

Report to Cabinet

13 September 2023

Subject:	Contract for the provision of temporary agency workers to the council.
Cabinet Member:	Deputy Leader & Cabinet Member for Finance & Resources Cllr Bob Piper
Director:	Assistant Director HR and Organisational Development Victoria Lee
Key Decision:	Yes
Contact Officer:	HR Resourcing Manager, Harpreet Sandhu Harpreet_Sandhu@sandwell.gov.uk

1 Recommendations

- 1.1 That the Yorkshire Purchasing Organisation (YPO) Framework Agreement for the Managed Service Framework for the Provision of Temporary Workers delivered by Hays Specialist Recruitment Ltd is called off as a direct award to meet our temporary worker demand for a year with 3 x 12-month extension options (1+1+1+1) at the council's own discretion, pending new longer-term agency procurement partnership arrangements, for the provision of temporary workers.
- 1.2 Whilst the Yorkshire Purchasing Organisation Framework Agreement and contract is implemented, Sandwell Council continue to operate under existing terms and conditions via Birmingham City Council's framework until such time the new agreement under the Yorkshire Purchasing Organisation Framework Managing Temporary and Permanent Recruitment- ref 942 (Lot 12 Total Talent Management) are agreed.



- 1.3 That the Assistant Director of HR be authorised to sign any framework call off documents or Access Agreements that are required.
- 1.4 The Assistant Director of HR submit a further report to Cabinet on options available for the longer-term procurement of the provision of temporary agency workers and permanent recruitment.
- 1.5 That any necessary exemptions be made to the Contract Procedure Rules to enable the course of action referred to in 1.1 and 1.2 above to proceed.

2 Reasons for Recommendations

- 2.1 The current contract, through Birmingham City Council's Managed Service Framework for the Provision of Temporary, will expire on 30 September 2023. Birmingham City Council has very recently announced new arrangements. With no access to renewal under this contract, it is imperative that the council establishes suitable arrangements from 1 October 2023 to continue to resource ongoing requirements for temporary workers, essential to enable the Council to deliver services. Considering the options available, it is possible for Sandwell Council to enter a new contract with Hays Specialist Recruitment Ltd under the Yorkshire Purchasing Organisation Framework.
- 2.2 It is recommended Sandwell Council access a collaborative framework agreement via – Yorkshire Purchasing Organisation Framework Agreement Managing Temporary and Permanent Recruitment – ref. 942 (Lot 12 – Total Talent Management) for one year with 3 x 12-month extension options (1+1+1+1). This option allows the council to access additional recruitment solutions such as difficult to fill permanent roles, executive or senior leadership permanent recruitment and overall talent management if required. There would be no price or fee increase under this framework. This is the recommended option to ensure we continue to control the cost of agency spend. Hays is a supplier listed on the framework. It is therefore, recommended that an award be made to Hays, in line with the terms of the Yorkshire Purchasing Organisation framework, as it meets the Council's current needs for temporary and access to additional permanent recruitment solutions.



- 2.3 The contract extension under the Yorkshire Purchasing Organisation Framework will allow Sandwell Council the opportunity to prioritise our temporary worker provision, enabling a proper review of our current use of agency workers and spend, incorporate procurement planning, refine our requirements and complete a tender and sourcing exercise to award a new contract if required in 12 months' time.
- 2.4 The contract extension under this YPO Framework will continue to provide a platform for Directorates to deliver their workforce plans and where there are peaks and troughs and short-term specialist transformational resource requirements, the contract will be an enabler to the completion of priorities.
- 2.5 A change of supplier now would mean a disruption to directorates with current temporary workers supplied via Hays, pressure on directorates to deliver their service and priorities without the use of temporary workers and the work involved to identify suitable suppliers within short time scales given the number of roles that Hays fill via their supply chain.
- 2.6 The contract with Hays will continue to provide assurances surrounding various vetting compliance requirements e.g., right to work, Disclosure and Barring Service Checks (DBS), and qualifications to mitigate legal and financial risks to the Council.

