

Agenda Item No:	7	
Committee:	Cabinet	
Date:	11 September 2023	
Report Title:	Renewal of Agency Contract arrangements	

1 Purpose / Summary

- 1.1 Forward Procurement of the contract for the provision of temporary agency workers 2024 - 2025.
- 1.2 The Council currently has a contract with a vendor neutral managed service provider (Comensura), via the Eastern Shires Purchasing Organisation (ESPO).
- 1.3 There is a need to renew the current contract arrangements for the provision of temporary agency workers via the procurement MSTAR4 framework.
- 1.4 The Council's contract is renewed in December each year.

2 Key Issues

- 2.1 To ensure compliance of contract guidelines and achieve a compliant procurement process.
- 2.2 The last few years have seen some of the most challenging recruitment and retention issues experienced in all sectors for the last decade or so. The Council therefore needs to have a reliable solution in place for the engagement of temporary, skilled labour at short notice.
- 2.3 The anticipated spend on temporary agency staff via this contract per annum is circa £530,000.

3 Recommendations

- 3.1 It is recommended that FDC (Fenland District Council) recontract agreement with a vendor neutral managed service provider via the ESPO framework arrangements to enable it to continue with the current effective arrangements.

Wards Affected	All wards
Forward Plan ref:	N/A
Portfolio Holder(s)	Cllr Chris Boden – Leader of the Council and Finance Portfolio Holder
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Background Papers	N/A

Report:

1 BACKGROUND AND INTENDED OUTCOMES

- 1.1 The Council uses temporary resources to support its permanent workforce, most of which are supplied using the current corporate contractual arrangements. The Council has a framework contract in place for the provision of temporary agency staff, which is procured via ESPO.
- 1.2 ESPO is a public sector owned professional buying organisation (PBO), specialising in providing a wide range of goods and services to the public sector for over 40 years. All with free support and advice available from their expert teams.
- 1.3 The last few years have seen some of the most challenging recruitment and retention issues experienced in all sectors for the last decade or so. The Council therefore needs to have a reliable solution in place for the engagement of temporary, skilled labour at short notice.
- 1.4 The council currently has a contractual arrangement with Comensura, who are a vendor neutral managed services provider (MSP). This is where the MSP partners have an agreed list of recruitment suppliers, which are all given a fair opportunity to put forward candidates for the temporary vacancies within the Council.
- 1.5 This model enables Comensura to take on the contractual relationship with agencies to secure consistent terms and competitive margins for the Council. Recruiting managers contact agencies online via a central e-platform, which captures all processes from order creation to timesheets and invoices.
- 1.6 There are some occasions where the Council has been unable to secure resources with the right level of specialist skills (for example, to supporting the delivery of Fenland Future Ltd priorities, planning, environmental health

project work etc.). Where this is the case, the Council will use this framework in the first instance before resourcing this elsewhere.

2 REASONS FOR RECOMMENDATIONS

- 2.1 There are times where the Council needs to engage temporary workers to ensure ongoing service delivery.
- 2.2 To provide a compliant procurement route to market following the Public Contract Regulations and the council's code of procurement.

3 CONSULTATION

N/A

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Contract renewal deadlines. The Council's contract is renewed in December each year.
- 4.2 In arriving at the recommendation made within this report the member organisations considered the consideration of two options.

Option 1

- Renew the Council's contractual arrangement with a vendor neutral managed service provider under the ESPO framework (framework reference 653F/19. The framework complies with the Public Contract Regulations 2015 (PCR2015) and the councils code of procurement.
- ESPO offers a flexible procurement solution, which incorporates a low risk purchasing strategy ESPO have an in-house trading team who constantly monitor the markets and make considered purchases on customers' behalf when markets are conducive to do so.
- The ESPO team manage the procurement and each framework term is for a period of 12 months.
- The arrangement with ESPO provides Fenland District Council with a wide range of services including:
 - Management Information
 - Compliance with procurement requirements
 - Compliance with legislative requirements (IR35 -

Option 2

- Other purchasing organisations such as Crown Commercial Services or YPO offer similar services to those of ESPO.
- However, there would be likely to be no advantage in using these over ESPO.

- There are also very few other vendor neutral brokers in the market, however these may not have much experience dealing with large local authorities with numerous sites and complex supply requirements.
- 4.3 Comparison of options. In selecting an option, the Council must consider several factors including financial cost, environmental impact, quality of service, level of risk and practicality of contract management / administration.
- 4.4 Option 1 (Procurement of new contractual arrangements under the ESPO framework) is the best and lowest risk option.
- 4.5 Option 2 (Other buying organisations) offers no advantages over option 1 so is not recommended.

5 IMPLICATIONS

5.1 Legal Implications

- 5.2 The Public Contract Regulations 2015 (PCR2015) require the council to run a compliant procurement exercise for services valued at £213,477.00 or greater over a contract period. In this instance the council's own Code of Procurement allows the use of approved frameworks such as ESPO which have already been tendered under the PCR 2015 regulations. The legal implications of complying with the Council's local and PCR2015 Regulations have therefore been appropriately met in proceeding with the recommended approach.
- 5.3 To access agency suppliers that protect the Council against potential employment rights issues subject to the right terms and conditions being in place. Use of a vendor neutral contract also enables us to be compliant under IR35 requirements.

5.4 Financial Implications

- 5.5 The contract with a vendor neutral managed services provides the Council with favourable pricing terms from a range of different agencies; it allows the Council to specify its requirements for individual temporary staff to the supplier who then sources appropriate candidates for the Council to consider.

5.6 Equality Implications

- 5.7 None

5.8 Other Issues

- 5.9 To support its staffing levels, such as adding to or reducing the workforce to meet fluctuating demand for human resource in response to areas of growth, demand cycles, technology implementations, projects, and staff absence.
- 5.10 To access temporary resource at pace to respond to emergency and unprecedented demands on services.

- 5.11 To access the right people at the right time with specific or specialist knowledge, skills and behaviours of a type and number unavailable within the permanent workforce.
- 5.12 To access agency suppliers that protect the Council against potential employment rights issues subject to the right terms and conditions being in place.

6 SCHEDULES

None