

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

EXECUTIVE MANAGEMENT TEAM'S
REPORT TO

Cabinet
12 January 2022

Report Title: Procurement of Temporary Agency Personnel – Operational Services Directorate

Submitted by: Executive Director of Operational Services

Portfolios: Recycling & Environment

Ward(s) affected: All

Purpose of the Report

To ask cabinet for authority to enter into a contract for the delivery of a Neutral Vendor Managed Service option for the supply and delivery of temporary staffing for both Recycling and Waste, and Streetscene for a period of two years plus possible two one year extensions.

Recommendation

That

- 1. Cabinet approve a Neutral Vendor Managed Service option for the supply and delivery of temporary staffing for both Recycling and Waste, and Streetscene service areas;**
- 2. Cabinet approve and delegate authority to the Executive Director of Operational Services for the award of contract on the completion of the supplier assessment currently being undertaken.**

Reasons

- The proposed solution is intended to replace the Borough Council's framework for the supply of temporary staff in both recycling and waste collection / streetscene services following its expiry.
- The Neutral Vendor Managed service offers a solution which includes the onboarding of existing local service providers alongside the development and expansion to include greater diversity of a supply base.
- The solution is intended to reduce the level of administrative tasks undertaken by internal officers and deliver savings on management costs.

1. **Background**

- 1.1 For a number of years agency staff have been used to support recycling and waste collection services, which were under resourced prior to the new recycling collection service becoming operational in 2020, and streetscene for their seasonal staff requirements.

- 1.2 Given the value in spend, particularly when running the previous resource intensive recycling collection service, a full procurement exercise was undertaken by the Council in 2017 to establish the Borough Council's own framework agreement of providers who met the criteria the Council required in terms of employment standards, training and aptitude, and financial costs.
- 1.3 Agency staff are utilised as a more effective alternative to seasonable temporary staff as they are more efficient to call on, to cover peaks in demand, short term shortages, covering for sickness, particularly with COVID issues still being prevalent. Any agency staff are still able to apply for any permanent roles when vacancies arise, as internal candidates.

2. Issues

- 2.1 The current contract arrangements are now at an end following an extension agreed in 2019, and there is a need to develop and procure new arrangements.
- 2.2 Although the annual spend on agency workers is a lot lower now than in 2017 when the original contract was formally agreed, it is still significant at over £100,000 per year.
- 2.3 Procurement of the original contract was long and complicated, therefore an alternative process utilising a national framework was explored with Eastern Shires Procurement Organisation (ESPO) around the possible use of the 653F_19 Managed Services for Temporary Agency Resources (MSTAR) Framework - Lot 1a Neutral Vendor Service as an alternative to the Councils own framework for the supply of both Recycling and Waste, and Streetscene temporary staffing.
- 2.4 Following earlier engagement, ESPO have recommended the possible use of the Neutral Vendor Managed service option, and highlighting two potential providers (from those listed on the framework) that have demonstrable experience in the supply of Recycling and Waste and Streetscene temporary staff, these being Matrix SCM and Comensura Limited.
- 2.5 Officer engagement has been undertaken with both providers and presentations received on the service options available from both providers.
- 2.6 Both providers will engage with the Council's current local supply base as part of an onboarding process and in support of a seamless transition.
- 2.7 Both providers have evidenced the opportunity to expand the service once embedded, to include alternative services temporary recruitment.

3. Proposal

- 3.1 That a Neutral Vendor Managed Service option for the supply and delivery of temporary staffing for both Recycling and Waste, and Streetscene be introduced and embedded.
- 3.2 That approval is agreed for the award of contract under the ESPO MSTAR framework agreement on the completion of the supplier assessment currently being undertaken.

4. **Reasons for Proposed Solution**

- 4.1 Utilising an existing framework saves time and valuable resources in procurement of providers for agency staff for both Recycling and Waste, and Streetscene and subsequently a range of Council services.
- 4.2 The preferred supplier will offer a digital solution in terms of management of the contract, submission of authorised timesheets, and the ordering of personnel which will save valuable time from a management perspective compared to the current system, and provide useful management reports and statistics which will allow the Council to more accurately monitor the value of the contract and the use of temporary agency personnel.

5. **Options Considered**

- 5.1 Another option to the use of temporary agency staff, would be to employ seasonal staff on temporary contracts, to cover the high peak of operations in both Recycling and waste with increased garden waste collections, and streetscene especially on the grounds maintenance element of their activities. However when this approach has been utilised in the past, sickness and other issues has meant that at times the numbers of additional staff have not had the desired impact in supporting increased work demand. Utilising temporary agency staff on a fixed term basis resolves the issue of none availability of staff, as there is a contractual requirement to provide staff on a daily basis to the satisfaction of the Council

6. **Legal and Statutory Implications**

- 6.1 The use of the ESPO MSTAR framework offers a compliant procurement process in line with Public Contract Regulations 2015.
- 6.2 Regularity and Assurance Compliance is established as part of the methodology offered by both suppliers proposal/s.

7. **Equality Impact Assessment**

- 7.1 An equality impact assessment will be developed with the successful provider as part of the utilisation of their service delivery and joint recruitment methodologies.

8. **Financial and Resource Implications**

- 8.1 A financial revenue budget is available in both Recycling and Waste, and Streetscene for the supply of temporary staffing to respond to fluctuating needs for staffing to respond to absenteeism, increases in demand and additional services requests.
- 8.2 Based on historic spend the aggregated value of this contract will be in the region of £551,200 (around £100,000 a year) but may fluctuate based on the ongoing need to supply appropriate cover for each of the services.

9. **Major Risks**

- 9.1 The use of a compliant framework agreement to procure a solution for temporary staffing minimises possible procurement challenges.

9.2 The timely and controlled processes that will be provided as part of the solution for the supply of temporary staffing is intended to minimise the risks caused to service delivery to residents as a result of any shortfalls in staffing due a range of factors.

9.3 Regularity and Assurance Compliance will jointly be established with the chosen service provider and officers of the Borough Council.

10. **UN Sustainable Development Goals (UNSDG)**

10.1 The use of the ESPO MSTAR Framework and the provision of ongoing temporary staffing will support the delivery of the following UNSDG:



11. **Key Decision Information**

11.1 This is a key decision as expenditure over the life of the contract will exceed £100,000 revenue.

12. **Earlier Cabinet/Committee Resolutions**

12.1 There are no earlier Cabinet/Committee Resolutions.

13. **List of Appendices**

13.1 There are no appendices.

14. **Background Papers**

14.1 There are no background papers.