



Report of: Executive Member for Finance, Performance and Community Safety

Meeting of:	Date:	Ward(s):
Executive	17 October 2019	All

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SUBJECT: Alternative Resourcing Arrangements

1. Synopsis

- 1.1 This report seeks approval for an extension to the use of the Local Government Resourcing Partnership (LGRP) framework agreement for permanent and interim staff in accordance with the Council's Procurement Rules. The Council must be able to appoint such resources as it considers necessary to carry out the range of statutory and discretionary services it delivers. The posts in scope for this arrangement will normally be Senior Management roles where an executive search may be a requirement of the recruitment process. Occasionally it is preferable to go outside of this arrangement where a particular senior role requires the expertise offered by a specialist recruitment agency in that field.
- 1.2 From time-to-time, direct recruitment and/or conventional agency staffing may not be able to meet all specialist and/or senior interim needs within required timescales. The service provided via the framework can be assistance in sourcing specialist/senior staff and/or for the payment of those staff.
- 1.3 The Council needs to have a compliant, properly commissioned and procured arrangement to meet those needs. Interim staff are a mixture of appointments made by members and senior directors of the Council, but are time limited. Costs occur only when the service is required.
- 1.4 To date, a pilot of utilising the national LGRP has occurred, followed by an officer decision to continue its use. Members are asked to endorse an extension to the council's use of the framework agreement as a corporate arrangement.

2. Recommendations

- 2.1 To approve an extension to the use of the LGRP framework agreement for permanent and interim staff, as outlined in this report.
- 2.2 To approve the award of call-off contracts, if permanent or interim staff are required and agreed, not exceeding £10m in the aggregate to suppliers on the LGRP framework agreement from the initial pilot.
- 2.3 To approve the use of the LGRP framework agreement as the Council's default agreement where staff are required and that route is most advantageous.
- 2.4 To authorise the Chief Executive, Corporate Directors and the Chief Finance Officer (acting individually) to award call-off contracts, if staff are required, not exceeding £10m in the aggregate, to suppliers on the LGRP framework agreement from the initial project.

3. Background

- 3.1 The Council wants to be an organisation that is **attracts and retains the best talent** from the widest pool. By attracting and retaining the best talent, we believe we can do the best for our residents through a skilled, passionate, diverse and committed team in place across all our services. We have to recognise that there are a number of shortages of labour, with competition from the wider public and private sectors for skilled candidates

The Council knows that it needs to review its recruitment processes, trialing different approaches if it is to **attract and retain the best talent**. One of the approaches which we have been trialing is the Alternative Resources Arrangements offered under the Local Government Resourcing Partnership (LGRP). The LGRP is a framework agreement for the public sector to access and procure recruiting and resourcing services.

The LGRP is a framework agreement for the public sector to access and procure recruiting and resourcing services. The London Borough of Waltham Forest, supported throughout the procurement process and contract management by Yorkshire Purchasing Organisation (YPO), runs the LGRP.

YPO are a completely publicly owned buying organisation that establishes national and regional framework agreements to meet the common needs of local authorities. In addition, YPO provides services to schools, charities, emergency services and the wider public sector.

The Council trialed the use of the LGRP framework agreement during the first half of the 2018/19 financial year, under the auspices of the Director of Human Resources. The Section 151 Officer took the decision to utilise the LGRP framework agreement for a £2million capped period.

A range of difficult-to-appoint senior and/or specialist posts have been appointed via the LGRP framework agreement, where normal recruitment alone has been found wanting. These appointments have included:

- the Chief Executive/Head of Paid Service (the latter a statutory post)
- Corporate Directors
- Director of Finance and Property/Section 151 Officer (statutory post)
- Chief Digital and Information Officer

- senior roles in mental health and adult social care.

The LGRP framework agreement has proven itself a cost effective mechanism of accessing the market and securing better value through economies of scale from the buying power of the public sector (for further background see <https://lgrp.co.uk/home/about-lgrp/>).

3.2 Estimated Value

The call-off contracts awarded from the LGRP framework agreement will vary, dependent on need and demand. Back-dated to the start of the Council's use of the LGRP framework agreement, the total spend will exceed the officer decision limit of £2million. The Executive's approval is needed to extend the council's use of the framework agreement for permanent and interim staff via the LGRP, where a post is required and has been agreed through proper governance channels. The Council's general default will be normal direct recruitment of employees.

There is no commitment to use of the LGRP framework agreement. If more economically advantageous, alternative arrangements to the LGRP framework agreement following the Council's exception procedures are commissioned. Controls are in place to minimize use (see 3.5 Key Consideration of this report). Appointments need individual agreement via pre-existing governance arrangements. Call-off contracts approved under this extension to the use of the framework agreement for permanent and interim staff will not exceed £10million from the initial pilot.

Funding is from a number of existing operating budgets of the Council. Consequently, use of the LGRP framework agreement does not present any additional budget pressures for the Council. Use of a pre-procured arrangement reduces time taken to get to market and resources expended, thus allowing those finite resources to be better deployed to Council priorities.

3.3 Timetable

The LGRP framework agreement is pre-procured and runs for four years from 2017 until 2020. The Council can make call-off contracts during that time as it requires to meet specific deadlines for the range of statutory and discretionary services it requires. The LGRP framework agreement has been fully investigated by the Council's Strategic Procurement, Human Resources and Legal Services teams.

3.4 Options appraisal

The options available to the Council include:

- to do nothing, which would leave the Council unable to deliver essential services
 - to seek to do more in-house, which is the default before such a mechanism is used
 - to undertake a competitive tender itself, duplicating the arrangement
- to extend use of the LGRP framework agreement for permanent and interim staff .

