



Report for: Cabinet

Date of Meeting:	17 th December 2020
Subject:	Arrangements for the Supply of Temporary Staff Services and Permanent Recruitment Services
Key Decision:	Yes – will result in the Council incurring revenue expenditure in excess of £500,000
Responsible Officer:	Charlie Stewart, Corporate Director of Resources
Portfolio Holder:	Adam Swersky – Portfolio Holder for Finance and Resources
Exempt:	No
Decision subject to Call-in:	Yes
Wards affected:	All
Enclosures:	Appendix 1 – Permanent recruitment financials Appendix 2 – Current KPIs Appendix 3 – Frequently asked questions

Section 1 – Summary and Recommendations

The London Borough of Harrow (the “Council”) currently has a call-off contract with Pertemps Recruitment Partnership Limited (“Pertemps”) for the Provision of Temporary Agency Staff Services and Permanent Recruitment. These Agreements are co-terminus and expire on 5 February 2021.

This report details the options and proposals for obtaining Temporary Staff Services and Permanent Recruitment Services after 5 February 2021.

Recommendations:

Cabinet is requested to:

1. Delegate authority to the Corporate Director of Resources, following consultation with the Portfolio Holder for Finance and Resources to award a contract for the provision of Temporary Recruitment Services to Pertemps Recruitment Partnership on a Master Vendor basis for 3 years with an option to extend by 1 year to commence on 6 February 2021. The award will be made compliantly through the Yorkshire Procurement Organisation (YPO) framework, Managing Temporary and Permanent Recruitment Lot 1. The projected value of this contract for the term of 3 plus 1 year would be £92m, of which £86m is salary cost and £6m is the charges paid to Pertemps and other agency suppliers.
2. Approve the call off Permanent Recruitment Services as an additional service for 1 year with an option to extend annually up to the term of the Temporary Recruitment Services contract. The projected value of this additional service for the term of 3 plus 1 year would be £1.3m (annually £320k).

Reason:

To ensure that the Council is able to continue to resource its workforce beyond February 2021 through a sustainable, efficient and cost-effective model that will operate in the best interest of the Council.

Section 2 – Report

1. Introductory paragraph

The Council directly provides a range of services to one of the most diverse communities in London, supported by an infrastructure of corporate and democratic services. To operate these services, the Council must be able to efficiently and effectively resource its workforce, including the ability to speedily flex its staffing to meet high and low demand periods and future savings requirements.

The Agreements that currently cover the Council's temporary workers and permanent recruitment requirements co-terminate on 5 February 2021.

Temporary workers represent an essential component of the Council's workforce resources, enabling it to 'flex' in line with peaks and troughs of overall workloads. They are either employed directly or sourced through contracts with Agency suppliers. The contingent workforce provides flexibility in resourcing services cost-effectively and flexibly. It is not unusual when a Council service in the process of staffing restructure utilise temporary workers to cover vacancies as a way of enabling posts to be covered during the transitional period. In some parts of the workforce, agency workers are lower cost or are a more flexible form of resourcing than a permanent appointment. In some cases, agency appointments are made where posts have been difficult to fill.

In an evolving climate of a reducing pool of readily available labour and upward cost pressure on recruitment, it is essential that an appropriate level of quality personnel at the lowest possible cost base is achieved through the agreements. A new arrangement must be an enabler for the Council to continue to effectively resource its workforce and gain a reduction in the costs of recruitment.

2. Background

2.1. In 2011, the Council ran a procurement exercise in collaboration with the London Borough of Hammersmith and Fulham for the supply of agency workers. The outcome of this exercise was to award the Agency Workers contract to Pertemps, which was then re-awarded in succession until the current contract term ending on 5 February 2021.

2.2. In 2014, Pertemps was awarded the contract for permanent recruitment services via YPO framework following a competitive process. The award

was driven by the Council's need to reduce recruitment costs, as such the cost per hire decreased by 34% in comparison to the Council run team.

