

## MUNICIPAL YEAR 2014/2015 REPORT NO.

**MEETING TITLE AND DATE:** -

**REPORT OF:**  
Director of Assistant  
Director Human  
Resources

**Agenda – Part:**

**Item:**

**Subject: Recruitment Advertising Contract**

**Wards:**

**Key Decision No:**

**Cabinet Member consulted: Cllr.Stafford**

Contact officer and telephone number:

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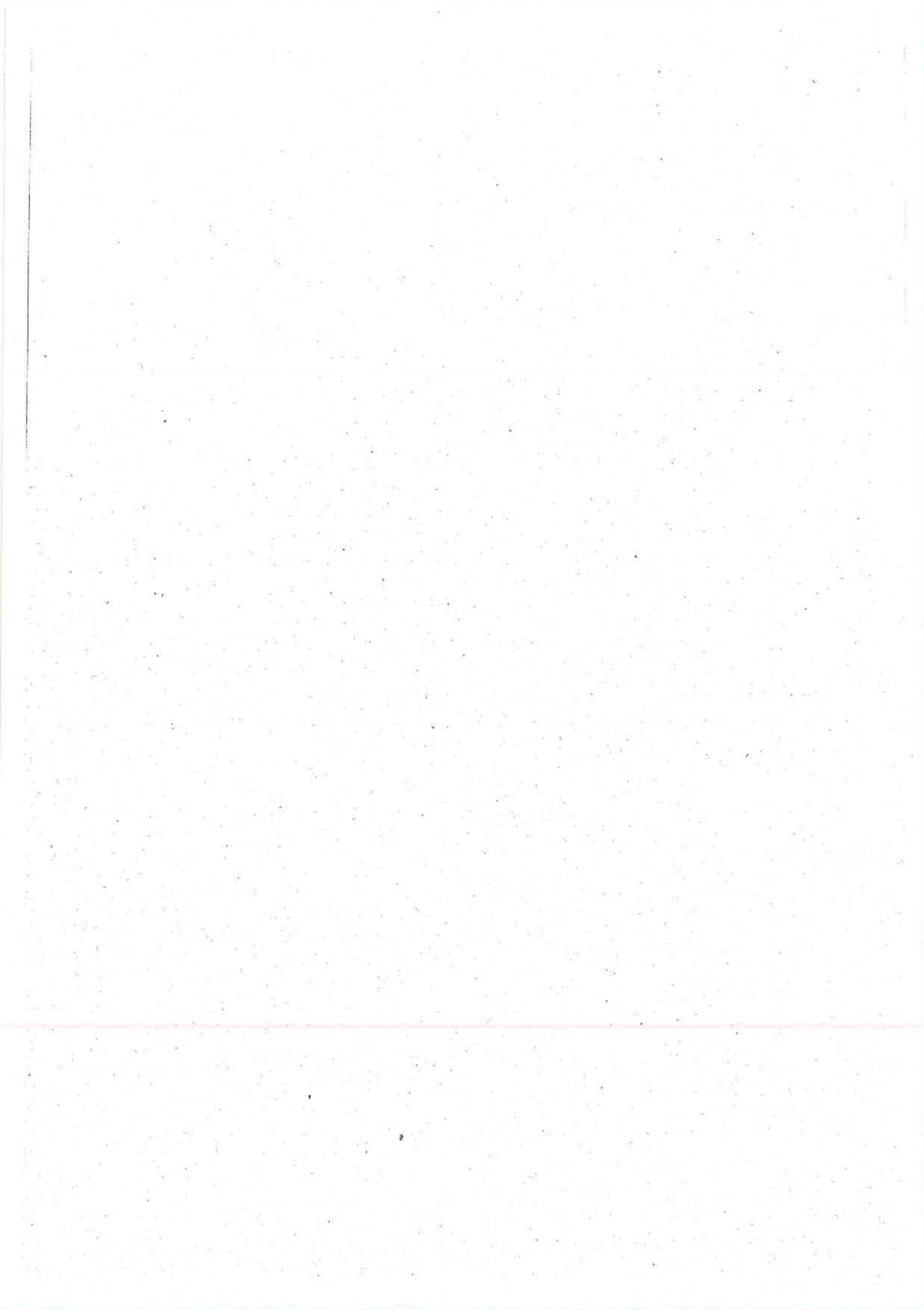
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### 1. EXECUTIVE SUMMARY

1. This report deals with award of a new contract for the provision of recruitment and advertising services for the Council.
2. This report proposes that different provisions are to be made for Schools and the rest of the Council.
3. The Council's recruitment advertising contract (including schools) was with Penna via the London Boroughs' Resourcing Partnership (LBRP) that was tendered by L.B. Merton in 2011.
4. The contract expired on 31<sup>st</sup> March 2015 with no further options to extend.
5. The Council needs to ensure continued provision of effective and efficient recruitment advertising services.

