

To: **Executive**  
**16 July 2024**

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## **Procurement of Neutral Vendor Model to Supply Agency Staff**

### **Executive Director: Resources**

#### **1 Purpose of Report**

- 1.1 The Council's contract to engage agency staff through its current neutral agency vendor contract with Matrix expires on 31 March 2025. Agreement is needed at this time to procure a supplier of agency workers that is in place from 1 April 2025, subject to procurement.

A report was previously brought to the Executive on 12 December 2023 recommending that the Council undertake a standalone restricted approach based on 3 Lots; temporary workers (non-social care), social care roles and permanent recruitment. restricted procurement approach. Since then, we have engaged with the market and reassessed the options available within the market and are now recommending procurement via the Eastern Shires Purchasing Organisation (ESPO) MSTAR 4 Framework.

The ESPO MSTAR 4 Framework, in its present form, will be in place until April 2025, with an option to extend for a further two years and is therefore available for the duration of the procurement process. As a framework is a more efficient method of procuring services it is now recommended that this framework is used for the procurement.

This report incorporates issues and opportunities (5.4) to ensure that in future the provision of agency staff considers the needs of all services and addresses limitations with our current contract with Matrix.

#### **2 Recommendation**

- 2.1 For CMT to approve the procurement of a neutral agency vendor 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 £8M a year on agency staff, of which on-contract spend through Matrix currently has averaged 67% over the last financial year.

It is recommended a neutral agency vendor supplier is procured to fulfil our agency worker requirements. However, as part of the procurement process there will be explicit questions for suppliers to determine exactly how they will fulfil our social care recruitment requirements to address our level of on-contract agency spend in this area.

#### **4 Alternative Options Considered**

- 4.1 Procure software but manage the service internally. This is a significant change, though it has been done elsewhere, and would require additional resource.

- 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 Procuring a supplier through a master vendor or hybrid model.

## **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 are approached to encourage them to supply agency workers under the Matrix umbrella of terms and conditions, but this is often resisted as the terms are not as favourable to them as the Council sourcing staff directly with them.

Having reviewed the ESPO MSTAR 4 core specification we believe Lot 1a meets our needs, however we will be requiring that the successful supplier will provide the free transfer from agency to permanent employment status after 12 weeks.

## **5.2 Engagement with Managers & Key Stakeholders**

Bracknell Forest managers have been engaged with 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.

### 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. We will ensure that the evaluation approach we use addresses concerns raised by hiring managers and operational issues identified during the life of the existing contract.
- 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.

5.4 Currently we pay Matrix for each temporary contractor. Matrix make their money by taking a fee (typically 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
2020-21	£3,869,866
2021-22	£3,659,006
2022/23	£5,060,791
2023/24	£5,514,418

5.7 The table below shows the percentage of agency spend 'on contract' with Matrix for the past three 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%
2023/24	67%

## **6 Consultation and Other Considerations**

### **6.1 Legal Advice – Alex Gillard, Contracts and Procurement, Legal Services**

The standard framework call-off contract will be used and following the rules of the Framework means that 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.

### **6.3 Procurement Advice – Alistair Little, Head of Corporate Procurement**

Whilst frameworks are available to procure these services, they end in the next 3 months. However, the ESPO MSTAR 4 Framework 653F is currently still live, and provided the Council commences the procurement no later than 31/08/24 and awards the contract no later than 10/04/25 we are still able to use it. Completing an award for a service of this size and complexity before this point will be challenging, and as such the commissioner is advised to ensure the call off is managed in a timely manner. ESPO hasn't yet conducted a procurement to replace MSTAR4, and have announced no plans to do so, therefore there remain no suitable frameworks available to access after August.

It is recognised that the combination of a variety of services under a single NAV contract under the Framework is more likely to generate interest from Framework suppliers, however due to the nature of the employment market social care remain a difficult area to recruit to. If proceeding with a single contractor, the commissioner is advised to ensure the fulfilment and response time of social care roles be a key area of focus within the mini competition evaluation criteria – which Corporate Procurement will assist with.

The timeline proposed is suitable for the delivery of a procurement of this size and complexity – though the mobilisation period will need to be closely managed to support the transition. Corporate Procurement will also closely support the development of suitable evaluation criteria to deliver the intended outcome of a more stable service with a higher degree of on contract spend.

It is recommended that the procurement strategy be approved.

#### Other Consultation Responses

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

#### Equalities Impact Assessment

- 6.5 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

- 6.6 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 - June 24.docx](#)

Appendix C: DPIA: [Data Protection Impact Assessment - June 24 V2.docx](#)

#### Contact for further information

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