

BY SUBMITTING THIS REPORT TO THE CABINET OFFICE, I, SARAH MCGILL – CORPORATE DIRECTOR, AM CONFIRMING THAT THE RELEVANT CABINET MEMBER(S) ARE BRIEFED ON THIS REPORT

**CARDIFF COUNCIL
CYNGOR CAERDYDD**

CABINET MEETING: 13th July 2023

DELIVERING A MODERN CARDIFF WORKS AND AGENCY PROVISION.

FINANCE, MODERNISATION AND PERFORMANCE (COUNCILLOR CHRIS WEAVER) & TACKLING POVERTY, EQUALITY & PUBLIC HEALTH (COUNCILLOR PETER BRADBURY)

AGENDA ITEM:

Reason for this Report

1. To provide an update on the current and proposed service activity of the Council's in-house recruitment agency "Cardiff Works".
2. To ensure that formal and appropriate contract arrangements for the re-procurement of a Vendor Neutral brokerage service to provide specialist agency staff are put in place.
3. To delegate authority to the Corporate Director of People and Communities in consultation with the Cabinet Member for Finance, Modernisation and Performance, to determine all aspects of the procurement process (including approving the evaluation criteria to be used, commencement of the procurement process, the award of the contracts and all ancillary matters pertaining to the procurement of the Vendor Neutral brokerage service to enable the placement of orders for the provision of agency workers).

Background

4. The management of Cardiff's in-house recruitment agency "Cardiff Works" transferred to the Housing and Communities service from HR People Services on 1st April 2019 so as to align the service with the

activity of the Into Work Advice service. It was anticipated that the transfer would provide an opportunity to increase the numbers of internal temporary staff secured directly rather than via an external agency.

5. A key principle in the establishment of Cardiff Works was that Cardiff Council jobs should be accessible to all.
6. A full review of Cardiff Works was completed following the service transfer and a report outlining the proposed service development strategy was presented to Cabinet in September 2020. The review highlighted five significant changes that were required for the service to develop effectively. These were:
 - Digitalisation of the service
 - Streamlining of recruitment processes
 - The development of a new marketing and branding strategy
 - Ensuring increased service accessibility (such as via a public access point at Central Library Hub)
 - Achieving greater visibility in the community, including attendance at jobs fairs and job clubs alongside the Into Work Services.
7. The review also proposed a more detailed plan for the alignment with Into-Work Services to assist people to become “Cardiff Works Ready”. It was identified that many people were failing the Cardiff Works assessment and so were unable to register with the service. Tailored support would focus on helping more vulnerable individuals and creating a pathway supporting clients from unemployment into training, volunteering opportunities, temporary jobs with Cardiff Works and then on into permanent employment.
8. The review concluded that further opportunities could be explored to create additional income including:
 - Delivering a wider variety of roles through Cardiff Works, including waste management operatives and cleaners.
 - Reviewing how placements are charged to give service areas better value for money, whilst still generating income.
 - Exploring the provision of services to other public services, on an “ethical agency” basis.
9. External agency staff remained an important part of the Cardiff Works offer provided through a contract with Matrix SCM Ltd (Matrix). Matrix is a vendor-neutral provider that does not provide agency workers directly. Instead, it provides a brokerage service, entering into contractual arrangements with a number of different agencies to provide workers from these agencies as required by the Council. Of the £29 million spend on external agency staff in 2022/2023 only £144,103 was retained by Matrix. This current contract expires on the 31st October 2023.

Issues

Update on Progress of Cardiff Works

10. The five significant changes that were required to meet the strategic outcomes for Cardiff Works have now been completed producing some excellent results for both the Council and candidates.

➤ **Digitalisation of the service**

Significant progress has been made to digitalise the service. This has helped to improve the quality and efficiency of service processes for both staff and candidates. Candidates can now apply for posts and sit any necessary entry assessments online. (For those who do not have access to online facilities this can still be done face-to-face in Central Library Hub.) This has resulted in over 200 additional applications being made to Cardiff Works compared to the previous year, and a 56% increase in the number of people in the Cardiff Works pool over the same period.

➤ **Streamlining the recruitment process**

The whole recruitment process has been streamlined so both candidates and recruiting managers are able to access roles in a timely manner. This has resulted in candidates being able to take up their post more swiftly and backlogs in the applications and assessment processes have been eradicated. In addition, the average time taken for a candidate to be accepted into the Cardiff Works pool has improved from the previous 40 days to now being 48 hours.

