

DMPC Decision – PCD 614

Title: MPS Temporary Agency Workers

Executive Summary:

The MPS currently has a contract with Reed to supply temporary agency workers via the national MSTAR2 framework. The contract was agreed in October 2016 for an initial 2-year period plus the option to extend by two additional 12-month extension periods. In March 2018 an extension of 1 year was approved until October 2019.

This report acknowledges the proposed initiation of the procurement process for a new Temporary Agency Worker contract by the GLA Collaborative Procurement Team as a central purchasing body and the MPS' subsequent requirements under it.

The report seeks approval for the implementation of a “foreseen” optional extension period of one year with a subsequent increase of £50m onto the current contract. This equates to an increase in value of 45% against the original contract price.

Recommendation:

The Deputy Mayor for Policing and Crime is recommended to:

- Note the proposed initiation of the procurement process for a new Temporary Agency Worker contract by the GLA Collaborative Procurement Team as a central purchasing body and the MPS' subsequent requirements under it.
- Approve the implementation of a “foreseen” optional extension period of one year with a subsequent increase of £50m onto the current contract headline value relating to contract SS3/16/68 - The Engagement of Temporary Agency Workers with immediate effect.

Deputy Mayor for Policing and Crime

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct. Any such interests are recorded below.

The above request has my approval.

Signature

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Date

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PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DMPC

1. Introduction and background

- 1.1. The contract with Reed was originally awarded in October 2016 on a 2+1+1 basis (an initial 2 year period with two optional extensions of 12 months). The total value of the contract was set at £110m, split evenly over a 4-year contract period commencing October each year - £27.5m per year. The contract value was limited in this way as the organisation was committed to reducing overall agency spend during the lifetime of the contract and the subsequent increase in demand from significant operational events was not reasonably foreseen.

2. Issues for consideration

- 2.1. Establishing and utilising a broader workforce including temporary agency workers is a cost effective option when it comes to addressing short to medium term skill / capability gaps when it does not make financial sense to retain within the substantive workforce. This resourcing option also addresses surge requirements and offsets future redundancy / outsourcing costs where change is imminent. The use of ex-officers has been particularly valuable in the response to the increased demand for detectives and investigative skills.
- 2.2. The flexibility to increase capacity through Temporary Agency Workers continues to provide valuable support to the MPS in a number of roles and areas aligned to the Met Direction and the strategic workforce plan. In particular, the demand for Civilian Investigators has increased in response to the rise in violent crime and the continued requirement for Investigators on the Grenfell investigation and current detective requirements in Child Abuse and Sexual Offences (CASO) teams. This is in addition to a broad spectrum of technical and specialist agency workers including: Associate Trainers, Digital specialists and other roles within the sectors of Programme Management; Legal; Procurement; and Finance. The facility to engage highly specialist individuals is instrumental to service delivery.

3. Financial and Commercial Comments

- 3.1. Approval is sought to increase the existing contract value by £50m to £160m in total, to cover the remaining four months of the existing contract period plus the proposed 12 month extension to October 2020. The proposed increase in contract value should not be viewed as authority to spend, as Business Groups will still need to meet the cost of temporary agency workers from their devolved revenue budgets and approved project budgets.
- 3.2. The proposed increase in the existing contract value has been calculated using the average monthly spend on temporary staff based on May 2019 of £2.8m per month, which gives an annualized figure of circa £34m. The proposed increase also takes into account the £9.7m of remaining value on the current contract and other potential business requirements, for example, for temporary civilian investigators. It is anticipated the existing contract limit of £110m will be reached within the next 12-14 weeks, if current spending levels are maintained.
- 3.3. The report acknowledges the initiation of a procurement process for a new contract for £170m (£42.5m p.a.) over 4 years for the period from October 2020 to October 2024,

which will provide the MPS with greater flexibility to utilise the contract value in support of business need.

- 3.4. Expenditure in respect of the existing and proposed new Temporary Agency Workers contracts will be met from approved MPS budgets.

