



*Making Suffolk a safer place to live, work, travel and invest*

**ORIGINATOR:** *Chief Constable*

**DECISION NUMBER:** *28-2014*

**REASON FOR SUBMISSION:** **FOR DECISION**

**SUBMITTED TO:** **POLICE AND CRIME COMMISSIONER**

**SUBJECT:** **Contract for Managed Services for Temporary Agency Resources**

**SUMMARY:**

Due to the expiration of both Norfolk and Suffolk temporary staff agency contracts, a joint replacement contract is required. A framework agreement was identified and prices analysed to determine the most economically advantageous option. It is proposed to award a call-off contract to Reed Employment Agency as the provider for this service due to their competitive rates.

**RECOMMENDATION:**

**That the Police and Crime Commissioner approves entering into a contract with Reed Employment Agency on behalf of both Suffolk and Norfolk PCC's for the provision of a managed service for temporary agency staff.**

**APPROVAL BY: PCC**

The recommendation set out is agreed.

**Signature**

*Twin Parnmore*

**Date** *3/09/2014*

## **DETAIL OF THE SUBMISSION**

### **1. KEY ISSUES FOR CONSIDERATION:**

Currently Norfolk and Suffolk Constabulary employ 51 temporary agency staff – 17 in Suffolk and 34 in Norfolk.

The two forces have contracts in place for employment agency services with different suppliers from the same national police framework agreement which has now expired.

It was identified by the Joint Human Resources department (HR) that a single provider would be the most effective option in support of both HR and operational departments.

There has been an effort to reduce the numbers of agency staff employed across the organisations and it is the intention to continue to manage this down further. However, it has been accepted that as the organisations continue to go through change, short term support by agency staff may be required to fill unforeseen gaps.

It was agreed at the National Police Procurement Executive that the most appropriate route to market for this commonly purchased service is through a framework arrangement as it gains maximum purchasing power and reduces duplication of effort in procurement. It was also agreed that a police specific framework was not necessary as the Crown Commercial Services (CCS) and local government PRO five purchasing consortiums (PRO5) provide as effective a solution as the national police framework had done.

Procurement reviewed a number of frameworks available through both CCS and Pro5 and identified an Eastern Shires Purchasing Organisation (ESPO) led national framework which is competitive; and prices will continue to improve as more organisations sign up to it. It is also the framework of choice for other forces and local authorities.

The quality of service of all the suppliers on the framework met HR's requirements and so a desktop exercise using a profile of temporary staff from Norfolk and Suffolk was carried out concentrating on cost to determine which of the suppliers was the most economically advantageous. Reed Employment Agency was found to be the most competitive.

The decision to proceed with a replacement agency contract has been with the involvement of both ACO(R)'s who are regularly updated on the contracting plan and Procurement work in progress. The PCC Chief Executives were electronically sent the proposed contract/customer agreement on 10<sup>th</sup> July 2014.

The overall contract is for four years with a renewal option at the three year point and is based on a standard ESPO model contract amended to our specific requirements.

The supplier is aware that the value of the contract will decrease over the term of the contract due to the improved demand management being employed.

There is a rigorous process in place to ensure that any recruitment of agency staff is approved by the Deputy Chief Constable in line with the current freeze on recruitment. Agency staff are only used temporarily whilst tranches of change are progressed or to complete a limited piece of work.

### **2. FINANCIAL IMPLICATIONS:**

The potential value of this contract is variable based on a number of factors, but is estimated on the numbers currently employed to be in the region of £1million to £1.1million per year across both organisations – Suffolk agency staff account for around £250,000 - £300,000 of the spend. The anticipated value of the contract over the total contract period will be £4million

This is an estimated value as HR has already begun managing down the levels of agency staff employed in both Constabularies but leaves some contingency for short-term peaks.

The framework will deliver some modest savings based on current demand, there has been no increase in line with RPI from the present agreement and the rates are capped for the duration of the contract at a time when pay is likely to increase. However the greatest efficiencies will be gained by implementing a joint service, with one point of contact for HR, eliminating the waste of managing two separate systems and suppliers.

### 3. OTHER IMPLICATIONS AND RISKS:

There are no other identified risks in this contract and no change to the PCC Risk Register is deemed necessary.

**PUBLIC ACCESS TO INFORMATION:** Information contained within this submission is subject to the Freedom of Information Act 2000 and wherever possible will be made available on the Police and Crime Commissioner's website. Submissions should be labelled as 'Not Protectively Marked' unless any of the material is 'restricted' or 'confidential'. Where information contained within the submission is 'restricted' or 'confidential' it should be highlighted, along with the reason why.

ORIGINATOR CHECKLIST (MUST BE COMPLETED)	PLEASE STATE 'YES' OR 'NO'
Has legal advice been sought on this submission?	NO
Has the PCC's Chief Finance Officer been consulted?	<del>NO</del> Yes
Have equality, diversity and human rights implications been considered including equality analysis, as appropriate?	YES
Have human resource implications been considered?	YES
Is the recommendation consistent with the objectives in the Police and Crime Plan?	N/A
Has consultation been undertaken with people or agencies likely to be affected by the recommendation?	N/A
Has communications advice been sought on areas of likely media interest and how they might be managed?	N/A
Have all relevant ethical factors been taken into consideration in developing this submission?	N/A

In relation to the above, please ensure that all relevant issues have been highlighted in the 'other implications and risks' section of the submission.

**APPROVAL TO SUBMIT TO THE DECISION-MAKER** (this approval is required only for submissions to the PCC).

**Chief Executive**

I am satisfied that relevant advice has been taken into account in the preparation of the report and that this is an appropriate request to be submitted to the (add decision-maker's title e.g. the PCC)

**Signature:**

**Date**

3 September 2014.