

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	4293
Author:	Matthew Hackney
Department:	Finance and Resources
Contact:	Matthew Hackney (Job Title: Resourcing Consultant, Email: matthew.hackney@nottinghamcity.gov.uk, Phone: 62763)
Subject:	Extension of Managed Service Provider Contract for Agency Workers
Key Decision (decision valued at more than £1million):	Yes
Key Decision (decision affects 2 or more wards):	Yes
Total Value:	Up to £8.75 million (Type: Revenue)
Decision Being Taken:	Grant dispensation from Contract Procedure Rule 5.1.2 in accordance with Financial Regulation 3.29 to allow for an extension to the current contract with Geometric Results International (GRI), our managed service provider (MSP) for all temporary agency workers engaged by Nottingham City Council (NCC), to cover the periods:1. 01 November 2020 to 19 August 2021 (retrospective decision - value £3.75m).2. Approve an additional one year extension from 20 August 2021 to 19 August 2022 (up to £5m).

Reasons for the Decision(s)	<p>The Coronavirus (COVID-19) pandemic has severely limited the opportunities to commence a thorough review of the current arrangement with GRI and embark on a tendering process for a potential new managed service provider. The current contract is monitored and reviewed by HR and Contracting and Procurement colleagues though and is functioning satisfactorily. GRI have responded in a timely and effective way to a variety of new demands that we have placed on them as a result of the pandemic. Procurement of a potential replacement MSP should commence no later than June 2021 in order to allow the process to reach a conclusion before the expiry of the proposed contract extensions. The terms of the existing contract with GRI provide for a one-year extension. The value of the decision is £3.75 million to cover the period 1st November 2020 to 19th August 2021 and £5 million to cover the 12 month extension. This is in line with the £5 million per annum spend approved for previous years but it should be noted that the period April 2020 to March 2021 resulted in a gross spend of £4.2 million. Decision 2766 provided for a 3 year contract to be in place no later than July 2017. Decision 2987 provided for an extension to this until the end of October 2017 and GRI was awarded the 3 year contract in September 2017. The contract agreement was not finalised until June 2018 though and the contract only went live in August 2018.</p>
Briefing notes documents:	DelegatedDecision 2987.pdf, DelegatedDecision2766.pdf
Other Options Considered:	<p>Doing nothing is not an option as there will not be the purchase order available to cover expenditure on this contract after 19 August 2021. There is no current alternative to extending GRI's contract in the absence of a comprehensive review and procurement process. Engaging directly with individual agencies would be more expensive in terms of the staffing resource burden this would place on the Council. It would also introduce the potential for inconsistencies in terms of safeguarding checks carried out on agency workers NCC is also unlikely to be able to match the bargaining power of Managed Service Providers.</p>
Background Papers:	None.
Published Works:	Decisions 2766 (published 08/03/2017) and 2987 (published 26/10/2017)
Affected Wards:	Citywide
Colleague / Councillor Interests:	None.
Dispensation from Financial Regulations:	Yes
Consultations:	Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:	None arising from this decision.
Equality:	EIA not required. Reasons: EIA previously carried out for decision 2766 applies.
Social Value Considerations:	As per the decision 2766 - the vast majority of agency workers are used in Children's and Adults' divisions, ensuring that front line services are delivered to our most vulnerable citizens.
Relates to staffing:	Yes
Decision Type:	Leader's Key Decision
Subject to Call In:	Yes
Call In Expiry date:	02/08/2021
Advice Sought:	Legal, Finance, Procurement, Human Resources
Legal Advice:	<p>The delegated decision raises no significant legal issues. The contract expressly provides the option for the Council to extend the contract by 12 months to take effect at the end of the initial contract term.</p> <p>Advice provided by Sarah O'Bradaigh (senior solicitor) on 13/04/2021.</p>

Finance Advice:

This decision seeks approval to extend the contract with Geometric Results International (GRI) for a one year period from August 20th 2021 to August 19th 2022. The terms of the existing contract with GRI provides for this one-year extension. The value of this decision is £5m and is based on a typical annual spend amount on agency staff across NCC. It should be noted that this decision value is a ceiling amount and does not enter NCC into a contract of this amount.

The funding for any agency staff off this contract will be met from individual service area budgets. The service should ensure it is affordable at the time and that any other cheaper recruitment methods have been exhausted first. The service using the contract will need to ensure it comes in within existing budget provision and that no financial pressure will occur. Spend from this contract should be deemed essential and business critical only.

As highlighted by the decision author a planned procurement review into this contract was adversely impacted by the covid pandemic hence the request to extend the contract by a further year. It is recommended a full procurement exercise is undertaken ahead of the contract ending in August 2022. Value for money is still being achieved by extending this contract though as it is unlikely NCC could procure the services of agency staff as cost effective by engaging directly with individual agencies themselves. NCC is also unlikely to be able to match the bargaining power of MSPs.

This decision also seeks retrospective approval of spend for the period from 1st November 2020 to 19th August 2021 at a value of £3.75m. Expenditure already incurred during this period will have been captured and reported as part of previous years outturn across the departments who have spent against the contract.

Advice provided by Philip Gretton (Finance Analyst) on 28/04/2021.

Procurement Advice:

The decision to extend the contract for a further 12 months is allowed for in the existing contract terms and is supported by Procurement.

Advice provided by Paul Ritchie (Lead Procurement Officer) on 15/03/2021 & 10/05/2021.

HR Advice:

The decision is to extend the contract for a further 12 months as per an option in the original contract. No direct HR implications. Indirect implications are highlighted in the original advice on decision 2766.

Advice provided by Labeeb Aslam (HR Consultant) on 07/05/2021.

Signatures:

David Mellen (Leader/ PH Strategic Regeneration Communications)
SIGNED and Dated: 23/07/2021
Clive Heaphy (Corporate Director for Finance & Resources)
SIGNED and Dated: 22/07/2021
Clive Heaphy as Chief Finance Officer (Chief Finance Officer) - Dispensation from Financial Regulations
SIGNED and Dated: 13/07/2021
Chief Finance Officer's Comments: