

## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance, Policy & Resources
DATE	4 December 2014
DIRECTOR	Ewan Sutherland
TITLE OF REPORT	Authority to Procure under Framework Contracts – Scottish Procurement and Scotland Excel
REPORT NUMBER	CG/14/130
CHECKLIST COMPLETED	Yes

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### 1. PURPOSE OF REPORT

This report seeks permission to procure the services of temporary agency workers under national framework agreements.

### 2. RECOMMENDATION(S)

The Committee is recommended to:

- i) note the approval granted, as required under Standing Order 21(1), by the Head of Commercial and Procurement Services (CPS) and Head of Legal and Democratic Services to use the nationally tendered Scottish Procurement and Scotland Excel framework agreements for the provision of temporary agency workers as detailed in Appendix 1; and
- ii) approve contracts being entered into across all council Directorates under the above frameworks for an estimated annual expenditure of up to £4,300,000.

### 3. FINANCIAL IMPLICATIONS

The spend in the last financial year on the services of temporary agency workers (excluding temporary trade workers who are provided for under a separate framework tendered by the Housing Service) was \*£4,188,711.

While the Council has limited budget specifically for the provision of agency workers, the use of agency workers is predominantly paid for

*\*Spend figure produced from financial report 2013-2014 agency account code level*

from under spending in establishment staff budgets accordingly spending levels are affordable from within approved budgets.

Agency usage and spend should be seen in the context of the difficulties in recruiting and retaining certain types of staff/skill sets, whilst having a requirement to deliver essential services. There is also a strong demand for temporary workers in the local market and the main challenge going forward is the lack of suitable candidates to meet demand.

Labour and legislative factors impact upon the delivery and costs of the services and include:

- National Minimum Wage, the Living Wage and average UK earnings all increasing
- Agency Workers Regulations
- Pension auto-enrolment contributions (where applicable) 1% until 2017.
- PVG Scheme checks/Disclosure Scotland
- Scottish Social Services Council (SSSC) registration
- Providing statutory training

#### 4. OTHER IMPLICATIONS

HR officers and hiring managers will be required to assist with the migration to and utilisation of the national frameworks.

#### 5. BACKGROUND/MAIN ISSUES

There are a number of framework agreements that CPS have worked to develop in conjunction with Service users and the national body for joint public sector procurement, Scottish Procurement, and for joint local government procurement, Scotland Excel. The spend on these contracts is such that the annual combined spend will be well in excess of £60,000, although in most cases no single purchase of the services of an individual agency worker will exceed £60,000 otherwise the hiring Service would need to report to the appropriate Committee.

The CPS together with the Services liaise and participate in User Intelligence Groups to ensure that their needs, as well as any Council Policies are incorporated into the design of the specifications and the subsequent evaluation of the tenders that are received.

#### 6. IMPACT

This report links to the Smarter City vision aiming to maintain staffing levels to ensure continuity of services in a currently difficult and challenging environment. It also supports the Corporate Business Plan and individual Service plans supporting the delivery of front line essential services.

7. MANAGEMENT OF RISK

In the event the Council did not utilise these frameworks to provide temporary agency workers then there is the risk that staff vacancies will impact upon the delivery of services and options to address these gaps in the workforce would be considered on a case by case basis thereby not representing best value. In addition there is the risk that the Council will be breaching EU procurement legislation.

8. REPORT AUTHOR DETAILS

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## Appendix 1

1. The following framework agreement has been tendered by Scotland Excel:

<b>Commodity Being Purchased</b>	<b>*Current Council Annual Spend</b>	<b>Name/s of Contractor Appointed in Aberdeen</b>
Temporary Social Care Agency Workers	£1,218,594	<ul style="list-style-type: none"><li>• Ailsa Care Services Ltd</li><li>• ASA International Ltd</li><li>• Badenoch &amp; Clark Ltd</li><li>• Liquid Personnel</li><li>• Pertemps Recruitment Partnership Ltd</li><li>• Reed Specialist Recruitment Ltd</li><li>• Service Care Solutions Ltd</li><li>• SPS Social CareLtd</li><li>• Swiis (UK) Ltd</li><li>• The Social care community Partnership Limited</li><li>• Tripod Partners Ltd</li></ul>

*\*Spend figure produced from financial report 2013-2014 agency account code level*

### **Background: Supply of Social Care and Agency Workers**

Given Local Authorities accounted for 99% of the spend on the Scottish Procurement Social Care and Agency framework, making them the key stakeholder group for any replacement framework, responsibility for renewal passed to Scotland Excel.

The national collaborative framework for the supply of social care and agency workers, including care workers, social workers and ancillary staff has been developed in consultation the all 32 Scottish Local Authorities, all of whom have confirmed their intention to participate in the framework.

There are four lots that make up this framework: Lot 1 – Residential; Lot 2 – Community; Lot 3 Professional; and Lot 4 – Ancillary.

The Framework initial term is for a period of two years with the option to extend for up to a total of 24 months until 31 July 2018.

2. The following framework agreements are currently being tendered by Scottish Procurement:

Temporary and Interim Staff Frameworks		*Current Council Annual Spend
Commodity Being Purchased	Geographic Area	
<ul style="list-style-type: none"> <li>• Temp Admin</li> <li>• Temp Catering/Manual</li> <li>• Interim Professionals &amp; IT</li> </ul>	<ul style="list-style-type: none"> <li>• North</li> <li>• North</li> <li>• Scotland</li> </ul>	£2,970,117

*\*Spend figure produced from financial report 2013-2014 agency account code level*

### **Background: Supply of Temporary and Interim Staff**

The Council currently utilises a suite of national framework agreements tendered by Scottish Procurement in 2010. These framework agreements are shortly to expire and Procurement Scotland is currently undertaking a national collaborative tender exercise to replace the frameworks. The new frameworks are expected to be in place at the beginning of 2015 following the conclusion of the tender exercise.

The tender contract notice attracted a huge volume of Pre Qualification Questionnaire submissions which were evaluated and 6 bidders per framework have received an Invitation to Tender. The tender submissions are currently being evaluated.

The framework duration will be for an initial period of 3 years with the option to extend for a further year.

The Head of Commercial and Procurement Services, Head of Legal and Democratic Service will ensure that the outcome of the tender exercise delivers best value to the Council prior to approving any call-off contracts under the new frameworks.