➤ **A new marketing and branding strategy**

A wide-reaching communications campaign was launched at the end of 2021 to raise awareness of Cardiff Works. This included promoting the different types of roles available and the commitment of supporting people into temporary roles as a pathway to permanent employment within the Local Authority.

The campaign's aim was to raise the profile of Cardiff Works across the city and to engage with a range of communities to create a diverse candidate pool, as well as promoting the unique benefits of working for Cardiff Council. The campaign included:

- A branding refresh; including new logos and promotional materials
- A new dedicated Cardiff Works website
- Local advertising visuals; including in community venues, bus stops and on waste lorries
- Local radio advertising
- Digital screens in supermarkets
- Targeted Social Media posts – Facebook, YouTube, Spotify.

The number of people contacting and registering with Cardiff Works increased by 290% in the 3 months after the website and publicity campaign launched (with the website receiving over 9,000 hits on average per month). Applications to join Cardiff Works increased from 300 to over 900 in the same period. Regular, ongoing publicity continues to be carried out to further promote Cardiff Works.

Overall, since April 2019 there has been a 12% increase in the number placements provided via Cardiff Works, with an average of 435 placements or jobs created each year. The number of agency placements has remained at around 1,900 each year for the same period.

➤ **Increased accessibility of the service, with a public access point at Central Library Hub**

A public access point is now located on the second floor of Central Library Hub. This ensures that the Cardiff Works team operate closely with other Advice Services and can refer candidates seamlessly for help. This could include assistance with their CV, interview skills or advice on additional financial support they may be eligible for when they are working.

➤ **Greater visibility in the community, including attendance at jobs fairs and job clubs alongside the Into Work Services**

By fully aligning the Into Work and Cardiff Works teams, there have been some excellent outcomes for those seeking work. Additional external funding was secured to appoint Community Engagement Officers within the Cardiff Works team. Their role is to connect with communities that are under-represented in the current workforce and also to engage with younger people, promoting the Council as a great place to work.

- The Community Engagement Officers have carried out a programme of events in the Southern Arc of the city, working with community groups to raise awareness of the types of roles available and the support on offer for those who have little or no work history.
- Several specific BME Jobs Fairs have taken place in local mosques, Grangetown Pavilion and Grange Gardens working with the Race Equality Taskforce. The percentage of BME applicants applying and successfully entering the Cardiff Works pool has risen to 37% at the end of March 2023, compared to just 7% in June 2021. Whilst this increase is significant a programme of further engagement events has already commenced to further increase diversity in the pool.

Cardiff Works Ready

11. To help address the range of barriers to employment that were identified through the community engagement process the “Cardiff Works Ready”

project was launched in September 2021. Adult Learning Employability courses were created to help improve candidates' communications skills and confidence. Recruiting managers from across the Council are invited to join the last day of each training course to carry out informal interviews, often resulting in candidates being offered placements on the day. Over 100 people completed the training last year and successfully entered the Cardiff Works pool and a monthly programme of Adult Learning Employability courses has been established to build on last year's achievement.

12. In total over 1,000 individuals have come through the Cardiff Works pool and moved into placements during the last financial year: a 40% increase on the previous year.
13. To support priority sector roles such as Social Care, Hostel Support Workers, and HGV Drivers, the Into Work Advice Service joins together resources from Adult Learning and Cardiff Works to create dedicated project teams, ensuring suitable candidates are identified and upskilled as quickly as possible. This has been particularly successful in the recruitment of Social Care Workers for both Council vacancies and contracted care providers via the Cardiff Cares Academy, with 135 people helped to secure employment in this sector during the last financial year.

Cardiff Works For You

14. Using Cardiff Works' income, the new "Cardiff Works for You" (subsidised placement) initiative was recently launched to provide temporary employment opportunities within the Council for young people and people from under-represented communities. Many of those the service aims to assist would struggle to secure employment due to little or no work experience. The initiative aims to allow candidates to gain skills by funding their first month's salary in exchange for a commitment from the host service to cover a further month. The Cardiff Works Team provides support to the recruiting manager by selecting appropriate candidates for interview and addressing any issues raised. The team also assigns a mentor to the candidate to ensure they have help to transition into employment smoothly and will work with the person to find further employment opportunities nearing the end of the placement.