3 How does this deliver objectives of the Corporate Plan?

	<p>A Strong and Inclusive Economy Hays needs to work with us to focus on employment and employability for Sandwell residents, particularly in disciplines and job roles that historically have been hard to fill for the Council.</p>
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4 Context and Key Issues

- 4.1 Temporary workers are used for a variety of reasons across the council and are an essential resourcing tool to ensure effective service delivery. This may be to satisfy short-term, specialist demand, to backfill positions whilst permanent recruitment takes place or to cover extended staff absence.
- 4.2 Whilst the proposed contract with Hays has no defined value, the annual spend on temporary workers via Hays, excluding Children's Social Care, from April 2022 to March 2023 was £4.5 million. The figure includes the salary paid to the workers and all associated costs.
- 4.3 The Council has accessed Birmingham City Council's Managed Service Framework for the Provision of Temporary workers, delivered by Hays Specialist Recruitment Ltd to meet the demand for temporary workers, since 1 November 2017.
- 4.4 We are currently reviewing our temporary worker provision as part of our Recruitment Strategy, and work has commenced to explore options that will be further developed and brought to Cabinet. In the meantime, our intention was to continue accessing a temporary worker framework through Birmingham City Council. However, Sandwell was informed by Birmingham City Council in May 2023 they were undertaking a procurement process and would not be able to confirm the outcome until a formal cabinet decision had been reached in June 2023.
- 4.5 Birmingham City Council has since undertaken a procurement process for the provision of temporary workers and additional HR services and made an award of a contract to Hays Specialist Recruitment Ltd, called off under the Yorkshire Purchasing Organisation (YPO) Framework Agreement by direct award for a period of 4 years. Sandwell Council will no longer have access to this contract through Birmingham City Council.
- 4.6 Our relationship with Hays commenced in 2017, having worked with the Council for six years Hays know how we operate. Given the imminent expiry of the corporate contract, it would be beneficial to the council to extend our current contract with Hays for the short term whilst we consider options available to us for the longer term.



5 Alternative Options

5.1 The following procurement options were also considered;

- a) To carry out the work in-house – there is a lack of sector expertise to manage the function as a Managed Service Provider (this would involve managing large number of individual agencies & workers and the service issues likely to come with this). Given the timescales it is, therefore, too costly for the Council to run an internal managed service provider type service. There is a lack of commercial skills and resources currently available.
- b) Tender for a Council only contract – This was discussed with Procurement and discounted due to limited time to conduct a full procurement process and availability of the YPO framework which offers a quicker, cheaper and compliant route to market and will deliver the same outcomes as the current contract with Hays whilst giving the Council time to address the options available for the longer-term procurement of the provision of temporary agency workers.
- c) Use a collaborative framework agreement – YPO Framework Agreement Managing Temporary Recruitment – ref. 942 (Lot 1 – Temporary Recruitment) for one year with an option to extend for a further year. The pricing structure and fee would increase significantly. For example, the fee paid to Hays for an Administrator on this framework is £1.76 whereas currently, the fee paid to Hays is £0.50 which would increase our agency spend considerably.

6 Implications

Resources:	The contract will not commit the Council to any particular level of spend, this is incurred when an agency worker is hired against the contract. Any spend associated with this contract will be met from approved Directorates' service budgets.
Legal and Governance:	Procurement and Legal will review the YPO Framework contract and terms to mitigate any risks.
Risk:	An assessment of the options available and of direct award under the framework agreement has been completed.



	It is therefore considered a measured and acceptable risk to take in the circumstances avoiding the signification disruption, potential cost of change associated with a change of supplier and allowing the Council to focus on permanent recruitment, hard to fill roles, strategic advice and support to directorates.
Equality:	There are no equality implications associated with the report.
Health and Wellbeing:	There are no Health and Wellbeing implications associated with the report.
Social Value:	<p>The contract with Hays needs to identify a focus on employment and employability for Sandwell residents, particularly in disciplines and job roles that historically have been hard to fill for the Council.</p> <p>The contract with Hays needs to identify a focus on engaging with local schools to give young people information about working at the Council and the range of jobs and disciplines available to them particularly focusing on the hard to fill roles.</p>
Climate Change:	There are no climate change implications associated with the report.
Corporate Parenting:	There are no corporate parenting implications associated with the report.