### 2. RECOMMENDATIONS

1. This report recommends that the Council access the Eastern Shires Purchasing Organisation (ESPO) Framework 3A for the provision of recruitment advertising services for Schools and the minimal number of advertisements that may need to be published in the press for the rest of the Council in a direct call off contract with Penna plc until 31 May 2016 for a one year period (with options to extend for each further year up until 31<sup>st</sup> March 2019).
2. It recommends that the Council continues with its automation agenda to post vacancies to appropriate job boards that will attract suitable candidates into roles across the organisation.
3. To this end, it is recommended that the Council purchase a job posting piece of technology known as Broadbean that will provide the means to post vacancies to the chosen on-line media.



### 3. BACKGROUND

3.1 The Council had a contract with the London Boroughs' Resourcing Partnership (LBRP) for the provision of recruitment advertising.

3.2 This contract expired on 31 March 2015 and the Council needs to enter into a new contract with suitable providers to ensure it can continue to provide high quality, cost effective recruitment advertising.

3.3 This report recommends that Schools and Corporate HR separate in their contracting for these services as their needs are now very different.

3.4 Therefore this report will separate below the backgrounds for Schools and Corporate HR.

3.5 Advertising spend over the past few years can be seen below:

	Schools	HR	Total
April 2012 to March 2013	£225,968.59	£70,805.98	£296,774.57
April 2013 to March 2014	£252,564.72	£95,563.14	£348,127.86
April 2014 to February 2015	£186,788.74	£102,068.35	£288,857.09

#### Corporate HR

3.6 The way in which suitable candidates can be attracted to vacancies has changed considerable over the past few years. In most areas, hardcopy press advertising has been replaced with job boards, CV searches and LinkedIn.

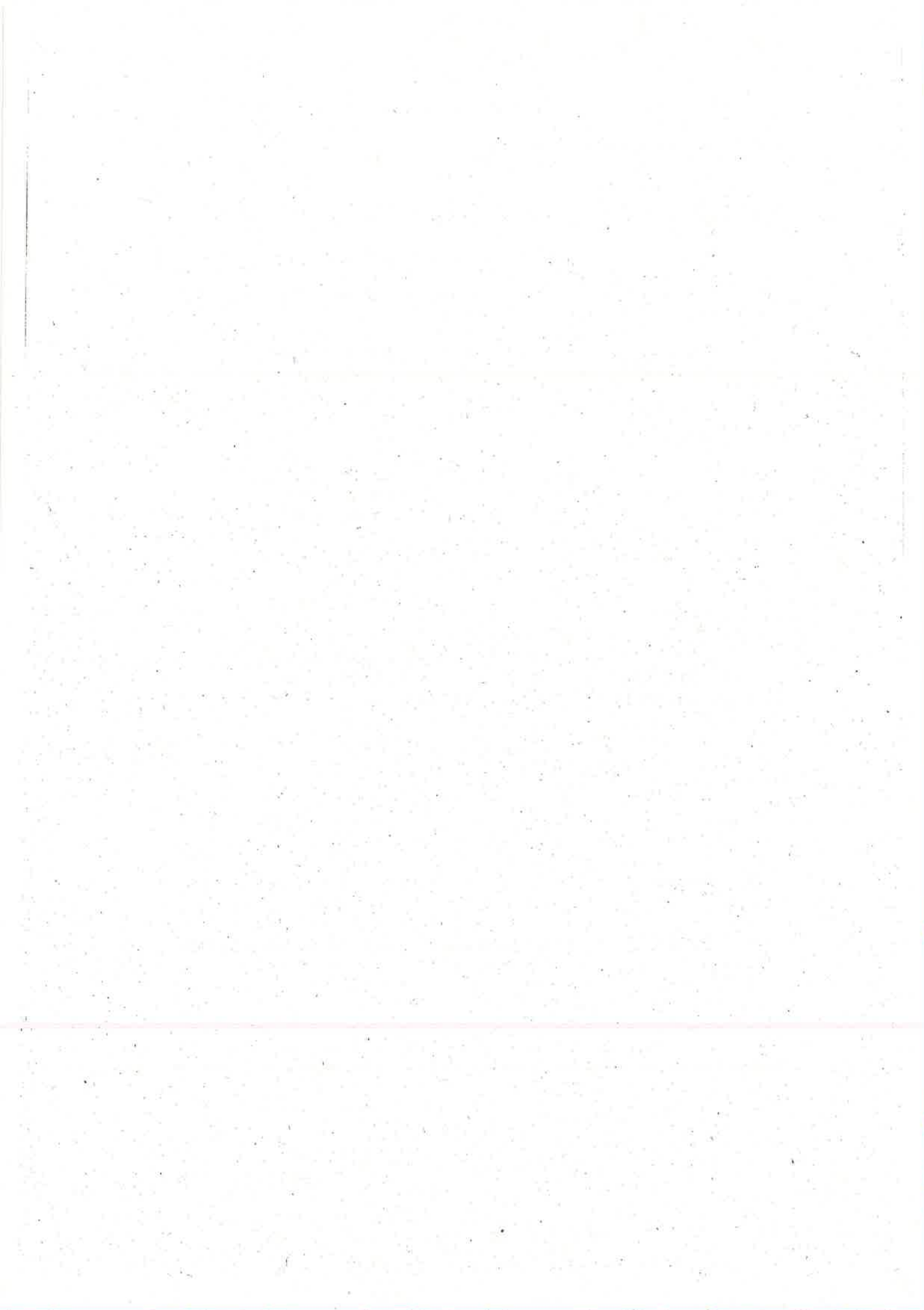
3.7 The Council has ensured that it has remained up to date with its recruitment strategies and already makes effective use of these types of media to target both active and passive candidates.

