

REPORT TO: Executive Board

DATE: 20th January 2022

REPORTING OFFICER: Strategic Director, Enterprise, Community & Resources

PORTFOLIO: Corporate Services

SUBJECT: Agency Worker Contract Procurement

WARD(S) Borough-wide

1.0 PURPOSE OF REPORT

- 1.1 To seek Executive Board approval to award a contract for the supply of Agency Workers beyond 2022 for the Liverpool City Region.

2.0 RECOMMENDED THAT:

In accordance with Procurement Standing Order 1.9.4 and 1.10.1, the Executive Board authorise the Strategic Director Enterprise, Community & Resources to enter into a contract with the preferred supplier who has been assessed as being the most economically advantageous and effective organisation to supply agency workers to the Council, and three other authorities within the Liverpool City Region. The contract will be awarded for a period of 4 years.

3.0 SUPPORTING INFORMATION

- 3.1 In 2017 the Council, acting as the lead authority, accessed the ESPO Framework MSTAR2 and made a direct award to Matrix SCM for the provision of a Neutral Vendor Managed Service for Agency Workers.
- 3.2 Halton are the lead Authority for the review of Agency provision on behalf of the Liverpool City Region and have led the re-procurement of a further collaborative contract for agency worker supply to Liverpool City Region authorities. The current contract is to end in February 2022.
- 3.3 An options appraisal was conducted, and the following options considered;

Option 1 Do Nothing

Option 2 Direct Award to a single provider accessing the YPO framework Ref: 942.

Option 3 Direct Award to a single provider accessing the ESPO framework – Ref: 653F - Managed Services for Temporary Agency Resources (MSTAR3)

Option 4 Award the contract as a result of conducting a mini competition with the nominated providers on the ESPO or YPO framework

Option 5 Undertake a new tender process from scratch on behalf of LCR

3.4 Option 1 presented a risk of increased cost per placement as current rates could not be guaranteed beyond the end of the contract in February 2022.

3.5 Option 2 did not deliver new cashable or efficiency savings.

3.6 Options 4 and 5 did not deliver new savings and in addition carried the risk of additional cost were the provider to change as a result of the procurement process.

3.7 Option 3 was assessed as being the most economically advantageous, identifying cost avoidance of circa £140,000 per annum for Halton, based on contract usage during the financial year 2019/20. (2020/21 and 2021/22 are considered exceptional years given the demand conditions created by the COVID-19 pandemic. Figures may therefore prove unreliable for forecasting).

3.8 The framework is in accordance with the Public Contract Regulations 2015 and was procured via the restricted procedure.

3.9 The ESPO Framework is open for access by the LCR members, via a direct award option within Lot 1a: Neutral Managed Service Provision, which has 8 shortlisted providers. The preferred supplier will be the incumbent provider, MatrixSCM.

4.0 POLICY IMPLICATIONS

4.1 The contract is awarded in line with Halton Borough Council's Procurement Standing Orders and the contract will support peripheral resourcing where it is required to ensure that services are sufficiently resourced to deliver a range of provision to Halton residents.

4.2 Peripheral resourcing is strictly controlled and monitored across the Council through the Policy, People, Performance and Efficiency Division.

4.3 The Council's Constitution states, within the Standing Orders Related to Staffing, that all requirements for peripheral workers should be requested through the prevailing Council contract in the first instance.

5.0 FINANCIAL IMPLICATIONS

5.1 The anticipated value of Halton's call-off from the agency contract is circa

£2.25m per annum in a normal year. Under normal operating conditions, the anticipated contract spend across a 4 year contract term will be in the region of £8m.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Use of the contract may contribute to any or all of the Council's priorities from time to time, by providing peripheral resources to any services where a requirement is identified in order to ensure continuity of provision of service to residents in Halton.

7.0 RISK ANALYSIS

7.1 Financial risk is minimised by awarding the contract within confirmed budgets.

7.2 As part of the procurement process, Halton Borough Council has carried out a financial assessment on the preferred supplier and has confirmed that they are a financially viable organisation.

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 The preferred supplier will be required to demonstrate that they embrace and comply with the Equality Act 2010, and their services will be monitored to ensure this is the case.

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

9.1 None.