

Cabinet	
Meeting Date	28 October 2020
Report Title	Contract review of the procurement of agency staff services via Matrix
Cabinet Member	Cabinet Member for Finance and Performance
SMT Lead	Emma Wiggins
Head of Service	Bal Sandher, Head of HR Shared Service
Lead Officer	Debbie Fallis, HR Manager
Key Decision	No
Classification	Open
Recommendations	<ol style="list-style-type: none"> 1. To extend the Matrix contract by 1 year in December 2020 on the existing framework arrangements. 2. To re-tender the service in 2021 to allow the necessary time to undertake the tendering and implementation process for the Managed Service Provider contract.

1 Purpose of Report and Executive Summary

1.1 This report considers the contractual procurement options for the Managed Service Provider contract of agency workers with Matrix to enable SMT to decide on the most appropriate way forward for the sourcing of agency staff to Swale Borough Council.

2 Background

2.1 In accordance with the principles of good governance and procurement standards, in December 2017 Swale Borough Council entered a 3-year contract with Matrix for the supply of agency staff.

2.2 The contract commenced on 04 December 2017 and ends on 04 December 2020.

2.3 Strategic Management Team (SMT) requested that a review of this contract be completed and presented in January 2020. The review was conducted over the period November 2018 to December 2019 and is detailed below.

2.4 Financial Overview

Total Client Net Spend	£434,882
Total Number of Timesheets	606

Total Number of Hours	14,242
Savings	£25,221

2.5 Job Category

Job Category	Total Hours	Client Net Spend
Finance	276	£3,746
Parks	521	£6,981
Marketing	716	£15,625
IT	1,807	£35,934
Admin	3,552	£45,802
Housing & Planning	1,520	£47,889
Legal	5,851	£280,284

2.6 In January 2020 further information was requested by SMT on managers feedback of the service provided by the supplier Matrix. As the legal team had the highest proportion of spend with Matrix, it was requested that they provide some specific feedback on the service

3 Research

3.1 Thirty managers from a number of different departments i.e. Facilities, Planning, Housing, Customer Service, Leisure who have used Matrix over the last 2 years were sent an email in April and May requesting that they complete a survey to gather feedback on the service. Twelve managers completed the survey (40% response rate).

3.2 The Legal team has the highest spend for agency staff and feedback on the service was requested from the Head of Legal. Overall, the response from legal was very positive. Please see Appendix 1 for the full response.

3.3 A summary from managers on their experience of using Matrix is detailed below. Please see Appendix 2 for the full response.

3.3.1 System – Ease of use

- 4 rated the system as being not easy to use
- 8 rated the system as being easy to use
- Matrix have offered to carry out a training session with users which would hopefully help managers navigate the system.

3.3.2 Acceptable CV's

- 4 felt CV's submitted were not acceptable

- 8 felt CV's submitted were acceptable

3.3.3 Number of CV's

- 5 were not happy with the number of CV's submitted
- 7 were happy with the number of CV's submitted

Managers stated restricted market (planning) and relevance to role as reasons for not being happy.

3.3.4 Interview arrangements

- 5 felt arrangements did not go well
- 7 felt arrangements went well

3.3.5 Suitable candidate

- 2 were not able to find a suitable candidate
- 7 were able to find a suitable candidate

3.3.6 Budget

- 3 vacancies were not in line with budget
- 7 were in line with budget

A manager commented that there appears to be a premium for planning roles at whatever level.

3.3.7 Timesheets

- 2 were not happy with the timesheet process
- 9 were happy

3.4 Overall, more managers gave positive responses than negative responses which indicates the service provided through Matrix meets the expectations of managers.

3.5 Legal provided generally positive feedback on the service providing a score of 8/10 or above for most service areas.

4 Options

4.1 Extend the Matrix contract by 1 year from December 2020 to December 2021.

5 Proposal

5.1 Given the current Covid environment, reduced recruitment activity and the appointment of a new Chief Executive the proposal is to extend the contract with Matrix by 1 year and re-tender in summer 2021.

5.2 Active supplier management will continue during 2021 and managers will be invited to attend a webinar led by Matrix on 'using the system,' and 'how to ensure successful recruitment'.

6 Implications

Issue	Implications
Corporate Plan	Ensuring that a contractor meets a good quality standard and provides good value for money contributes towards all the corporate priorities as it ensures that the staff resources of the Councils assets are optimised.
Financial, Resource and Property	Anticipated annual spend of the contract is £435,000.
Legal, Statutory and Procurement	<p>Any new contract would be a standard Council contract and undertaken using the Councils Terms and Conditions.</p> <p>There is a requirement under the Agency Workers Regulations 2011 to ensure that agency workers that have a minimum 12 weeks service are given the same basic employment conditions as permanent staff.</p> <p>The annual spend is over the EU threshold and so would need to be managed as the supply of staff is a 'category' e.g. each appointment is not deemed as a separate contract.</p>
Crime and Disorder	None identified at this stage.
Environment and Sustainability	None identified at this stage.
Health and Wellbeing	None identified at this stage.
Risk Management and Health and	Not using a neutral vendor for the supply of temporary staff could have a significant impact on the control and governance of the

Safety	<p>process for resourcing agency staff.</p> <p>There could be a risk of not being able to accurately report on agency spend as this will no longer be reported centrally through one system, the risk of inadequate checks being carried out before being appointed to jobs and breaching the Agency Workers Regulations by not applying the correct terms and conditions after a 12 week period.</p> <p>Providing responses to FOI Requests.</p>
Equality and Diversity	None identified at this stage.
Privacy and Data Protection	None identified at this stage.

Appendix 1

Feedback from Legal

1. Using the Matrix system - 7/10

Generally positive, the timesheet approval system is accessible, relatively user friendly and has good record keeping functions. The creating of an order for a new candidate can be a little cumbersome with system failures have required information to be supplied multiple times.

2. Quality of CV's - 8/10

We have usually been able to find an appropriate field of candidates from among the CVs submitted. A supporting feature of this is I usually spend time briefing recruitment agencies on what we are looking for in the candidate.

3. Number of CV's - 8/10

We have usually had a good field of candidates giving us options as to the level of experience and cost.

4. Interview arrangements - 10/10

Yes, we have always been able to hold interviews successfully both physically and virtually.

5. Find a suitable candidate - 8/10

Yes, we have so far always been able to fill roles with a suitable candidate from the field provided.

6. Rate in line with your budget - 8/10

Locums in the legal profession are by their nature more expensive than permanent staff which is reflected in our policy of only using locums where we have been unable to appoint to the position permanently. The candidates supplied by Matrix offer a range of prices broadly in line with the market rate.

7. Timesheet process - 6/10

Timesheet processing is generally easy and user friendly, I recently had an issue over rate being altered without proper consultation which has raised a concern for me which I'm getting answers to at the moment.

8. Overall service from Matrix - 8/10

The service support when assistance is required or there are issues is helpful and effective.

9. Other comments

Matrix charge us a £2 per hour fixed rate given that the payroll services are provided by some recruitment agencies at no additional cost there is an option from a service delivery perspective to move to briefing the key recruitment agencies individually but I appreciate this may have other implications such as reducing the field of candidates/breaching procurement rules/less openness.