3.8 As we move forward into this increasingly digital world, we need to ensure we continue to engage with candidates in the way in which they now expect. With automation as the forefront of the Council's agenda, we need to ensure that we efficiently as possible further streamline the way that we place vacancies onto job boards.

3.9 Currently some vacancies are placed manually onto various job boards either by the HR team or previously through Penna. However, for some job boards we have an automatic feed from our on-line application system (I-Grasp) which reduces any need for duplication of data entry.

3.10 To automate this vacancy placement further, the Council can make use of a piece of technology called Broadbean (the software job posting partner of choice for Lumesse who own I-Grasp).

3.11 Broadbean will integrate with I-Grasp to enable job distribution to hundreds of job boards and social media channels globally. It will enable the Council to



accurately track all candidates through the recruitment process in order to direct advertising spend to those channels that deliver the highest quality candidates for our organisation.

3.12 There is a maximum fee of £30 per job, not per job board, which will provide efficiencies in spend. Set up costs are approximately £2K

3.13 This is more cost effective than any of the alternative options considered further in this report.

3.14 In line with the Council's Transformation Programme, we would expect to see numbers of roles advertised over the next few years reduced and as a result spend reduced accordingly.

3.15 It is our strategy to target candidates and keep ongoing relationships with those that we can identify as suitable for future roles. Therefore spend should reduce even further as we categorise adverts into skills groups, not advertising each and every role.

3.16 Furthermore, the implementation of a Talent Management System (currently identified as part of the single view of the employee project) will reduce the need even further to advertise externally as it will be easier to identify and nurture our existing internal talent.

### **Schools**

3.14 The advertising needs of schools have broadly remained the same over the past ten years with reliance still placed on hardcopy press advertising to attract and target suitable candidates.

3.15 Although some on-line activity does take place, the majority of schools that buy into the Council's School's Personnel Service still want to utilise hardcopy press advertising:

3.16 Therefore the School's Personnel Service need to provide the schools with a continued service that will not disrupt business activity.

3.17 It is recommended that Schools access the Eastern Shires Purchasing Organisation (ESPO) framework for recruitment advertising services (Framework number 3A).

3.18 There are a number of agencies on this framework, one of which is Penna whom the Council previously contracted with under the LBRP framework. The recommendation is that the Council joins the ESPO framework and contracts directly with Penna for recruitment advertising services. This gives a clear pricing schedule and provides business continuity for Schools (and the rest of the Council should there be a minimal need for hardcopy press advertising).

3.19 Although there is an increase in the cost to place an advert via this framework, business continuity and service levels have been identified by schools as of more importance.



3.19 It is important to note that, being a framework agreement, there is no minimum work value guaranteed to Penna, therefore there is no spend commitment made by Enfield Council to Penna for the duration of the contract.

3.20 Framework agreement 3A was let by the Eastern Shires Purchasing Organisation (ESPO) as a national framework accessible to local authorities and public sector bodies (amongst others). The framework agreement was let on 12 June 2012 and expires on the 31<sup>st</sup> May 2015 with a one year extension until 31 May 2016. The agreement consists of multiple lots with a number of providers appointed to each lot. Lot 1 Recruitment and Resourcing Related Services is relevant to Enfield's requirement and allows the Council to call off with a single provider to deliver advertising services.

3.21 This framework makes provision for the Council to access the required services via a direct call off or via a mini competition.

3.22 As the core specification meets the needs of the Council, it is recommended that a direct call off with Penna Plc is undertaken as opposed to undertaking a mini competition, which is permitted under the framework.