4. Legal Comments

- 4.1. The MOPAC is a contracting authority as defined in the Public Contract Regulations 2015 (the PCRs). All awards of public contracts for goods or services valued at £181,302 or more must be procured in accordance with the PCRs. This report confirms that the request exceeds the £181,302 threshold and therefore the PCRs are engaged.
- 4.2. The report confirms the procurement will be undertaken by the GLA Collaborative Procurement Team on behalf of and for the benefit of the Functional Bodies of the Greater London Assembly, which includes the MOPAC. Regulation 37(2)(a) provides contracting authorities may acquire works, supplies and services or any one or more of them by using contracts awarded by a central purchasing body.
- 4.3. Paragraph 4.14 of the MOPAC Scheme of Delegation and Consent provides the Deputy Mayor delegated authority to approve all variations and extensions with an original value of £500,000 or above.
- 4.4. Whilst MOPAC is not the contracting authority which will undertake the procurement paragraph 4.13 will be applied to ensure proper scrutiny regarding budget and strategy.
- 4.5. Further information is contained in the restricted section of the report.

5. GDPR and Data Privacy

- 5.1. The MPS is subject to the requirements and conditions placed on it as a 'State' body to comply with the European Convention of Human Rights and the Data Protection Act (DPA) 2018. Both legislative requirements place an obligation on the MPS to process personal data fairly and lawfully in order to safeguard the rights and freedoms of individuals.
- 5.2. Under Article 35 of the General Data Protection Regulation (GDPR) and Section 57 of the DPA 2018, Data Protection Impact Assessments (DPIA) become mandatory for organisations with technologies and processes that are likely to result in a high risk to the rights of the data subjects.
- 5.3. The Information Assurance and Information Rights units within MPS will be consulted at all stages to ensure the project meets its compliance requirements.
- 5.4. The project does not currently use personally identifiable data of members of the public, so there are no current GDPR issues to be considered. If the project uses personally identifiable data of members of the public at a later date DPIAs will be completed as needed.

6. Equality Comments

- 6.1. This business case has undergone initial equality screening. Due regard has been taken to the Equality Act's Public Sector Equality Duty. Real consideration has been taken to assess equality impact caused by the proposed business changes. As a result, no positive or negative impact has been identified to any individual and/or group safeguarded by a protected characteristic and those who are not.
- 6.2. Regular screening will take place throughout the procurement process and a full Equality Impact Assessment will be carried out if necessary.

7. Background/supporting papers

- 7.1. None

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOIA) and will be made available on the MOPAC website following approval.

If immediate publication risks compromising the implementation of the decision it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

If yes, for what reason:

Until what date:

Part 2 Confidentiality: Only the facts or advice considered as likely to be exempt from disclosure under the FOIA should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a **Part 2** form – YES

ORIGINATING OFFICER DECLARATION

Tick to confirm statement (✓)

Financial Advice

The Strategic Finance and Resource Management Team has been consulted on this proposal.

✓

Legal Advice

The MPS legal team has been consulted on the proposal.

✓

Equalities Advice:

Equality and diversity issues are covered in the body of the report.

✓

Commercial Issues

The proposal is in keeping with the GLA Group Responsible Procurement Policy.

✓

GDPR/Data Privacy

- GDPR compliance issues are covered in the body of the report.
- A DPIA is not required.

✓

Director/Head of Service

The Chief Finance Officer has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.

✓

Chief Executive Officer

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Deputy Mayor for Policing and Crime.

Signature

R. Lawrence

Date

18/7/19

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MAYOR OF LONDON
OFFICE FOR POLICING AND CRIME

Engagement of Temporary Agency Workers to the MPS

MOPAC Investment Advisory & Monitoring meeting 25th July 2019

Report by Clare Davies on behalf of the Chief of Corporate Services

Part 1 – This section of the report will be published by MOPAC. It is classified as OFFICIAL – PUBLIC

EXECUTIVE SUMMARY

- The Metropolitan Police Service (MPS) currently has a contract with Reed to supply temporary agency workers via the national MSTAR2 framework. The contract was agreed in October 2016 for an initial 2-year period plus the option to extend by two additional 12-month extension periods. In March 2018 an extension of 1 year was approved until October 2019.
- We ask the Board to acknowledge the proposed initiation of the procurement process for a new Temporary Agency Worker contract by the GLA Collaborative Procurement Team as a central purchasing body and the MPS' subsequent requirements under it. The procurement process will be undertaken via the GLA Collaborative Procurement Team on behalf of all Functional Bodies of the GLA (TFL, MOPAC, LFB and LLDC). Approval is additionally sought for the implementation of a "foreseen" optional extension period of one year with a subsequent increase of £50m onto the current contract. This request is not for additional funds but simply to increase the headline value of the contract.

