recommended:

- i) Approve the use of the dynamic purchasing system for appointing temporary agency staff established on behalf of the Council by its Shared Procurement Service.

Reasons for Recommendations

Under the current Public Contracts Regulations (2015) each council is legally required to aggregate its spend on similar goods and services, and if this exceeds the current threshold of £181,302 over a 4 year period to go out to tender. Horsham District Council's spend averages c£580,000 per annum.

- i) Crawley Borough Council, through the Shared Procurement Service, recently tendered to establish a dynamic purchasing system on behalf of its four member Councils (Crawley, Horsham, Mid Sussex and Mole Valley)
- ii) The creation and use of the DPS will enable the councils to standardise terms and conditions, agency fees, consolidate and reduce spending whilst complying with current regulations in an efficient process.

Background Papers

Temp Agency Briefing Note July 2020

Wards affected: All wards.

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Background Information

1 Introduction and Background

- 1.1. Under the current Public Contracts Regulations (2015) each council is legally required to aggregate its spend on similar goods and services, and if this exceeds the current threshold of £181,302 over a 4 year period to go out to tender.
- 1.2. The four councils which make up the Shared Procurement Service (Crawley, Horsham, Mole Valley and Mid Sussex) spent a combined average of £2m pa for the last three financial years (Horsham's being c£580k pa).
- 1.3. Currently, the Council's temporary agency staff recruitment is carried out through a compliant framework agreement set up by the Shared Procurement Service and went live in May 2017. This arrangement expires in April 2021 and therefore a compliant route to market is required.
- 1.4. The framework agreement established has been successful in most areas, but the Council has had difficulty in getting the more specialist staff from the suppliers on the framework agreement. In cases where the appointed suppliers have been unable to provide the calibre of staff required, the Council has had to approach alternative suppliers with differing terms and conditions and approach to fees, which tends to mean higher costs for the Council.
- 1.5. When considering the best fit for the councils, the Shared Procurement Service have carried out extensive analysis of the various options available and have determined that establishing a Dynamic Purchasing System is the best fit. It offers a degree of flexibility for Service Managers to recruit to their roles, particularly in hard to fill roles. It also ensures that terms and conditions are standardised, in particular agency fees (which are capped), aiming to reduce spending.

2 Relevant Council policy

- 2.1 The approach is compliant with the Council's Procurement Code and represents an approach to obtain best value services for the council. As part of the procurement process, the organisations on the DPS are assessed on their standards around Equalities & Diversity, Health & Safety and Social Value and Sustainability, as well as employment related questions.

3 Details

- 3.1 The Shared Procurement Service undertook an options appraisal in July 2020 which concluded the DPS was the best approach for the councils.
- 3.2 A DPS is a completely electronic system used by a council to purchase goods, works or services. Unlike a traditional framework, suppliers can apply to join at any time throughout its duration. Suppliers must meet the councils' minimum selection criteria such as insurance levels, checks for financial strength, as well as mandatory criteria which is set by Government to join a DPS.

- 3.3 The councils went out to tender on 8 January 2021 for the provision of a temporary agency staff Dynamic Purchasing System (DPS) under the following categories: A: Business Support, B: Operational, C: Drivers, D: Planning & Development, E: Housing, Buildings & Commercial Property, F: Finance, Revenues & Benefits, G: Legal, Democratic & Elections, H: Other Professional Staff and I: ICT.
- 3.4 Once a supplier has been set up on the DPS and accepted, each council undertakes a mini-competition with all suppliers within a particular lot.

4 Next Steps

- 4.1 Horsham District Council to enter into the DPS with the other councils for the provision of temporary agency staff from April 2021 until March 2024, with the option to extend for an additional one year period.

5 Views of the Policy Development Advisory Group and Outcome of Consultations

- 5.1 Key managers were consulted on the approach to use a Dynamic Purchasing System and assisted in the development of the council's tender document.
- 5.2 The Director of Corporate Resources was consulted on the approach to use a Dynamic Purchasing System.
- 5.3 The Head of Human Resources & Organisational Development was part of the team that set out the council's tender document.

6 Other Courses of Action Considered but Rejected

- 6.1 All courses of action explored in the options appraisal undertaken by the Shared Procurement Service in July 2020.

7 Resource Consequences

- 7.1 There are likely to be savings made by capping of agency fees, no temp to perm fees after 12 weeks and standardised council terms and conditions, however, this is difficult to quantify at the current time and largely depends on the use services make of agency workers.
- 7.2 There are no direct staffing consequences, however, the use of agency workers will ease any short term capacity issues and ensures that services can run effectively, which supports staff in achieving their goals.

8 Legal Considerations and Implications

- 8.1 The approach is compliant with the council's Procurement Code and was undertaken by the council's Shared Procurement Service.

9 Risk Assessment

- 9.1 Low risk of suppliers being unable to supply the council's temporary agency staffing requirements, but this is mitigated by the number of suppliers who will be on the DPS and the fact that this can be added to throughout the contract period.

10 Procurement implications

- 10.1 This approach has been undertaken by the Shared Procurement Service.

11. Equalities and Human Rights implications / Public Sector Equality Duty

- 11.1 Prospective suppliers will have to demonstrate compliance with equality legislation.
- 11.2 As part of the procurement process, organisations on the DPS are assessed on their standards around Equalities & Diversity. No Equalities Impact Assessment is required.

12 Environmental Implications

- 12.1 Suppliers have been assessed on their approaches to sustainability (for example carbon neutrality, waste, etc.) and social value (local economy and community benefits).

13 Other Considerations

- 13.1 Prospective suppliers will have to demonstrate compliance with data protection legislation.