Proposed Future Enhancements of Cardiff Works

15. Future proposed plans include digitalising the Cardiff Works billing and payroll system to further increase efficiency. Assessments for candidates will also be amended to make the process more accessible to those who are dyslexic and require reasonable adjustments.
16. There is also an opportunity for the Into Work team to match people who are working with the service to the roles posted on the Matrix system; with a potential for customers to have 'early access' to the vacancies. This will be further explored.

17. Over the past 12 months, other Local Authorities have sought advice from the team on setting up their own in-house recruitment agency. Several Local Authorities have also enquired about the possibility of using Cardiff Works as their agency provider. Work is ongoing to consider this as a possibility which could extend the work of the team, provide additional income for the Council, and give greater employment opportunities to jobseekers in Cardiff and the surrounding areas.
18. If successful, it is proposed to further consider the growth of the 'Cardiff Works for You' subsidised placement (subject to a satisfactory business case).

Issues

Agency Worker Contract

19. The Council's current contract with Matrix SCM will expire on 31st October 2023 having already been extended previously via Direct Award following approval by Cabinet in September 2020.
20. An options appraisal has considered whether a Master Vendor or Vendor-Neutral strategy should be undertaken as part of the re-procurement.
21. A Master Vendor Model secures a Provider where agency workers are supplied directly or from a small pool of recruitment agencies. The risk with this approach is that the number of agency workers supplied directly can be limited impacting on the ability to fill roles within the Local Authority quickly and especially in relation to more specialist or qualified roles. Using a Master Vendor may also encourage off-contract spend, as recruiting managers will not be able to access the staff required through the procured, compliant route. This could also lead to increased costs.
22. A Vendor-Neutral provider is a third-party organisation which manages a large number of agency contracts, and effectively delivers a "brokerage service" to its customer. It is the responsibility of the Vendor-Neutral company to enter into contracts with agencies on a neutral basis, and to ensure that workers are provided from these agencies to the Council. The positive of a Neutral-Vendor provider is that the pool of agency suppliers is far greater, offering a wide range of potential candidates, and access to agency suppliers who specialise. Using a Vendor-Neutral organisation will reduce off contract spend, meaning the Council receives better value for money.
23. It is proposed that a mini competition is carried out through the National Procurement Service (NPS). It is anticipated that the new NPS framework for the provision of Agency Workers will go live in June 2023. Alternative framework options have been identified (ESPO MSTAR4 Managed service for temporary agency resources and CCS RM6277 Non-Clinical Staffing Lot 7 MSP: Master/Neutral Vendor) should the National Procurement Service framework not be available.

24. It is proposed that a contract be awarded for 5 years with the option for a 2-year extension, if needed.
25. It is necessary for the Council to continue to engage agency workers to allow flexibility in the workforce and it is also vital the Council has an agreement in place with a partner that will ensure that the benefits of encouraging access to local SME's is maintained. Continuing with the current Vendor-Neutral model will maintain the existing local supply base and will protect agency margins, ensuring that all relevant local agencies have access to agency opportunities. It is therefore proposed that a Vendor Neutral organisation is procured.
26. Further economies of scale are possible through a joint tender process with neighboring Local Authorities who are also looking to implement a Vendor-Neutral provider. Other Local Authorities have expressed an interest in collaborating on this tender. Each Local Authority will be required to seek individual approval for this approach and complete a separate Technical Specification but would join together to complete the tender process. Viability and details of this joint approach are currently being considered.

Reason for Recommendations

27. To note the update on Cardiff Works.
28. The proposed procurement of a Vendor Neutral organisation will allow the benefits that have been achieved from the current arrangement to continue under a compliant contract.
29. The published rates contained within the new NPS All Wales Agency Framework remain at a lower level and will potentially reduce through the proposed further competition.
30. Without an Agreement in place, the Council will be unable to effectively manage the use of Agency Workers. This will result in increased charges.

Procurement Implications

31. Based upon a review of the existing NPS ALL Wales Agency rates, the Council can, through further competition, potentially improve its current agency management fee. This would provide security of provision at a lower cost, whilst also providing access to improvements in the market since the last arrangement was let in terms of portal improvement, including regulatory compliance and better management reporting.

Financial Implications

32. The current costs of the agreement for the Managed Service for Provision of Agency Workers is recovered from directorate revenue / approved capital budgets along with the costs of meeting any direct costs of the agency provision. The estimated cost of the Managed Service is

dependent on use, but to support an understanding of the impact of the procurement proposed in this report, this was circa £145,000 in 2022/23.