Recommendations

The Deputy Mayor for Policing and Crime, via the Investment Advisory and Monitoring meeting (IAM), is asked to:

1. **Note the proposed initiation of the procurement process for a new Temporary Agency Worker contract by the GLA Collaborative Procurement Team as a central purchasing body and the MPS' subsequent requirements under it. Approve the implementation of a "foreseen" optional extension period of one year with a subsequent increase of £50m onto the current contract headline value relating to contract SS3/16/68 - The Engagement of Temporary Agency Workers with immediate effect.**

Non-confidential facts and advice to the Deputy Mayor for Policing and Crime

Introduction and background

2. The contract with Reed was originally awarded in October 2016 on a 2+1+1 basis (an initial 2 year period with two optional extensions of 12 months). The total value of the contract was set at £110m, split evenly over a 4-year contract period commencing October each year - £27.5m per year. The contract value was limited in this way as the organisation was committed to reducing overall agency spend during the lifetime of the contract and the subsequent increase in demand from significant operational events was not reasonably foreseen.
3. Approval was given by MOPAC in March 2018 to release the residual £55 million of the contract value, and to approve the extension of contract duration by 12 months to October 2019. However, due to the unavoidable delay in the GLA Collaboration procurement process it has now become necessary to request an increase in the contract value and an extension beyond October 2019. As MOPAC have already approved the contract duration of 2+1+1 the process of extending the contract duration with Reed to August 2020 (the last optional extension) will be undertaken by Commercial Services.
4. In the event that the additional value is not released and the contract period is not extended, the MPS would be unable to raise any further spend commitments for agency workers supplied by Reed. Reed would be unable to secure or extend existing or future requests from MPS internal managers for agency workers; regardless of their proven business case. This would create significant operational risk in many priority areas and would greatly impact upon the ability to deliver support operationally to units tackling violent crime such as Murder Investigation Teams, Violent Crime Taskforce and Trident, and the delivery of critical Transformation programmes such as CONNECT.
5. It is also important to stress that this case is not asking for additional budget. The police staff budget is set as part of MPS Business Group devolved revenue budgets and agency staff required to support the Capital Programme are met from approved capital project budgets as required. The issue is purely whether spend occurs through payroll, or through this contract. Local budget managers will need to take decisions through 2019/20 that ensures spend is incurred in accordance with agreed financial controls to access the benefits envisaged from the proposed arrangements.

Issues for consideration

6. Establishing and utilising a broader workforce including temporary agency workers is a cost effective option when it comes to addressing short to medium term skill / capability gaps when it does not make financial sense to retain within the substantive workforce. This resourcing option also addresses surge requirements and offsets future redundancy / outsourcing costs where change is imminent. The use of ex-officers has been particularly valuable in the response to the increased demand for detectives and investigative skills.
7. The flexibility to increase capacity through Temporary Agency Workers continues to provide valuable support to the MPS in a number of roles and areas aligned to the Met Direction and the strategic workforce plan. In particular, the demand for Civilian Investigators has increased in response to the rise in violent crime and the continued

requirement for Investigators on the Grenfell investigation and current detective requirements in Child Abuse and Sexual Offences (CASO) teams. This is in addition to a broad spectrum of technical and specialist agency workers including: Associate Trainers, Digital specialists and other roles within the sectors of Programme Management; Legal; Procurement; and Finance. The facility to engage highly specialist individuals is instrumental to service delivery.

8. As part of the yearly business cycle each Business Group are required to work with Finance to outline how all temporary resourcing requirements fit within their devolved police staff pay budget. The relevant OCU Commander / Head of Unit will have approved all requests with the assigned Strategic Finance Business Partner oversight. This process ensures that funding is available and there is local accountability through the devolution of the police staff budget line.
9. There are currently 582 agency workers engaged with the MPS, performing a wide range of roles and funded from both the approved revenue and capital budgets dependent on the specific assignment. Significant work is also being undertaken on police staff recruitment to ensure a more resilient supply of resource into the Met.
10. It is anticipated that the requirement for Digital experts will increase with the Digital and Data strategy and the CONNECT programme and the requirement for Civilian Investigators will continue. With this in mind, it is anticipated that the demand for temporary agency workers over the next 1-2 years is unlikely to see a significant reduction.

Contributes to the MOPAC Police & Crime Plan 2017-2021¹

11. There are many ways that the use of temporary agency workers impacts positively across the MPS, where their roles support operational policing and assist the organisation to deliver services to the people of London. The Violent Crime Taskforce, the investigation of Grenfell, Counter Terrorism activities, CASO investigations all directly impact on the public and the assistance of temporary agency workers in these directly feeds into public confidence. Equally, the Transformation Programme change continues to introduce ways of working that directly support the public e.g. improved access to services and more modern and efficient reporting methods.

