

Appendix F – Opportunity to Review 3rd Party contracts and realise economies of scale.

1.1. Review of 3rd Party Contracts

In addition to these identified savings, it is anticipated that the review of 3rd Party contracts could realise future financial benefits, as they come up for renewal.

This appendix provides further detail as to the contracts that could be reviewed as part of a shared HR service arrangement.

The following recommends activities through each phase to look at how best working together allows both councils to take advantage of economies of scale. In both Models, the Contract Manager post has been retained in order to facilitate this work:

Phase 1: (June 2016)

- Explore possibility of renegotiating contracts with same suppliers as this should be an easier and more likely process due to exit clauses etc. For example, this could involve combing contracts with Pertemps for Agency/Temp workers. With a substantial figure being spent on these contracts by both local authorities, negotiating a new contract offers the chance to realise considerable savings
- Both BCC and HBC both have contracts with Learning Pool for Learning Management System. Renegotiating these contracts could enable the local authorities to combine their L&D resources and widen the breadth of courses available to employees whilst also realising savings
- The HBC contract with Pertemps is due to end September 2016. BCC have an internal resource team and as such it may be worth looking at the option for BCC to provide the resourcing service. However the Harrow contract with Pertemps is a good arrangement and the viability and benefits of transferring the work away from an external contract need to be explored in detail before any retendering exercise begins.

Phase 2: (April 2017)

- A continued development of the above situations to establish joint contracts across mentioned services to the point of implementation. With both L&D Supplier Framework Applications coming to an end in 2017, this should be explored as part of Phase 2. A combined L&D Framework will increase VfM and services on offer for both local authorities, improving skills and capabilities of the workforce. There is a mutual interest beyond financial considerations to improve this service
- A joint DBS service could be explored as a commercial opportunity. HBC currently pay a higher rate for DBS services; however that needs to be considered alongside the cost of the BCC team that offer a DBS checking service.

The options appraisal identified potential savings in the region of £80k from the review of these contracts as they come up for renewal. The following table provides a summary of contracts for similar services that could be explored and renegotiated as part of a shared HR service.

Contract Title	Council	Supplier	Contract Value		Duration	Comparison
			Annual	Total		
Recruitment For Temp Workers	BCC	Pertemps	£10m	£30m	March 2018	- HBC contract ending Sept 2016. Any opportunities need to be explored ASAP - Exploration of joint contract for temp and interim workers with Pertemps
	HBC		£22m 450 FTE 640 Headcount	£120m	September 2016	
DBS Checks	BCC	Kent Commercial Services	£2.50 per transaction	Approx. 8,500 transactions	March 2017	- Capita provide HBC with an online portal for applicants to complete a self-service form - Process is totally outsourced - Extension yet to be agreed with Security Watchdog (CAPTIA) - DBS Team in BCC but no equivalent at HBC
	HBC	Security Watchdog	£9 per transaction	1464 transactions including schools and volunteers	Discussions are take place with Procurement about potential extension	
Occupational Health and Employee Assistance Programme	BCC	PAM Assist	£95k	Part of a £1.57m framework agreement	September 2016 (Option to extend for further 3 years)	- BCC part of a framework including District councils, schools, academies and other public bodies in Buckinghamshire - Is there financial benefit to move onto the same framework
	HBC	Health Management Ltd	£50k	£200k	January 2017	
Learning Management System (LMS)	BCC	Learning Pool	£19k	£57k	April 2018	- Learning Pool used by both LAs - Opportunity to combine budgets and increase VfM - Could look to renegotiate with Learning Pool – one contract across 2 sites
	HBC		tbc	£28.5k (tbc)	April 2016	
L&D Supplier Framework Application	BCC	Maximum Performance		£50k	January 2017	- Collaboration would increase opportunity to share practice and skills
	HBC	Premier Partnership	£30k for current year	–	July 2017 – Currently under review	
SAP Licences	BCC	Tbc	Tbc	Tbc	Tbc	The details of SAP licence costs is requires further work but it is anticipated that a shared HR service will provide leverage to negotiating licence costs.
	HBC	Tbc	Tbc	Tbc	Tbc	