33. Whilst the report highlights progress and improvements in respect to Cardiff Works, no data is included in terms of costs, income and people on the role to determine whether there are any financial implications that are required to be highlighted. Where future enhancements are to be considered such as partnering or providing agency services to others, the financial implications including systems and taxation should be considered as part of the options appraisal.
34. For any agency services including Cardiff Works, robust processes need to be in place to ensure the need for and to ensure budgets are in place to meet costs of any resource to be drawn down. Once in place, ongoing monitoring should be in place to ensure the outcomes envisaged are being delivered and any agreement is ceased or reviewed for need. Any third-party system in place should enable the provision of data and reports that allow the effective monitoring and review of commitments by users of such agency contracts.

Legal Implications

35. There are no direct legal implications arising from the first recommendation in this report. The second and third proposed recommendations are put simply to ask Cabinet to approve the overarching approach to the procurement of a Vendor Neutral brokerage service to provide specialist agency staff and to delegate authority to the Corporate Director of People and Communities in consultation with the Cabinet Member with responsibility for Finance, Modernisation and Performance to determine and put in place the arrangements for procurement of such services.
36. Full legal advice should be sought on the proposals, the procurement process and in relation to the drafting of the draft terms and conditions of contract, as the same are developed.

Equality Duty.

37. The decision about these recommendations has to be made in the context of the Council's public sector equality duties. The Council also has to satisfy its public sector duties under the Equality Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties, Councils must in making decisions have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. The Protected characteristics are: age, gender reassignment, sex, race – including ethnic or national origin, colour or nationality, disability, pregnancy and maternity, marriage and civil partnership, sexual orientation, religion or belief – including lack of belief.

Well Being of Future Generations (Wales) Act 2015

38. The Well-Being of Future Generations (Wales) Act 2015 ('the Act') places a 'well-being duty' on public bodies aimed at achieving 7 national well-being goals for Wales - a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language, and is globally responsible.
39. In discharging its duties under the Act, the Council has set and published well-being objectives designed to maximise its contribution to achieving the national well-being goals. The well-being objectives are set out in Cardiff's Corporate Plan 2023-26. When exercising its functions, the Council is required to take all reasonable steps to meet its well-being objectives. This means that the decision makers should consider how the proposed decision will contribute towards meeting the well-being objectives and must be satisfied that all reasonable steps have been taken to meet those objectives.
40. The well-being duty also requires the Council to act in accordance with a 'sustainable development principle'. This principle requires the Council to act in a way which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. Put simply, this means that Council decision makers must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, the Council must:
- Look to the long term
 - Focus on prevention by understanding the root causes of problems
 - Deliver an integrated approach to achieving the 7 national well-being goals
 - Work in collaboration with others to find shared sustainable solutions
 - Involve people from all sections of the community in the decisions which affect them

41. The decision maker must be satisfied that the proposed decision accords with the principles above; and due regard must be given to the Statutory Guidance issued by the Welsh Ministers, which is accessible using the link below: <http://gov.wales/topics/people-and-communities/people/future-generations-act/statutory-guidance/?lang=en>

General

42. The decision maker should also have regard to, when making its decision, to the Council's wider obligations under the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards.

HR Implications

43. The progress regarding Cardiff Works placements is beneficial to the overall employment within the Council and provides alternative routes into the organisation for applicants.
44. There are no HR implications with regards to the procurement of the Agency Worker Services contract.

Property Implications

45. There are no property implications in respect of this report. Where there are property transactions or valuations required to deliver any proposals, they should be done so in accordance with the Council's relevant Asset Management process and in consultation with appropriate service areas.

RECOMMENDATIONS

Cabinet is recommended to:

46. Note the progress being made by the Council's in house recruitment service "Cardiff Works".
47. To approve the overarching approach for the procurement of Vendor Neutral Agency Worker Services.
48. To delegate authority to the Corporate Director of People and Communities in consultation with the Cabinet Member with responsibility for Finance, Modernisation and Performance, to determine all aspects of the procurement process (including approving the evaluation criteria to be used, commencement of the procurement process, the award of the contracts and all ancillary matters pertaining to the procurement).

SENIOR RESPONSIBLE OFFICER	Sarah McGill Corporate Director for People & Communities
	Date submitted to Cabinet office 9/6/23

The following appendices are attached:

Appendix 1 - Single Impact Assessment