

To: **Executive**
12 December 2023

Procurement of Neutral Agency Vendor/Specialist Providers of Agency Staff

Executive Director: Resources

1 Purpose of Report

- 1.1 The Council's contract to engage agency staff through its current neutral vendor contract with Matrix expires on 31 March 2025. Agreement is needed at this time on the approach to securing a suitable arrangement to put in place from 1 April 2025, subject to procurement.

2 Recommendation

- 2.1 For Executive to approve the re-procurement of a neutral vendor contract to provide the Council with agency staff in accordance with the strategic procurement plan attached as Appendix A to this report.

3 Reasons for Recommendation

- 3.1 The Council spends in excess of £7M a year on agency staff, of which on-contract spend through Matrix currently accounts for between 65 and 70% of the total spend. Whilst generally successful, the contract with Matrix (and any neutral vendor) will have gaps in their ability to provide all the Council's agency worker needs due to the specialist nature of some roles.

It is recommended that procurement is split into three Lots to address the current issues with recruiting specialist social care and education roles under a neutral agency vendor arrangement. It is intended that this approach will reduce the overall costs to the council through more on-contract spending and higher levels of fulfilment thus improving compliance and governance around agency worker recruitment.

4 Alternative Options Considered

- 4.1 Procure software but manage the service internally. This is a significant change, though it has been done elsewhere.
- 4.2 Collaboration with neighbouring authorities to create greater economies of scale, but this would require neighbouring authorities to be undertaking procurement at the same time as Bracknell.
- 4.3 Re-procurement of a single neutral agency vendor for all agency worker recruitment, which is our current arrangement.

5 Supporting Information

- 5.1 Our current neutral agency vendor provider is through Matrix SCM Limited (Matrix) who are contracted to supply both temporary and permanent staff. This contract terminates on 31 March 2025. Matrix should be recruiting managers' first choice for recruiting all temporary/agency workers. Matrix are an umbrella organisation which provides agency staff from a bank of agencies who sign up to the agreed terms and conditions, they do not supply staff directly. It can be evidenced that there are occasions when recruiting managers go directly to agencies outside the Matrix

contract agency workers either as a first choice or when Matrix have not been able to fill their vacancies. Where identified, these agencies can be approached to see if they will come under the Matrix umbrella of terms and conditions, but this is often resisted as the terms are not as favourable to them as Bracknell sourcing staff directly with them.

5.2 Engagement with Managers & Key Stakeholders

Bracknell Forest managers have been engaged through a survey to all managers and focus groups to gather their views on using the current Matrix service. From this engagement summarised in points 5.2.1 to 5.2.3 below are the strengths, weaknesses and manager requirements from future agency worker providers.

5.2.1 *Strengths of current service*

The engagement survey to all managers showed that:

- 80% of respondents were aware of the internal process for engaging agency workers.
- 73.5% of respondents used Matrix for the agency recruitment.
- 82% considered the quality of service provided by Matrix to be either Average or Above Average

From the survey and focus groups the key strengths of the current service provided by Matrix have been identified as:

- Matrix provides a single point of contact for agency staff; with 24/7 availability of the service and a streamlined ordering process enabling vacancies to be sent to multiple agencies through a single process.
- All pre-employment checks are through the supplying agencies, with all the information easily accessible which saves time with the internal pre-employment check process.
- All agencies that are signed up to Matrix have been checked to ensure that they meet minimum requirements in terms of safeguarding, insurance and legislation.
- The system is automated with email reminders, etc which is considered to be useful and timesheets are easy to sign off.
- The pre-employment checks being completed in advance saves recruiting managers time and they find reassuring.

5.2.2 *Weaknesses of current service*

- Inability to fulfil specialist roles e.g. Principal Procurement Officers, some Social Care Roles, SEND Officers and Education Psychologists, IT specialists in technical architecture, lawyers, mental health practitioners.
- Agency workers can only be extended for 12 weeks (84 days) at a time. Whilst this is perceived as an issue by recruiting managers there is an advantage to the Council as it provides an awareness of the length of time an agency worker has been in post.