- 2.3. Following the award of the contract, Pertemps developed a system named Pertemps Agency Work System (PAWS) and have embedded customised features to meet the Council requirements. All data relating to agency workers are processed through PAWS, thus giving one database of information for the Council to monitor and manage.
- 2.4. Through good contract management, the working model with Pertemps is being further improved to give clarity and transparency on spending. Furthermore, the current delivery model was able to successfully support the Council in continuing its critical Services during the lockdown.
- 2.5. The agreement includes interim staff. However, it is not intended to include executive and senior management search and selection activity or specialist consultancy services due to the tailored service requirement where ownership is held within the Council by Director of HR & OD and Head of Resourcing.
- 2.6. The Council is expected to continue to see reduced permanent recruitment due to the impact of COVID 19 and low turnover of permanent staff due to external jobs market pressures.

3. Options considered for the new Arrangements for the supply of Temporary Workers and Permanent Recruitment Service

3.1. Extend existing contracts

The Council has already exercised the option to extend the current contract with Pertemps until February 2021, which is the maximum period allowed under the terms set out in the Contract and the OJEU notice and therefore is unable to extend beyond this date.

- Therefore, this option is not recommended.

3.2. The Council to undertake a competitive procurement exercise

Undertaking a competitive procurement exercise would be a resource-intensive option with a timeline requirement of 12 months or more dependent on the current COVID impact. In addition, it is not considered that the Council would get the best commercial deal under such an arrangement as some Agencies may not consider it worth their while to bid for Harrow on its own, and if they did the rates are highly unlikely to be as competitive as could be achieved using one of the available framework agreements.

- Therefore, this option is not recommended.

3.3. Insource permanent recruitment service

While outsourcing the Temporary Workers supply, the Council would insource the Permanent Recruitment Service. Although this option has merits, such as offering direct control and ability to drive the core values of the Council through recruitment, it needs to be balanced with the financial impact and an appropriate implementation timeline.

The financial requirements of bringing permanent recruitment inhouse in the present economic climate is high, financial calculations given in Appendix 1. Additionally, the implementation of new processes and set up of an internal team would require extensive resources from both HR and the wider organisation at a time when the Council is facing extraordinary challenges raised by the Civic relocation and COVID 19.

- Therefore, this option is not recommended in the current economic environment.

3.4. Yorkshire Procurement Organisation (YPO)

YPO procurement framework offers tailored services designed around the Local Authority Resourcing requirements.

Lot 1 – Managing Temporary and Permanent Recruitment	Master Vendor Managed Services
	Neutral Vendor Managed Services
	Hybrid Managed Services

YPO has worked closely with many Local Authorities including Harrow Council, to design and develop the Managing Temporary and Permanent Recruitment Services under Lot 1. Furthermore, YPO ensures that the managed service provider will effectively manage all aspects of the public sector resourcing requirements and are able to provide all temporary agency workers across all sectors including social workers, administration, receptions, marketing assistants etc. It is recognised that the Council is an associate member of YPO, therefore, be eligible to receive rebates derived through dividend split which is agreed by YPO annually. During 2019/2020 the agreed dividend was £33,000.

Of the options set out above, only one is considered to have merit for further consideration, this being the YPO framework option as it offers value for money. There are 3 further decisions related to the YPO framework option; these are further reviewed below.

3.4.1. There are 3 decisions related to YPO framework

Permanent Recruitment	a) Call of Permanent Recruitment as an additional service via YPO.
Temporary Recruitment	b) Determine whether to undertake a direct call off from the YPO framework. c) Determine whether to award on the basis of a neutral vendor or master vendor approach.

- Above listed decisions are further explored in detail below.