## **ALTERNATIVE OPTIONS CONSIDERED**

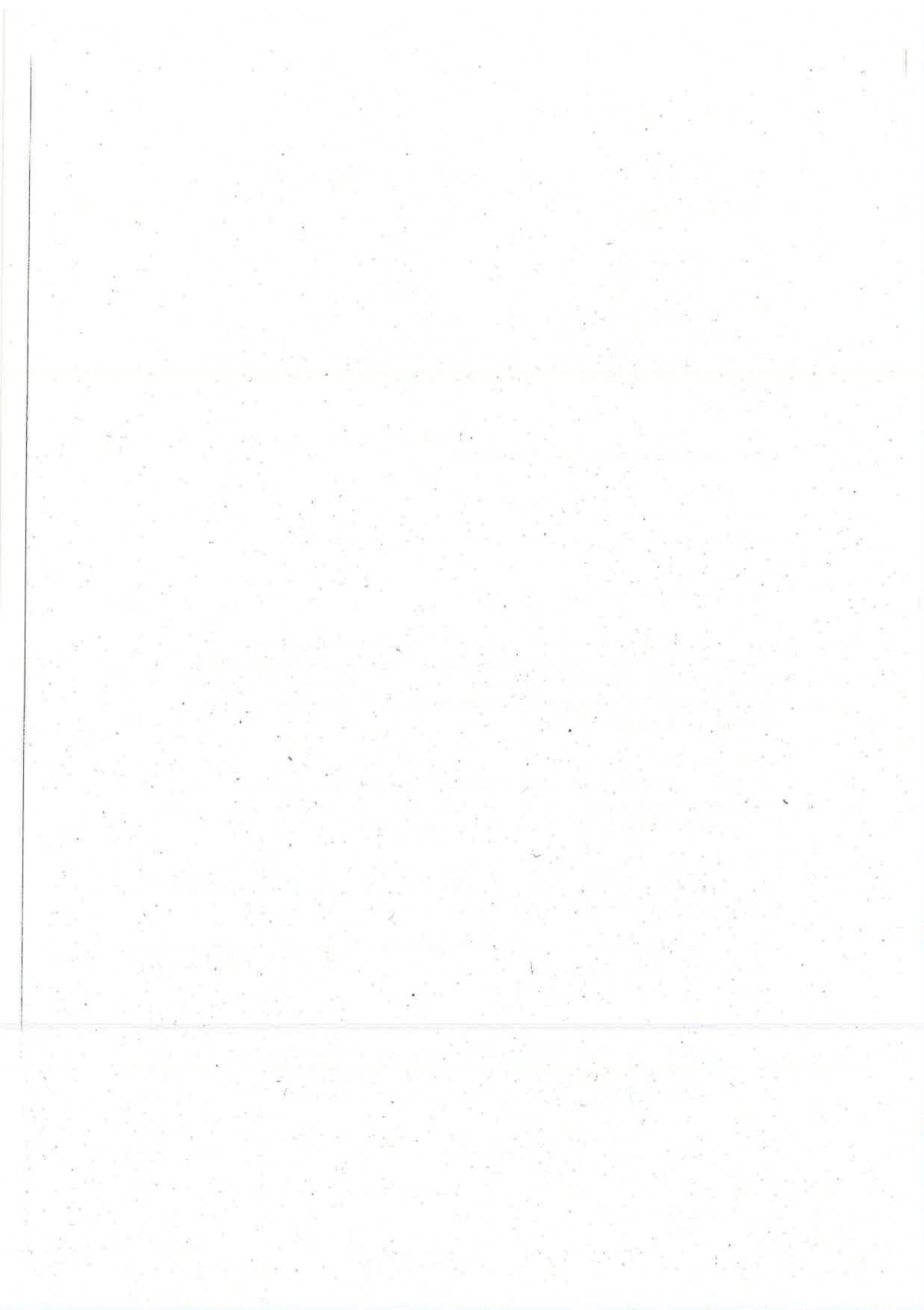
4.1 The London Boroughs of Sutton and Merton have put together a revised contract, known as the Local Government Recruitment Partnership (LGRP). This was tendered in 2014. Under this arrangement, there are 6 Lots available for authorities offering a variety of recruitment and advertising services. The two that replace the Council's existing services are Lots 1 and 4.

4.2 At present, very few boroughs across London or nationally have committed to the LGRP. The pricing schedule is dependent on the number of boroughs that join and there is therefore something of a 'chicken and egg' situation as boroughs do not want to commit unless there are enough boroughs to make it price effective.

4.3 As regards recruitment and advertising services, the situation is very unclear in terms of pricing, media discounts, and quality of provision that would be achievable if the Council were to subscribe to Lot 4 at this stage.

4.4 The option for the Council to undertake a full EU-compliant tender process and award a contract independently of the ESPO or LGRP advertising contract has been considered, we did not recommend pursuing this option for three main reasons:

- Whilst it is not possible to directly compare the costs and discounts that will be offered by the LGRP/ESPO contract, with those that Enfield could achieve by procuring an independent contract, it is unlikely that the Council could achieve appreciably better terms alone than as part of LGRP/ESPO.
- It is in line with the Councils' corporate procurement guidelines to call off existing framework agreements if they are suitable.





- The resource implications involved in the Council conducting a full EU-compliant tender process are estimated at more than £10K.

## **5. REASONS FOR RECOMMENDATIONS**

### **Schools**

5.1 Accessing the ESPO framework agreement will allow schools to ensure business continuity as the current recruitment advertising contract expired on 31<sup>st</sup> March 2015.

5.2 All invoicing arrangements can remain as per current contract.

### **Corporate HR**

5.3 Broadbean will allow the Council to continue with its automation agenda and provide a more efficient, cost effective way to advertise vacancies to target suitable candidates.

5.4 Moving forward the Council will need to ensure it has accurate data to direct recruitment advertising spend to those channels that are most effective to recruit the right candidates.