Financial and Commercial Comments

12. Approval is sought to increase the existing contract value by £50m to £160m in total, to cover the remaining four months of the existing contract period plus the proposed 12 month extension to October 2020. The proposed increase in contract value should not be viewed as authority to spend, as Business Groups will still need to meet the cost of temporary agency workers from their devolved revenue budgets and approved project budgets.
13. The proposed increase in the existing contract value has been calculated using the average monthly spend on temporary staff based on May 2019 of £2.8m per month, which gives an annualized figure of circa £34m. The proposed increase also takes into account the £9.7m of remaining value on the current contract and other potential business requirements, for example, for temporary civilian investigators. It is anticipated the existing contract limit of £110m will be reached within the next 12-14 weeks, if

¹ [Police and crime plan: a safer city for all Londoners | London City Hall](#)

current spending levels are maintained.

14. The Board is being asked to acknowledge the initiation of a procurement process for a new contract for £170m (£42.5m p.a.) over 4 years for the period from October 2020 to October 2024, which will provide the MPS with greater flexibility to utilise the contract value in support of business need.
15. Expenditure in respect of the existing and proposed new Temporary Agency Workers contracts will be met from either Business Group devolved revenue budgets and from approved project budgets, as required.

Legal Comments

16. The Mayor's Office for Policing and Crime (MOPAC) is a contracting authority as defined in the Public Contracts Regulations 2015 (the Regulations). All awards of public contracts for goods and/or services valued at £181,302 or above must be procured in accordance with the Regulations.
17. The report confirms the procurement will be undertaken by the GLA Collaborative Procurement Team on behalf of and for the benefit of the Functional Bodies of the Greater London Assembly, which includes the MOPAC. Regulation 37(2)(a) provides contracting authorities may acquire works, supplies and services or any one or more of them by using contracts awarded by a central purchasing body.
18. Paragraph 4.14 of the MOPAC Scheme provides the DMPC has delegated authority to approve all delegated authority to approve all variations and extensions with an original value of £500,000 or above.
19. Whilst MOPAC is not the contracting authority which will undertake the procurement paragraph 4.13 will be applied to ensure proper scrutiny regarding budget and strategy.
20. Further information is contained in the restricted section of the report.

Equality Comments

21. This business case has undergone initial equality screening. Due regard has been taken to the Equality Act's Public Sector Equality Duty. Real consideration has been taken to assess equality impact caused by the proposed business changes. As a result, no positive or negative impact has been identified to any individual and/or group safeguarded by a protected characteristic and those who are not. Regular screening will take place throughout the procurement process and a full Equality Impact Assessment will be carried out if necessary.

Privacy Comments

22. The MPS is subject to the requirements and conditions placed on it as a 'State' body to comply with the European Convention of Human Rights and the Data Protection Act (DPA) 2018. Both legislative requirements place an obligation on the MPS to process personal data fairly and lawfully in order to safeguard the rights and freedoms of individuals. Under Article 35 of the General Data Protection Regulation (GDPR) and Section 57 of the DPA 2018, Data Protection Impact Assessments (DPIA) become mandatory for organisations with technologies and processes that are likely to result in a high risk to the rights of the data subjects. The Information Assurance and Information

Rights units within MPS will be consulted at all stages to ensure the project meets its compliance requirements. The business case does not currently use personally identifiable data of members of the public, so there are no current GDPR issues to be considered. If the business case uses personally identifiable data of members of the public at a later date DPIAs will be completed as needed.

Real Estate Implications

23. No impact anticipated to the Estate in relation to this paper.

Environmental Implications

24. No impact anticipated for environmental concerns in relation to this paper.

Background/supporting papers

25. No supporting papers.

Report author: Andy Smith Head of HR Service Delivery

Part 2 – This section refers to the details of the Part 2 business case which is NOT SUITABLE for MOPAC Publication.

The Government Security Classification marking for Part 2 is:
OFFICIAL-SENSITIVE [COMMERCIAL]

Part 2 of Engagement of Temporary Agency Workers to the MPS is exempt from publication for the following reasons:

- Part 2 is exempt from publication under Article 2(2)(a) of the Elected Local Policing Bodies (Specified Information) Order 2011. The relevant section under the FOIA that would exempt this information from disclosure is Commercial Interest Section 43.

The paper will cease to be exempt until October 2024