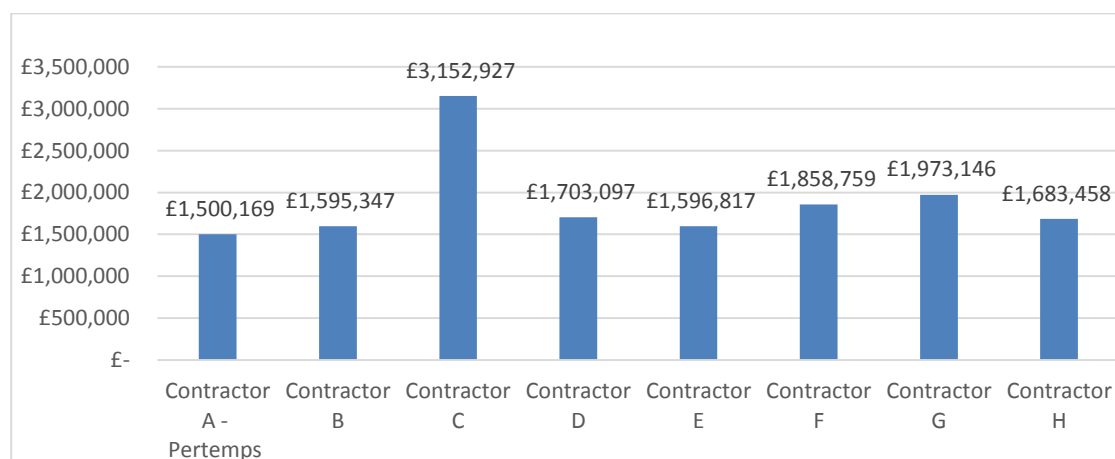
a) Direct call off Permanent Recruitment as an additional service

It is possible to call off additional services such as permanent recruitment via YPO for a time frame within or up to the duration of the temporary worker's agreement. The financial analysis was undertaken of the costs the Council would incur by insourcing the permanent recruitment vs retaining the outsourced model via YPO framework indicated that the outsourced model offered better value for money. Additionally, with the ability to call off permanent recruitment as an additional service for a flexible time frame via YPO allows the Council the much-needed flexibility to re-evaluate its position post-COVID 19. Therefore, the recommendation is to Direct call off Permanent Recruitment for 1 year with the possibility of +1 year extension until the full term of Temporary workers contract (3+1 year).

b) Direct Call off From the YPO Framework

A detailed financial analysis has been undertaken by the Head of Resourcing of the prices charged by each of the agencies on the YPO framework for the various grades of agency staff the Council used in 2019/2020.

Table 1: YPO Suppliers' pricing comparison against Harrow 2019/20 volume



Based on the Council's utilisation of agency staff and interims in 2019/2020, and taking into account of agency fees, it has identified that

Pertemps is the most advantageous from a cost point of view as shown in Table 1.

In addition, there are non-monetary values achieved through the partnership as listed below:

- i. The systems and processes implemented by Pertemps have helped in the provision of transparency and accurate management information which has enabled improved monitoring of the service, including equality and diversity performance. Notably, the Power Bi reporting solution released in July 2020.
- ii. Pertemps have supported the Council in its commitment to work with the local community and local businesses in economic regeneration activities. Pertemps have also shown their continued commitment to social value objectives by sponsoring the Harrow Heroes awards, New Year's Day parade and various other initiatives such as supporting the Xcite Team. Currently, Pertemps are working closely with HR and Xcite in organising the Kickstart programme announced by Central Government.
- iii. Pertemps have consistently delivered against the KPIs set by the Council and have always worked with the Council to implement new processes driven both by service needs and government legislative changes. Some of the key projects included, Agency Worker Regulations, Implementation of the Terms and Conditions review for Temps, London Wide Memorandum of Understanding for Qualified Social Workers, System driven Approval process, Payroll only deals which are consistently best in the market, interim and consultant re-negotiation and Pension Auto Enrolment without any additional costs to the Council.
- iv. Pertemps partnership with the Council is recognised beyond monetary valuation. Pertemps have shown that they are willing to step in whenever we needed emergency support. For example: In 2019, the Council was not able to process Payroll for newly converted academies. On the request of Council, Pertemps stepped in to support and process the Payroll for academies until the Council built its payroll system. Pertemps have been able to bring their economies of scale and specialist capabilities to our aide many times.

c) Master Vendor vs Neutral Vendor

This section sets out the differences between a neutral and master vendor model.

- i. A neutral vendor delivery model is where a single organisation is appointed to manage a supply chain of agencies. The providing agencies sign up to the one set of terms and conditions in order to be eligible to put

forward candidates. The neutral vendor manages the release of jobs to the supply agencies and shortlists for the hiring manager.