5.5 Should there still be a minimal need for hardcopy press advertising, the ESPO framework agreement can be utilised.

## **6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS**

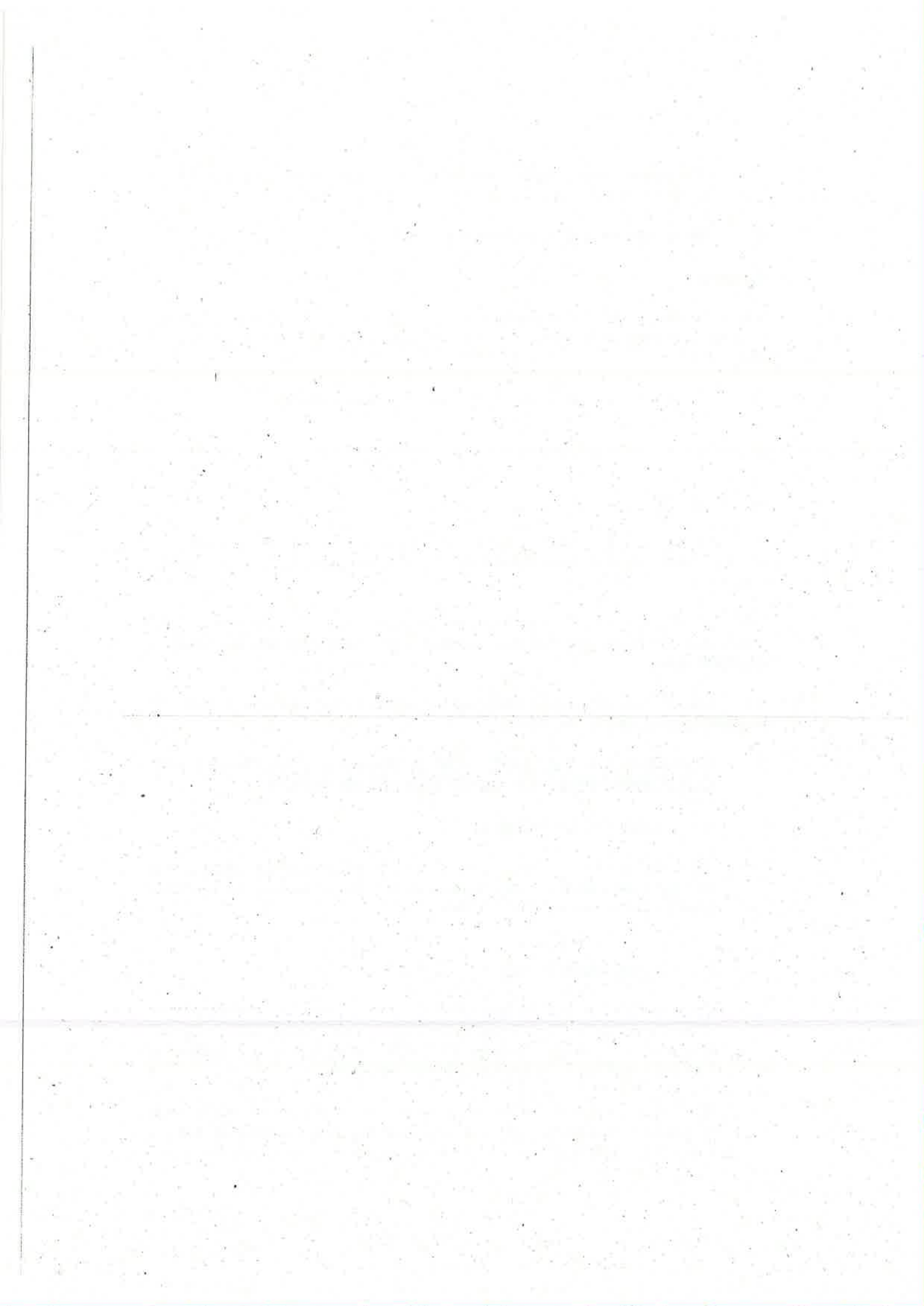
### **6.1 Financial Implications**

All costs will be continued to be contained within existing budgets. Any savings arising from the new agreement will be included in the Council's Medium Term Financial Plan (MTFP).

### **6.2 Legal Implications**

The Council's Contract Procedure Rules state that competitive tendering or the obtaining of quotes is not required where a legally compliant framework agreement is in place which the Council has a right to access (subject to complying with the rules applicable to that framework).

The ESPO Framework 3A (Issue No.8) complies with both EU and national procurement regulations. As an EU compliant framework is being utilised, the Council is complying with its Contract Procedure Rules and the Public



Contracts Regulations 2006 or 2015 as appropriate. The use of the ESPO Framework Agreement also demonstrates that best value has been obtained.

Any resultant call-off contract must be in a form prescribed under the relevant framework agreement. Under the ESPO framework agreement 3A, the Council can place an order directly with one supplier if its requirements are straightforward, and once it has signed a Customer Access Agreement.

The ESPO Framework 3A ends on 31 May 2015 and ESPO have confirmed a one year extension is in place until 31 May 2016.

### **6.3 Property Implications**

None

## **7. KEY RISKS**

7.1 The key risk of Schools not calling off the ESPO framework is the adverse impact on business continuity, service standards and crucially, reputational risk for the schools personnel service as a traded service. This could affect the decision for schools to renew their contracts with Schools Personnel Service, thereby affecting the income for the Council.

7.2 The Sutton and Merton LGRP contract is not yet in place to begin on 1<sup>st</sup> April 2015, therefore if the ESPO framework is not utilised, there would be no cost effective way for Schools to place their advertising in the press, instead paying higher costs to the media without the volume discounts available through the Framework.

7.3 For Corporate HR not to utilise Broadbean, would cause additional manual processes to take place, moving away from the automation agenda.

