



## CABINET

Tuesday, 05 December 2023

<b>Subject</b>	Strategic Recruitment Partner Procurement
<b>Cabinet Member</b>	Councillor Paul Ashton Cabinet Member with responsibility for Corporate Services – Digital, Customer Services, HR and Assets
<b>Report Author(s)</b>	Kate Blakemore Strategic Director <a href="mailto:Kate.blakemore@eastsoffolk.gov.uk">Kate.blakemore@eastsoffolk.gov.uk</a> and Amie Skeet HR and Workforce Development Manager <a href="mailto:Amie.skeet@eastsoffolk.gov.uk">Amie.skeet@eastsoffolk.gov.uk</a>

Is the report Open or Exempt?	OPEN
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Category of Exempt Information and reason why it is <b>NOT</b> in the public interest to disclose the exempt information.	Not applicable.
<b>Wards Affected:</b>	None

## Purpose and high-level overview

### Purpose of Report:

This report seeks approval from Cabinet to go out to tender for a Strategic Recruitment Partner to support the Council's recruitment needs. This Partner will provide strategic and operational support in the appointment of both permanent and temporary roles across a variety of services and levels to meet the organisations staffing needs for up to five years, with break clauses after two years and four years.

### Options:

1. That Cabinet approves for authority to be delegated to the Strategic Director with responsibility for Corporate Services, in consultation with the Portfolio Holder for Corporate Services, to tender and award the contract for a Strategic Recruitment Partner, on terms that best protect the Council's interests and after undertaking a procurement exercise pursuant to the Council's Contract Procedure Rules and Public Contract Regulations 2015.
2. To extend the current contract for operational strategic support for another year.
3. To not approve this recommendation.

### Recommendation:

That Cabinet approves for authority to be delegated to the Strategic Director with responsibility for Corporate Services, in consultation with the Portfolio Holder for Corporate Services, to tender and award the contract for a strategic recruitment partner, on terms that best protect the Council's interests and after undertaking a procurement exercise pursuant to the Council's Contract Procedure Rules and Public Contract Regulations 2015.

## Corporate Impact Assessment

### Governance:

The required tender and procurement process is to be conducted in accordance with the Council's Contract Procedure Rules and Public Contract Regulations 2015.

### ESC policies and strategies that directly apply to the proposal:

ESC's Contract Procurement Rules and Public Contract Regulations 2015

### Environmental:

None as a direct result of this report.

### Equalities and Diversity:

The specification for this tender will be clear that the Strategic Recruitment Partner awarded with this contract must ensure that equalities, diversity and inclusion is embedded in everything that they do in supporting this Council with recruitment and retention.

### Financial:

The cost of this new contract will be demand led, in that the current provider spend totals

£394,878 for the last three years, with £259,909 being spent in 2022/23. However, agency staff costs are estimated to be much higher than this as service areas have been recruiting directly through various agencies. The aim of this procurement is to bring all this spend together centrally using a strategic recruitment partner, and for this spend to be monitored by Human Resources, although the budget responsibility will sit within existing service areas budgets.

**Human Resources:**

By appointing a Strategic Recruitment Partner, we hope to better address some of the challenges the Council faces in terms of recruitment and retention. There is also an aim to reduce the spend of short-term agency funded posts by using this Partner to support us with permanent placements where possible.

**ICT:**

None as a direct result of this report.

**Legal:**

A legal contract will be required between the two parties.

**Risk:**

Recruitment and retention is a challenge for this Council, by appointing a Strategic Recruitment Partner we are aiming to reduce this risks associated with our harder to fill posts.

<b>External Consultees:</b>	N/A
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## Background and Justification for Recommendation

1 Background	
1.1	East Suffolk Councils Constitution includes Contract Procedure Rules which are the Council’s contract standing orders under section 135 of the Local Government Act 1972. They must be followed every time the Council enters into a contract for works, goods or services and set the minimum standards which must be adhered to.
1.2	<p>The overriding principles of the Contract Procedure Rules are as follows:</p> <ul style="list-style-type: none"> <li>• The aim of every procurement exercise should be to achieve Value for Money as part of the general requirement to secure Best Value. In doing so those involved in the process will treat suppliers evenly and equally, without discrimination, acting in a transparent manner.</li> <li>• Subject to those overriding principles, there should also be a focus on, wherever viable, enabling social value and encouraging participation by local businesses in bidding for Council procurement opportunities.</li> <li>• Contractual arrangements should be made, wherever possible, on the Council’s terms (standard general terms or standard form contracts, as explained in Rule 5.1). The fallback position would be to use industry standard model contracts, with supplemental terms for higher risk contracts.</li> </ul>