- ii. The advantages of a neutral vendor model are that the main contractor issues out the role at the same time to all agencies who signed on to the service to meet all the needs of customers across all roles.
- iii. The disadvantages of this model are the lack of direct relationship between the supplying agencies and the hiring managers and the reluctance of some agencies to enter into an arrangement which they may see as being too heavily focussed on enforcing reduced margins. A neutral vendor model can also result in a much higher number of “unqualified CV’s, leaving the hiring manager to triage.
- iv. A master vendor delivery model is one where the main contractor seeks to fulfil the available jobs itself and only if it cannot provide them (e.g. if they are specialist roles that the master vendor does not have expertise in providing) are those vacancies released to agencies in the supply chain created by the master vendor (main contractor). The advantage of a master vendor model is that the master vendor gains an understanding of the customers’ business needs and forms a stronger partnership with hiring managers. A disadvantage is that there is a reliance on one agency to provide all the Council’s needs and potentially a less extensive range of suppliers in the supply chain who may be less committed because they only receive the roles released by the master vendor.
- v. Currently, the Council has a Master Vendor arrangement in place with Pertemps, who supply 60% of the agency workers required by the Council.
- vi. The added benefit of a Master Vendor Model is that Pertemps is committed to providing their temps' contracts of Employment rather than Terms of engagement contracts which other external agencies may be offering. This protects workers’ employment rights with the supplier, makes the line of employment clearer and provides reassurance on compliance with legislation such as Agency Worker Regulations and HMRC requirements regarding PAYE deductions.
- vii. Through the current Master Vendor Model, annual savings of £171k were found. The Pertemps Teams worked on-site at the Civic office and the Depot, to work closely with Council Officers to meet their recruitment requirements.

This model has been successful for Harrow Council over the last 4 years. Therefore, the recommendation is to continue with the Master Vendor Model.

4. Performance issues

There are no specific performance issues arising from this report. Key Performance Indicators and SLAs will remain broadly the same as the existing contract. These are given in Appendix 2.

5. Risk Management Implications

Risk included on Directorate risk register. No
Separate risk register in place? No
Procurement risk register in place? No
Contract risk register in place? Yes

The Council will require the Provider to have comprehensive risk management procedures in place, including a published and regularly reviewed disaster recovery and contingency plan to ensure continuity of service, which may be subject to audit by the Council. By opting to go through the YPO framework, the risks related to procurement procedures are mitigated as the YPO framework is designed to be compliant to the procurement rules and regulations. In addition to the above, a contract risks register must be maintained and be available in the weekly report, at operation meetings and at any other time as requested by the Council.

Specific risks relating to this decision:

- i.** Risk of not having an arrangement in place by February 2021 will leave the Council without a contract for the provision of Agency workers. This will be mitigated by the proposals in this report and the approval to implement the recommendations.
- ii.** Risk of new arrangements failing to provide the expected value for money or service quality. However, this will be mitigated through managing key performance indicators designed to measure value for money and analyse service standards. Deviations are identified at an early stage allowing the Council to ensure corrective actions are taken with the supplier.
- iii.** Financial risk regarding the on-going provision of a rebate from YPO derived from Council's spend through YPO Framework. Clarity on its operation has been provided by YPO Officer, and this has provided substantial assurance. However, this cannot be absolutely guaranteed as the rebate is also dependent on the performance of YPO framework which is subject to external market pressures as any other commercial organisation operating in the sector.

- iv. The procurement fails to comply with the principles contained in the Public Contract Regulations and/or the Council's Contract Procedure Rules. This will be mitigated by following the CPR's that are designed to ensure compliance with the Council's Constitution, Council policies, Public Procurement Regulations and English law by obtaining authority to award this contract under the rules of a Framework Agreement via this report.
- v. Risk of the perception that the Council has a very close relationship with one supplier due to the long running contractual relationship with them damaging the Council's reputation and credibility with other suppliers. This is mitigated by the competitive processes undertaken by the Council in 2011 and by YPO in 2014 and 2020 for the Framework.

6. Procurement Implications

The recommendation set out in this report is supported by the Head of Procurement as it demonstrates best value for money option while also being accessible via a compliant procurement route. A direct award can be made to Pertemps via the YPO Framework Managing Temporary and Permanent Recruitment Reference 000942 Lot 1.