7.4 The posting charges to place on-line vacancies via ESPO Framework would be less cost effective than utilising Broadbean.

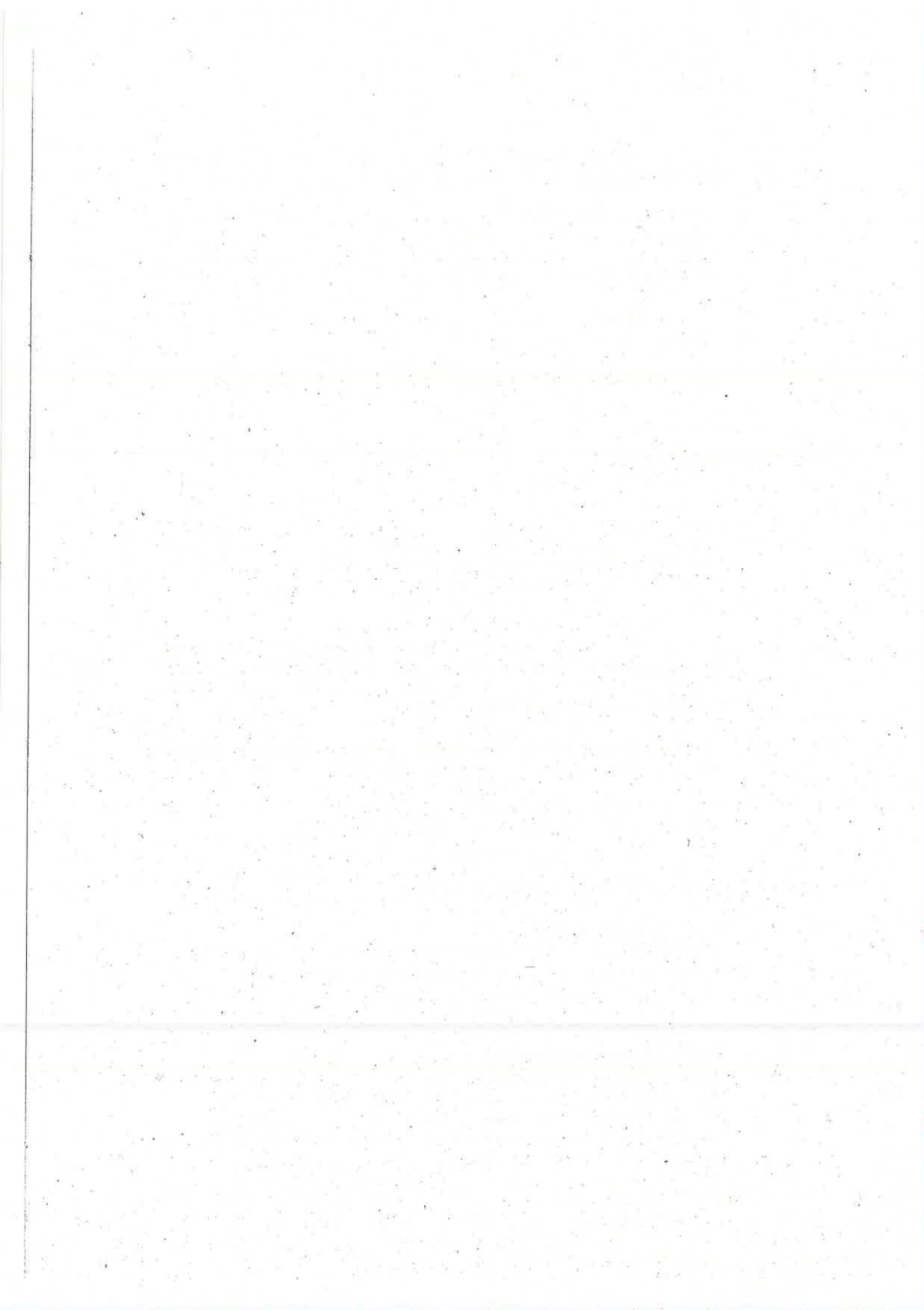
## **8. IMPACT ON COUNCIL PRIORITIES**

### **8.1 Fairness for All**

Ensuring that external job opportunities that arise at the Council are recruited to fairly and filled quickly ensures the continuation of high quality services to the public and contributes to the aim of fairness for all.

### **8.2 Growth and Sustainability**

By being part of a framework offered by ESPO it is likely that the Council achieves appreciably better terms and cost savings than in procuring an independent contract, contributing to the council's aim of growth and sustainability. By using Broadbean, the Council ensures it continues to grow with advances in technology and keep pace with the digital agenda.



### **8.3 Strong Communities**

Effective advertising is crucial in promoting and communicating the services and opportunities offered by the Council to residents of all Enfield's communities.

## **9. EQUALITIES IMPACT IMPLICATIONS**

Corporate advice has been sought in regard to equalities and an agreement has been reached that an equalities impact analysis is neither relevant nor proportionate for the approval of this report.

## **10. PERFORMANCE MANAGEMENT IMPLICATIONS**

The new contract will ensure business continuity when the current contract ends. Increased use of technology will ensure that advertising spend is focused on those channels that deliver the highest quality candidates for our organisation.