3.5 Key Considerations

An extension to the use of the LGRP framework agreement for permanent and interim staff is proposed. The extension will ensure that the Council has the resources required. Those resources will be engaged in the process of considering relevant social, economic and environmental value. All resources appointed on the framework agreement receive in excess of the London Living Wage. The majority of costs through the LGRP framework agreement will be pay.

Arrangements to secure continuous improvement in the way in which the council's functions are exercised, having regard to a combination of economy, efficiency and effectiveness are made through having access to the right resources when the Council needs them. The Council has an established business cases process before an appointment can be made under Rule 1.7 of the Council's Procurement Rules (Standing Orders) in Part 6 Codes and Protocols of the Constitution. Procurement Rule 1.7 requires initial approval of a Corporate Director (or their nominated representative) followed by a panel consisting of representatives of Strategic Procurement, Finance and an independent departmental representative to assess the business case.

There are no direct Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) implications arising from the use of the LGRP framework agreement. The Agency Workers Regulations may apply in limited situations.

3.6 Evaluation

The tender for the LGRP framework agreement was conducted in one stage, known as the Open Procedure, as the tender was 'open' to all organisations who expressed an interest. The Open Procedure includes minimum requirements that organisations must meet before the rest of their tender is evaluated. The tender had four lots with each evaluated on the basis of 60% quality and 40% price (further information is on the LGRP website mentioned above).

Call-off contracts from the LGRP framework agreement may be completed using either direct award or further competition, dependent on the Council's individual need at the time.

Further information on the LGRP framework agreement is in the public domain here: <https://ted.europa.eu/TED/notice/udl?uri=TED:NOTICE:074967-2017:TEXT:EN:HTML>

3.7 Business Risks

Margins for the LGRP framework agreement are set at a national level. The main risks associated with the use of a pre-procured framework agreement is that it will still be unable to meet all business needs. If either:

- better rates can be achieved outside of the LGRP framework agreement; or
- the LGRP framework agreement is unable to meet demand

then other arrangements may be used, provided those gains are not offset by the resources expended in achieving them. The main opportunity is continued immediate access to market with a national framework agreement on pre-determined, benchmarked and agreed rates and terms.

- 3.8 The Employment Relations Act 1999 (Blacklist) Regulations 2010 explicitly prohibit the compilation, use, sale or supply of blacklists containing details of trade union members and their activities. Following a motion to full Council on 26 March 2013, all tenderers will be required to complete an anti-blacklisting declaration. Where an organisation is unable to declare that they have never blacklisted, they will be required to evidence that they have 'self- cleansed'. The Council will not award a contract to organisations found guilty of blacklisting unless they have demonstrated 'self-cleansing' and taken adequate measures to remedy past actions and prevent re-occurrences.
- 3.9 The following relevant information is required to be specifically approved by the Executive in accordance with rule 2.8 of the Procurement Rules:

Relevant information	Information/section in report
1 Nature of the service	Extension to use of the framework agreement for permanent and interim staff. See paragraph 4.1.
2 Estimated value	Call-offs from the LGRP will not exceed £10million from commencement of the pilot. See paragraph 4.2.
3 Timetable	The extension can be executed immediately. See paragraph 4.3.
4 Options appraisal	Outlined within the report. See paragraph 4.4.
5 Key Considerations	Outlined within the report. See paragraph 4.5.
6 Award criteria	The LGRP Framework Agreement was awarded on the basis of 60% quality and 40% price. See paragraph 4.6.
7 Any business risks associated with entering the contract	No significant risks from the extension. See paragraph 4.7
8 Any other relevant financial, legal or other considerations.	Outlined within the implications. See paragraph 5.1-5.4.

4 Implications

4.1 Financial implications:

Funding for the call-off contracts from the Local Government Resourcing Partnership framework agreement (LGRP) will be from existing budgets and does not present any additional budget pressures for the Council. In addition, the use of a pre-procured arrangement minimizes procurement costs.

4.1 Legal Implications

The Council may procure such staffing resources as it considers necessary for the proper discharge of its statutory functions (sections 111 and 112 Local Government Act 1972).

functions). The Council may enter into contracts for the provision of its interim staffing requirements under Section 1 of the Local Government (Contracts) Act 1997. The council may procure its requirements for staffing resources by awarding contracts to suppliers on the LGRP framework agreement. The LGRP framework was procured in compliance with the Public Contracts Regulations 2015. It has been competitively tendered having been advertised in OJEU on 14 June 2017 using the 'open' procurement procedure with a contract award notice placed on 7 November 2017. The framework agreement duration is four (4) years and it is available for use by the council. Call-off contracts can be awarded either by direct award to an organisation on the framework or following a mini-competition involving the organisations on the framework with justification on grounds of value for money for the council.

The Executive must approve the extension to the use of the LGRP framework agreement for the provision of interim staffing resources where the aggregate value of call-off contracts from the framework from the initial pilot will exceed the officer's delegated authority limit of **£2million**.

5.4 Resident Impact Assessment:

The Council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The Council has a duty to have due regard to the need to remove or minimize disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

A Resident Impact Assessment was completed on 19/08/2019 and is appended. There are no negative impacts anticipated from extension to the framework agreement for permanent and interim staff as appropriate

5.3 Environmental Implications and contribution to achieving a net zero carbon Islington by 2030:

Although there will be impacts related to the contractors procured through the LGRP framework agreement, the framework agreement itself has no significant environmental impact. Individual contracts awarded through the framework will be assessed at the time they are procured.

6. Reasons for the recommendations

- 6.1 To agree the extension of the framework agreement for permanent and interim staff in accordance with the Council's Procurement Rules.

Appendices

Resident Impact Assessment.

Background papers:

None.

Final report clearance

Signed by:



9 October 2019

Councillor Andy Hull
Executive Member for Finance, Performance and
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Date:

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