7. Legal Implications

The YPO Framework for Managing Temporary and Permanent Recruitment allows Harrow Council, as one of the participating authorities to procure services by way of a direct award. Provided officers conduct the procurement process in line with rules of the YPO Framework and the principles contained with the Public Contract Regulations 2015, the Council will be able to compliantly call-off from this Framework.

8. Financial Implications

The financial implications of the recommendation would be as follows:

- The total value of the Temporary workers' supply Contract for the period of 3 plus 1 year would equate to £92m (based on 2019/20 spend of £23m which went through the current contract). (£23m includes the cost of Pertemps and other agencies at £1.5 million)
- The total value of Permanent Recruitment Service for the period of 3 plus 1 year would be £1.3m (based on the 2019/2020 spend of £320k which went through the current contract). However, as a result of COVID 19, the permanent recruitment volume has reduced by almost 50%. Therefore, the spend for 2020/2021 is expected to be £170k.

Note: Permanent Recruitment Service is called off for 1 year with the possibility of +1 year extension until the full term of Temporary workers contract (3+1 year) to have the required flexibility.

- The Council will continue to benefit from the rebate it receives as a result of Pertemps continued freeze to their margins based on the 2011 contract pricing. It is essentially ensuring that the Council is able to source Temporary workers on the same margins that were agreed in the year 2011. The rebate figure is dependent on the Council's usage of Pertemps Services, during current contract from 2017, the average rebate was £450k per year.

9. Equalities implications / Public Sector

Equality Duty

The Council will require the incoming Provider to fully support the Council in its aspiration to be at the forefront of promoting equality of opportunity as an employer of choice. The Provider will be required to support the Council in maintaining its Disability Confident status by fulfilling its 5 commitments to disabled applicants as identified in the Government scheme. The Council and the Provider will jointly aim to tackle all forms of discrimination.

The public sector equality duty is found at the section 149 of the Equality Act 2010 and is as follows:

A public authority must, in the exercise of its functions, have due regard to the need to:

- (a) Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) Foster good relations between persons who share a relevant protected characteristic and person who do not share it.

Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;

- (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons

who do not share it involves having due regard, in particular, to the need to:

- (a) Tackle prejudice, and
- (b) Promote understanding.

Compliance with the duties in this section may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act. The relevant protected characteristics are:

- Age
- Disability
- Gender reassignment
- Pregnancy and maternity
- Race,
- Religion or belief
- Sex
- Sexual orientation
- Marriage and Civil partnership

Pertemps will be required to support the Council to meet its equality duty.

10. Addressing the Climate and Ecological Emergency

In 2019 Harrow Council declared a Climate Emergency, noting the serious consequences of human induced greenhouse gas emissions in causing global warming and the range of associated negative impacts upon the natural world. A key action that has been identified is for the Council to use its own procurement processes to help to deliver low carbon goods and services via its supply chain and contribute towards the Council's aim of making its own operations carbon neutral by 2030. Consequently, the Council expects the supplier to demonstrate how, in the performance of this contract, their business and operations will positively contribute towards a reduction in greenhouse gas emissions in accordance with the Council's carbon neutrality target.

Practically in the supply of recruitment services, the supplier would be expected to take all possible actions to reduce emissions, in particular:

- Through digitalisation, reduce all unnecessary travel in delivering the service, particularly travelling for interviews and cross site visits.
- Minimise paper waste through utilisation of PAWS Recruitment system.
- Pertemps have enacted an Environmental and Energy Policy since 2014 to reduce carbon footprint as an organisation. This policy targets, integrating energy efficiency to all aspects of the service while fully supporting the recycle programme for to reduce environmental impact of electrical waste and promoting the basics through good housekeeping such as activity sensor lighting and centrally optimised air conditioning of all office spaces.

11. Council Priorities

The Council has a corporate commitment to support businesses. This commitment is integrated into the Council's Sustainable Procurement Policy which encourages the involvement of small businesses, social enterprises, and community organisations within all tiers of the Council's supply chains. The option adopted by the Council for the provision of Temporary Worker and Permanent Recruitment Services will robustly follow these principles as far as possible and help achieve the Council's vision by the provision of good quality Agency Staff at the best rate possible enables the Council to provide services to its most vulnerable, communities, Local Businesses and families. It allows the Council to work together to make a difference for Harrow.