## **11. PUBLIC HEALTH IMPLICATIONS**

Recruitment has implications has both financial implications and implications for the quality of staff. These changes should be monitored on both counts for their impact in the borough.

## **Background Papers**



**MUNICIPAL YEAR 2014/2015 - REPORT NO.**

**MEETING TITLE AND DATE /  
ACTION TO BE TAKEN UNDER  
DELEGATED AUTHORITY**

*(delete as appropriate)*

**PORTFOLIO DECISION OF**

*(delete as appropriate)*

**REPORT OF:**

Director of Health, Housing and Adult  
Social Care

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<b>Agenda - Part: 1</b>	<b>Item:</b>
<b>Subject:</b>	
<b>Temporary Accommodation Dynamic Purchasing System</b>	
<b>Wards: All</b>	
<b>Key Decision No: KD4078</b>	
<b>Cabinet Member consulted:</b>	

**1. EXECUTIVE SUMMARY**

- 1.1. Temporary Accommodation is currently procured via a 'select list' where agencies are vetted before being able to supply the council with accommodation. This is an open ended approach.
- 1.2. The purpose of this report is to seek agreement to set up a Dynamic Purchasing System (DPS) to pilot for up to 12 months securing temporary accommodation for those within existing expensive placements. This is a collaborative initiative with 3 other London boroughs.
- 1.3. The recommended approach will allow all suitable management agents to be accredited and enrolled to the system at any time maximising the supplier base for accommodation, and focussing on the high Net Loss cases to determine the likely success of the DPS at securing additional properties.

**2. RECOMMENDATIONS**

- 3.1. That the Director of Health, Housing and Adult Social Care along with the Cabinet Member for Housing and Estate Regeneration approves the recommendation to secure temporary accommodation via a dynamic purchasing system.
- 3.2. Approve award of contract to Matrix SPS to provide the technology and to deliver the DPS.

### **3. BACKGROUND**

- 3.1. All Local Authorities have a statutory duty under the Housing Act 1996 Part VII, (as amended by the Homelessness Act 2002) where appropriate, to provide emergency temporary accommodation for homeless applicants pending investigations into their application. This is known as the 'Interim duty'.
- 3.2. Local Authorities also have additional statutory powers to provide help and assistance to other categories of people, often this means providing accommodation to some of the most vulnerable members of the Community including for example people with mental health issues, physical disabilities and learning disabilities.
- 3.3. Local Authorities are also bound by statute to provide suitable temporary accommodation to applicants who are then assessed as homeless until a homeless household can obtain a settled housing solution. This is referred to as the 'Primary duty'.
- 3.4. Temporary Accommodation for Enfield is currently secured through a 'select list' comprising 42 agencies. Spend on Temporary Accommodation for FY2013/14 was circa £19.05m.
- 3.5. During recent years there has been significant shifts in the private rented market in London and in the pattern of demand as expressed in new "approaches" made to the Housing Solutions service, i.e. customers presenting in a situation of actual or threatened homelessness. As such, the select list agencies have been unable to procure anywhere near the number of properties needed to accommodate all the homeless households.
- 3.6. The service has no control over the selection by private landlords and owners of managing agents they appoint to manage properties on their behalf. Because of the number of properties needed it has not been possible for the service to refuse accommodation from 'off-contract' agencies.
- 3.7. As an example, Enfield has secured accommodation from 29 accredited agencies, and 16 'off-contract' agencies.
- 3.8. A DPS is permitted under the Public Contracts Regulations 2015 and EU Directives. The DPS operates by initially running a fully compliant open tender procedure to accredit and enrol agencies on to the DPS (only agencies that meet the Council's quality standards can join). Agencies are then held within the system where their credentials are continuously monitored and checked by the system operator. The process for removal of agencies from the system will be in line with the DPS terms and conditions. Each individual requirement is then created, distributed and evaluated within the system. This list of agencies will remain in place for a period of 4 years and new agencies can apply and be enrolled at any time during this period (providing they can meet the Council's quality standards). During this process the Council will retain the ultimate



decision as to which agencies to secure accommodation from, based on homeless household needs.

- 3.9. Benefits of using a DPS for Temporary Accommodation include:
- It gives more niche, specialist, local and/or SME providers an opportunity to win business with the Council and develop new services.
  - It will allow for the more rapid development of new supply to meet changing and emerging needs and demands.
  - It will allow the Council to address poor quality provision rapidly. This will be supported by effective data and management information.
  - It allows the Council greater flexibility during the life of the contract to respond to changing policies / initiatives to tackle temporary accommodation.
  - Reduction in officer time when searching for accommodation as the market can be approached in one single online communication.
- 3.10. The best use of the DPS initially will be to source new accommodation for the most expensive nightly let arrangements (known as the True/Net Loss). Agencies will be invited to identify cheaper options for these specific households i.e. more economical nightly paid properties or properties that can be offered as Private Sector Leasing arrangements. The use for this focussed cohort will enable the service to monitor the effectiveness of the system before considering a roll-out to more temporary accommodation placements.
- 3.11. In tandem, the pan-London Housing group supported by London Councils have agreed rate caps for Nightly Let accommodation based on the Broad Rental Market Area which the DPS will help to enforce.
- 3.12. If the DPS can secure additional accommodation at a rate where there is little or no Net Loss then the maximum potential saving available is circa £71k per week. This does not include the time saving for the Housing Team where the process to identify properties is much simplified and less time intensive.
- 3.13. The commercial proposal is as follows; £25k fixed implementation fee plus a gain share where Matrix will receive 25% of all savings achieved (calculated through prices procured via the DPS compared against a baseline rate agreed between the Council and Matrix) with a ceiling rate applied which will cap total monies recovered by Matrix through the gain share to £100k over the first 12 months.
- 3.14. As this is a new area for Matrix to use a DPS and, if successful, a long-term aim is to sell this system to other public sector bodies to secure Temporary Accommodation, and Matrix has agreed to rebate a total of 3%, to be divided between the councils, of any fees payable to Matrix (excluding implementation fees) from additional London Boroughs procuring Temporary Accommodation via the Matrix technology platform.