- Recruiting managers have experienced difficulties with amending elements of a post once it has been set up such as changes to salary and timesheet approvers.
- CVs being sent across for the same recruiting manager multiple times.
- The lack of understanding of the roles at Bracknell with some agencies supplying CVs of applicants without appearing to fully understand the requirements of the role. High volumes of CVs, which are in excess of the cap of applications has also been an issue.
- Response time to queries raised is too long, resulting in recruiting managers and the resourcing team who are supporting them having to chase for responses.
- Managers report that they do not find the system easy to use at the interview stage with difficulties reported with identifying contact details to arrange interviews and, in some instances, losing suitable applicants due to the delay in arranging interviews.

These areas for improvement will be addressed as part of the specification to tenders and the tender evaluation process.

5.2.3 **Requirements from Agency Worker Providers**

- Recruiting managers have requested clearer pricing from a future provider to better understand costs and added fees as well as implications of the Agency Worker Regulations (AWR). This will be addressed through the procurement process and the specification.
- Extending the search pool outside Matrix to provide a better pool of applicants especially for those posts which are evidenced as hard to fill through the exiting neutral agency vendor provision. This has been addressed by splitting the procurement into three Lots.
- Management of agencies to monitor performance levels against contract, to ensure compliance with Council policy requirements, and to ensure the optimal supply chain to meet Council needs.

5.2.4 **Finance Requirements**

- Invoices that are easy to understand.
- It would be useful to have a better understanding of salaries, hourly rates.
- Checks against the weekly invoice submitted from Matrix against reports that are generated from the system.

5.3 Off Contract spend has increased since the Matrix contract commenced in April 2021 and the manager survey showed that 50% of respondents have used agencies outside of the contract with Matrix. To gain a better understanding of why this is happening recruiting managers have been consulted on the use of off-contract agencies, with the following outcomes:

- Recruiting managers are reporting that by going directly to a local agency they can have face to face meetings with the agency provider to explain expectations and built rapport which results in a good quality of applicants submitted.
- The increase in specialist agencies makes agency recruitment easier as one agency can meet the agency worker need for a specific department.

However, despite many managers taking this approach there are also disadvantages they have been identified from this approach, which are:

- This approach is more time consuming as discussions need to be held with agencies and contract set up.
- Cost implications and difficulties with setting up billing and monitoring spend.

5.4 We pay Matrix for each temporary contractor engaged and the fee is calculated at .12p an hour. For the period 2022/23 Matrix's total fee was £28,374.

5.5 The table below shows contract spend with Matrix for the past 4 years:

Financial Year	Matrix Spend
2019-20	£4,525,409
2020-21	£3,869,866
2021-22	£3,659,006
2021/22	£5,060,624

5.7 The table below shows the percentage of agency spend 'on contract' with Matrix for the past two years.

Due to the nature of Off-contract agency spending, it has been difficult to obtain accurate figures, but efforts have been made to address this issue.

Financial Year	Percentage Spend On-Contract
2021-22	64%
2022-23	69%

6 Consultation and Other Considerations

6.1 Legal Advice

The contract will be procured in accordance with the Public Contracts Regulations 2015 and the Council's Contract Standing Orders.

6.2 Financial Advice

The annual cost of the contract is dependent on the overall usage of agency staff and should be met from unspent staffing budgets arising from posts being vacant and managed as a whole as part of the Departmental Devolved Staffing Budget.

Whilst this procurement is not expected to deliver savings it should reduce the pressures currently being experienced on staffing budgets ensuring compliance with Financial Regulations which state staffing budgets should not be overspent.

Other Consultation Responses

- 6.3 Key stakeholders, including Finance, Unions and the end users have been engaged with and their views are reflected in 5.4.

Equalities Impact Assessment

- 6.4 An EIA and summary DPIA accompany the report. The summary DPIA has been submitted to the DPO and it is expected that a full DPIA will be required.

Strategic Risk Management Issues

- 6.5 The provision of a neutral agency vendor should ensure that:
- Pre-employment checks are undertaken and in place for all staff submitted via agencies. Where agency workers are working with vulnerable children or adults this will include a DBS check at the required level.
 - The approach to engaging agency workers is aligned with the Council's strategy for the retention and recruitment of permanent staff.
 - Mechanisms are available to ensure that agency worker rates can be negotiated, rather than just accepted.
 - A quick response is provided to recruitment requests.

Background Papers

Appendix A: Strategic Procurement Plan

Appendix B: EIA : [EIA - MSP 2023.docx](#)

Appendix C: DPIA: [DPIA Full - Alison with ICT.docx](#)

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