Section 3 - Statutory Officer Clearance

Statutory Officer: Sharon Daniels

Signed on behalf of the Chief Financial Officer

Date: 20.10.2020

Statutory Officer: Sarah Inverary

Signed on behalf of the Monitoring Officer

Date: 27.10.2020

Statutory Officer: Nimesh Mehta

Signed by the Head of Procurement

Date: 21.10.2020

Statutory Officer: Charlie Stewart

Signed by the Corporate Director

Date: 20.11.2020

Statutory Officer: Susan Dixson

Signed by the Head of Internal Audit

Date: 13.11.2020

Mandatory Checks

Ward Councillors notified: NO, as it impacts on all Wards

EqIA carried out: YES

EqIA cleared by: Alex Dewsnap

Section 4 - Contact Details and Background Papers

Contact: Akhil Wilson, Head of Resourcing,
Akhil.Wilson@harrow.gov.uk

Background Papers: None

**Call-in waived by the Chair of Overview and Scrutiny
Committee**

(for completion by Democratic Services staff only)

YES/ NO / NOT APPLICABLE*

** Delete as appropriate*

*If Yes, set out why the decision is urgent with reference to 4b - Rule 47 of the
Constitution.*

Appendix 1 - Permanent recruitment financials

Current costings	
The spend is considerably lower than previous year, this is driven by the drop in permanent recruitment due to COVID 19.	
Permanent recruitment cost paid to Pertemps in 2020/21 FY (Apr to Sep 2020)	£67,000
Permanent recruitment job boards spend in 2020/21 FY (Apr to Sep 2020)	£17,000

Projected costings	
Permanent recruitment projected cost payable to Pertemps in 2020/21 FY (Apr to Mar 2021)	£135,000
Permanent recruitment job boards spend in 2020/21 FY (Apr to Mar 2021)	£35,000

Insourcing costs	
Key financial requirements to bring permanent recruitment inhouse are:	
Staffing costs (Annual)	£180,000
Systems licencing (Annual) <ul style="list-style-type: none"> ▪ Applicant Tracking System ▪ Vetting system 	£30,000 to £40,000
One off system implementation cost	£20,000 to £30,000

Appendix 2 – Current KPIs

KPIs will be reviewed throughout the life of the contract and will be amended in line with any of the following:

- The Council's evolving business requirements.
- Enhancements / changes within the temporary or permanent resource marketplace.
- Enhancements / changes in the method by which the service is delivered.

Permanent Recruitment		
Ref	Objective	Description
KPI.1	System Availability The on-line PAWS system must be operational (excluding maintenance).	The on-line Agency Worker system must be operational (excluding maintenance) for 99% of the time
KPI.2	Telephone Response Up to 90% of the calls should be answered.	Reported within Monthly Management Information Statistics
KPI.3	PAWS System Controls	All users of PAWS to be set up with authorisations by managers in compliance with internal audit controls.
KPI.4	Equality Monitoring and Reporting	All equality information is captured, monitored and reported as required by the Council.
KPI.5	Quarterly reporting on numbers attracted / recruited from Local Area	All local candidate information captured and reported on a monthly basis on numbers attracted / recruited from Local area.
KPI.6	Complaints Recording	Log any complaints from service users and record action taken to resolve the complaint.
KPI.7	Complaints Resolution	To be acknowledged within 24 working hours, escalated complaints should be responded to within a further 24 working hours and investigated within three working days, 100% compliance required.
KPI.8	Recruitment Team Performance	Whole recruitment team must be rated Satisfactory.
KPI.9	Invoices	Must be administered in line with the specification with 100% accuracy.
KPI.10	Audits	Audit compliance on the recruitment requirements as outlined in the specification.
KPI.11	Reporting	MI must be produced in line with the specification.
KPI.12	Communication (Consultancy meetings with End Users)	1st meeting (face-to-face or over the phone) with recruiting manager within 48 hours of placing the order. Adhoc meetings Every 6 weeks in larger departments dependent on utilisation, and quarterly for smaller departments. Increase customer satisfaction ratings.