- 3.15. The participating councils held a market engagement event with circa 70 agencies (some known and some not) where positive feedback was provided about the councils direction and the use of a DPS.
- 3.16. The intention is to have a 12 month pilot in place and constantly review the success of the system, with the aim to use to secure all temporary accommodation going forward.
- 3.17. This pilot is being progressed with Enfield, Newham, Redbridge and Waltham Forest, subject to agreement.

#### **4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 **Continue as is**  
The existing 'select list' approach allows agencies to register at any time, however this approach still means that the Council have to take properties from non-approved agencies. There is no control over costs (other than the pan-London caps) and no ability to do joined up working.
- 4.2 **Establish a Framework Agreement**  
A framework agreement is set up similar to a DPS however it locks in agencies for up to 4 years with no ability to add new or emergent agencies. This will mean an increased usage of non-approval agencies and not allow the council to contract with other agencies should the need to change where the provision is sourced.
- 4.3 **Do nothing**  
As the authority has a statutory duty to place homeless applicants into emergency accommodation there will always be a need to secure temporary accommodation from agencies. To ensure an effective supply chain the Authority needs a mechanism to accredit agencies.

#### **5. REASONS FOR RECOMMENDATIONS**

- 5.1 Temporary Accommodation is a key area of spend for the council, and with the focus on reducing the budget deficit there is a real need to secure properties at a suitable rate.

#### **6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS**

##### **6.1 Financial Implications**

The Council provides nightly paid temporary accommodation (TA) services through the use of a mixed portfolio, which includes Private Leased Annex (PLA) scheme, Bed and Breakfast accommodation (BB) and the more expensive nightly paid accommodation (NPA).

Due to demand and supply this service is currently operating a budget pressure. The 2014/15 expenditure budget for the nightly paid TA service was £22.609m and the provisional outturn is £3.121m overspent, an additional budget of £2.679m was provided bringing the budget for

2015/16 to £25.288m. There are savings identified to mitigate the pressure on the TA service. The use of DPS technology in place, to secure additional temporary accommodation will provide a basis to achieve these savings, it is not an additional saving. There is a potential maximum saving of £71k per week on NPAs alone if benefits from DPS are maximised. However, it must be noted that this may not be achieved in full.

All costs incurred to secure temporary accommodation via the dynamic purchasing system (DPS) will be funded within existing resources available. The commercial proposal identifies - £25k fixed implementation fee and 25% of savings achieved is payable to Matrix agency up to a cap of £100k over the first 12 months but subject to review after 12 months. The latter could be subject to a potential 3% rebate if additional London Boroughs take up the DPS technology.

## **6.2 Legal Implications**

The relevant duties of the Council are set out in paragraph 3.1 of this report. The Council is permitted to use Dynamic Purchasing System (DPS) for commonly used purchases the characteristics of which, as generally available on the market, meet its requirements. The use of a DPS to secure temporary accommodation is consistent with this.

In using a DPS the Council must comply with the Public Procurement Regulations 2015, in particular Regulation 34.

The contract with Matrix for the DPS must be in a form approved by the Assistant Director of Legal Services.

## **7. KEY RISKS**

7.1 The key risk identified is the lack of engagement by agencies to seek and respond via a new electronic system; however a market engagement event was held with circa 100 agencies and the approach the council is taking received positive feedback with a willingness to be involved.

7.2 As this is a pilot, other risks that emerge can be dealt with and included in the final review about whether or not it was successful, or any lessons learnt for a wider roll-out.

## **8. IMPACT ON COUNCIL PRIORITIES**

### **8.1 Fairness for All**

By having a greater pool of agencies to call upon to supply temporary accommodation at fairer rates would help the council house those most vulnerable (homeless households). This accommodation would be in line with standards set by the council to ensure suitable quality is being provided.

### **8.2 Growth and Sustainability**

N/A



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### **8.2 Growth and Sustainability**

N/A

**8.3 Strong Communities**

By being able to offer more local accommodation would create a more settled community, giving greater opportunity to create a safer and healthier place to live.

**9. EQUALITIES IMPACT IMPLICATIONS**

There is no potential for adverse impact on protected groups as the DPS should mean a greater ability to secure accommodation of the same or bettering standards than present.