

To: Cabinet
Date: Wednesday 9 April 2025
Report of: Head of People
Title of Report: Recruitment agency procurement and delegation to award contracts

Summary and recommendations	
Decision being taken:	To reprocure arrangements for Recruitment Agencies to supply temporary, contract and permanent workforce.
Key decision:	Yes
Cabinet Member:	Councillor Nigel Chapman, Cabinet Member for Focused Services and Council Companies
Corporate Priority:	Corporate Strategy: Strong Fair Economy and Well-Run Council. People Strategy: High Performing Organisation and Diversity and Inclusion
Policy Framework:	Recruitment

Recommendation(s): That Cabinet resolves to:	
1.	Approve the re-procurement of agencies to supply temporary, contract and permanent workforce with an approximate value of £2.5m per annum a minimum of 4 years.
2.	Delegate authority to the Head of People, in consultation with the Group Finance Director (Section 151 Officer): A, determine the format of the procurement and contract structure; and B, award the subsequent contracts following completion of the procurement exercise.

Information Exempt From Publication	
	Not applicable

Appendix No.	Appendix Title	Exempt from Publication
Appendix 1	Risk Register	No
Appendix 2	Equalities Impact Assessment	No

Introduction and Background:

1. In accordance with the law and the Councils contract rules, the Council must procure for new agencies in 2025. The requirement for suppliers of recruitment support addresses a significant business need. We aim to employ staff directly into permanent roles wherever possible and keep our use of agency staff to a minimum. However, there are circumstances where we need to be able to fill roles at short notice or for fixed periods of time and the ability to use agency staff is critical to ensuring service continuity.
2. The Councils current agencies under contract have performed adequately in filling positions such as customer services and administration roles. However, there is a notable gap in recruitment expertise for specialist roles, including those in economy, environmental, legal, and managerial sectors. Currently there are 2 Lots within the Councils recruitment framework. Lot 1: Professional and Business support and Lot 2: Housing, Property and Regulatory Services, with work delegated to 4 agencies across these Lots. However, because the agencies under the current framework have been unable to fulfil all Council needs, hiring managers have been sourcing candidates off contract, resulting in a current pool of approximately 18 agencies and in all probability higher recruitment costs.
3. Officers are actively consulting with hiring managers to identify gaps and specialist needs. This consultation will inform the development of a detailed specification for new, prospective agencies.
4. Officers are considering available options for the new arrangement which will provide the depth and flexibility required to address specialist role requirements.
5. The intention is for Hiring managers to have access to a portal where they can post job roles and agencies can respond by submitting suitable candidates. This system will enhance flexibility and expand our pool of candidates.
6. As part of the procurement the Council will seek to engage specialist agencies that prioritise minority/ underrepresented groups to help diversify its talent pool as well as including apprenticeship specialists.
7. Finally, a range of agencies of different sizes will enable local agencies as well as national agencies to tender.

Alternative Options

8. To not re-procure. This should not be considered because procurement law requires the Council run a competitive procurement for this type of service and volume.
9. To cease using recruitment agencies. At the current time this is not a viable option as we do not have the skills, resource, expertise or talent pool to supply.

Consultation and communications

10. Officers are consulting with Hiring Managers to understand need and current issues when recruiting. The Council will also consult with potential recruitment agency suppliers to make sure that the choice of procurement route is accessible and to gauge supplier interest.
11. Officers are communicating their intent with the Staff Networks and the EDI Steering Group and have asked for representation from both on the procurement panel.

Health and Safety

12. All agency employees will be required to complete OCC mandatory Health and Safety Training and have access to incident reporting systems. This is a consideration in the procurement and contracting process.

Financial implications

13. **Budget Management:** ensuring that the procurement aligns with the Council's budget provision.
14. Agency workers can be employed for a number of reasons including fulfilling specific one of project-based roles or backfilling for staff who are absent. In most cases no specific budget is provided for agency works as the budget is provided for in the overall salary budget unless they are employed for one off project-based work which is over and above core business in which a separate budgetary provision will be made. This will involve negotiating favourable terms with agencies to manage recruitment costs effectively and avoid overspend.
15. Where officers appoint agency workers outside of the negotiated recruitment contract as is currently happening this is likely to lead to additional cost and should where possible be avoided.
16. **Cost efficiency and value for money:** we will look for opportunities to reduce costs whilst improving service quality.
17. **Financial planning:** Briefing hiring managers and budget holders to ensure that they stay within budget.

Legal issues

18. Under Parts 4.5 (10) 4.5 (11) and 19 (17) of the Constitution Cabinet is responsible for the decisions set out in the recommendation. Under section 9E (3) (c) of the Local Government Act 2000 Cabinet is empowered to delegate its functions to officers.
19. Due to the estimated value of spend, the procurement of recruitment agencies for the supply of temporary contract and permanent workforce will need to be carried out in accordance with the Procurement Act 2023 and the Council's Constitution. Legal services can, when instructed, support and advise on the procurement process and provide the contract documentation needed. Any decision, following the procurement process, to award a contract of £750,000 or greater will be a Key Decision and will need to comply with the procedure for taking Key Decisions set out in the Council's Constitution.
20. **Equal opportunities and non-discrimination:** Ensuring the recruitment process adheres to employment law and prevents discrimination and provides fair access for all candidates.
21. **Risk management:** identify and mitigate potential risks such as fraud, non-compliance, and disputes by implementing robust procurement and contract management processes.

Level of risk

22. Please refer to Annex 1: Risk Register

Equalities impact

23. Please refer to Annex 2: Equalities Impact Assessment

Environmental and Sustainability

24. **Remote work policies:** agencies will be required to follow the Council's remote and flexible working policies.
25. **Sustainable Practises:** assess whether the recruitment agencies have sustainable practises in place such as recycling programmes energy efficient office equipment and eco-friendly policies.
26. **Supplier Diversity:** include agencies of different sizes and locations, including local businesses. Encourage agencies that specialise and support local underrepresented groups, which can contribute to a more sustainable and equitable economy.
27. **Social Value:** ensure that the procurement process aligns with the Council's social value framework which includes environmental sustainability as a key component.

Further section headings

Annex 1: Risk Register

Annex 2: Equalities impact Assessment

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Background Papers:
Not applicable

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