KPI.13	Communication (Quarterly Contract review and continuous improvement review)	Quarterly meeting with improvement plan defined, Plan, monitor and action.
KPI.14	Communication (Annual Service Review between Council and Pertemps to review performance versus KPIs)	Annual meeting supported by annual review document incorporating consolidated reporting. Recruitment benchmarking and cost reduction initiatives and benefit enablement.

Temporary Recruitment

Ref	Objective	Description
KPI.1	System Availability	The on-line Agency Worker system must be operational (excluding maintenance) for 99% of the time
KPI.2	Use of Agency Staff System	All users of PAWS to be set up with authorisations by managers in compliance with internal audit controls.
KPI.3	CV Supply	A minimum of 2 x CVs supplied per order within 48 hours
KPI.4	Compliance (Working Time Regulations, Safeguarding, ISA, Pre-employment Checks adhered to)	100% compliance result and Regular Audits
KPI.5	Temporary briefing/ induction (Inductions – Candidates to have received detailed induction handbook and receive 'induction call' from Provider)	All new Agency Workers receive standardised induction notes and induction call from Harrow Council, report to be provided on a monthly basis to confirm this has been carried out.
KPI.6	Agency Worker Performance Quality -skill levels, aptitude and attitude:	Workers must be rated as Satisfactory.
KPI.7	Compliance (Monitoring of Long-Term assignment)	All candidates to be tracked for service length, Adhere to Agency Worker Directive requirements
KPI.8	Supplier Audit (external)	All of audited suppliers must meet the specification requirements.
KPI.9	Complaints Resolution	To be acknowledged within 24 hours, and resolved within three working days, 100% compliance required. The escalation process must be adhered to.
KPI.10	Reporting	MI must be produced in line with the specification.
KPI.11	Communication (Weekly operational meeting):	Weekly operational meeting, Issues log and resolution agreed.
KPI.12	Communication (Consultancy meetings with Customers):	Every 6 weeks in larger departments dependent on utilisation, and quarterly for smaller departments, Increase customer satisfaction ratings.

KPI.13	Communication (Review with Customer's Authorised Officer): Head of Resourcing	Monthly review meeting, Issues Log, KPI reports.
KPI.14	Communication (Quarterly Contract review and continuous improvement review):	Quarterly meeting with improvement plan defined, Plan, monitor and action.
KPI.15	Communication (Annual Service Review between Customer and Provider to review performance versus KPIs):	Annual meeting supported by annual review document incorporating consolidated reporting, Pay and Charge benchmarking and cost reduction initiatives and benefit enablement.

Appendix 3 - FAQ

Q1	What is the true financial value of Agency Contract? The total financial value for Temporary workers processed through the Agency contract is £23 million per annum. However, the cost paid to Agencies including Pertemps who supply 60% of the temporary workforce is £1.5 million per annum, remaining amount is salary costs.
Q2	Did the contract perform to Council expectations during the national lockdown? Operational KPIs all have been met by Pertemps to fill both Permanent and Agency workers. In addition, every role that was required for the Council to operate key services was filled within the agreed time scales.
Q3	Does the existing arrangement offer the Council opportunities to control spend strategically? Yes, controls designed in collaboration with Internal Audit, Finance and HR to ensure better management of Resourcing spend was signed off by CSB in September 2020. This is expected to go live in December 2020.
Q4	Shouldn't we be managing permanent recruitment inhouse? A key benefit of having the current pay as you go pricing model with Pertemps for permanent recruitment is its scalability. We are able to control the cost beyond what we would be able to if we had an inhouse team, i.e. salary costs and system costs would be incurred. However, having an inhouse permanent recruitment team would offer a greater operational and quality control for the Council. The recommendation to call off permanent recruitment for a shorter time frame than the agency contract (1 year) was made to allow us to confidently support the Council in filling vital roles during the lockdown, the Civic move and ERP replacement. The 1 year with the option to extend if required till the Temporary contract term would allow us to continue to confidently meet the resourcing needs of the Council and get us through this extraordinary challenging time while offering the required flexibility.