	Contracting on the supplier's terms should be avoided and only done when agreed with (and with the changes to those terms required by) the Head of Legal and Democratic Services and the Procurement Team.
1.3	The current Public Procurement Threshold for the supply of local authority service contracts is £213,477 including VAT and any procurement above this value must go through a procurement process as set out in the Public Contract Regulations 2015. Whilst the actual spend for this procurement is demand led, we know that the value of the contract for up to five years will exceed this threshold.

## 2 Current position

2.1	The current contract provides operational recruitment support, mainly for temporary agency placements. This contract has been in place since the 31 <sup>st</sup> March 2020. Whilst there is an option to extend this contract for another year when the current extension expires on the 31 <sup>st</sup> March 2024, it is recommended that this contract is not extended due to the changing organisational needs of the Council in terms of recruitment.
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## 3 How to address current situation

3.1	<p>With the current arrangement coming to an end on the 31<sup>st</sup> March 2024, a review into how this arrangement has worked for the Council has been undertaken. In undertaking this review the following issues have been identified:</p> <ul style="list-style-type: none"> <li>• The recruitment needs of the Authority have changed since this contract was awarded, in that recruitment has become more difficult for the Council, especially for the more technical posts that require specific qualifications, such as Environmental Health.</li> <li>• That the use of agency/contractors has increased, especially post pandemic. These appointments come at additional cost and whilst there will always be a requirement for this approach, there is scope to reduce the use of agency/contractors if vacant posts were filled in a timelier manner.</li> <li>• That service areas are using agency firms to directly appoint to roles. This is creating a risk for the organisation in terms of procurement if we look at cumulative spend for some of these agencies.</li> <li>• There is no central oversight of IR35 (The off payroll working rules that make sure that workers such as contractors pay broadly the same income Tax and National Insurance as an employee if they are providing their services on a similar basis).</li> </ul>
3.2	Work has been undertaken to identify what services are available in the marketplace to better understand the opportunities of undertaking this procurement.
3.3	Reflecting on both the changing recruitment needs of the Council and what support is available in the marketplace, it has been identified that there is a requirement to work with a Strategic Recruitment Partner to provide strategic and operational support in the appointment of both permanent and temporary roles across a variety of services and levels to meet the organisations staffing needs, and for this contract to be centrally managed and monitored by Human Resources.
3.4	We will require the Partner to provide the Authority with strategic support in the field of recruitment, retention and talent management, providing data led insights

	<p>and opportunities to understand best practice and innovation in the wider marketplace. Specifically, we will require our Provider:</p> <ul style="list-style-type: none"> <li>• To manage performance against an agreed set of KPI's and be accountable to HR</li> <li>• To advise on JD's/Person specifications/salaries</li> <li>• To undertake regular data analysis of internal and external/benchmarking to further assist with our recruitment strategy in terms of: <ul style="list-style-type: none"> <li>- Market trends</li> <li>- East Suffolk Council's position in the Market</li> <li>- Salaries</li> <li>- Work/life balance/flexibility</li> <li>- Collaborative working including partnership opportunities.</li> </ul> </li> <li>• To provide operational recruitment support for both permanent and temporary roles across the full range of Council services, focussing on achieving permanent recruitment over temporary where appropriate.</li> </ul>
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<b>4 Reason/s for recommendation</b>	
4.1	The Council requires a Strategic Recruitment Partner to support its recruitment needs by providing strategic and operational support in the appointment of both permanent and temporary roles across a variety of services and levels to meet the organisations staffing needs
4.2	It is therefore recommended that Cabinet approves for authority to be delegated to the Strategic Director with responsibility for Corporate Services, in consultation with the Portfolio Holder for Corporate Services, to tender and award the contract for a strategic recruitment partner, on terms that best protect the Council's interests and after undertaking a procurement exercise pursuant to the Council's Contract Procedure Rules and Public Contract Regulations 2015.

## Appendices

<b>Appendices:</b>
None.

<b>Background reference papers:</b>
None.