

Deploying Digital For Better Recruitment Outcomes



What HR And Procurement
Can Learn From Leading Councils

Introduction

“Even after six years of cuts Local Authorities are still tasked with making year on year cash savings while meeting a rising demand for the services they provide. The struggle to reconcile these conflicting goals is getting harder as people live longer and with increasing support needs. As the rising cost of living forces committed staff into the private sector staffing shortages are having a detrimental impact across all public services.



Councils face an ongoing staffing dilemma. People are at the heart of everything a council does and it will not be possible to deliver quality services without talented, dedicated staff. Yet as the talent pool shrinks Local Authorities will find it harder to recruit the volume and quality of staff needed to provide vulnerable people in their local communities with the care, dignity and protection they are entitled to and that we all wish to see in a compassionate society.

After years of cuts to public funding there is no fat to trim in local government and the problem is set to get worse. Brexit will significantly reduce the immigrant workforce, the living standards squeeze will force even more committed carers out of social care, and a culture of fear in children's social services is putting young people off training for a career in this area.

While Local Authorities are past and future masters of finding creative solutions to staff shortages, I believe cuts in some areas of the public sector are so severe as to require a completely new approach to recruiting staff. The aim of this paper is to help HR and Procurement managers evaluate their current approach to recruitment and consider an alternative approach that will increase cost savings, support local and strategic objectives, while reducing the risk, time and cost associated with recruitment.”

— **Chris Grimes**, Head of Public Sector, Matrix SCM

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What's Stopping **Local Authorities** Filling Vacancies With The Right People At The Right Time?

There Is An Overall Talent Shortage Across The Public Sector

- o The one percent pay cap and living standards squeeze is forcing talented staff into the private sector.
- o New tax rules have exacerbated the shortage of planners, procurement and IT specialists as they move to the private sector to avoid IR35.
- o Already in the grip of a recruitment crisis, elder care and children's social services struggle to attract new trainees and job applicants as the desire to avoid a repeat of high profile tragedies has created a climate of fear.
- o Post Brexit, job categories with a reliance on EU labour, such as unqualified care, are experiencing a drastic drop in applications.
- o Local Authorities must spread their recruitment net wider to reach the maximum number of quality candidates. An objective that conflicts directly with the business model of many traditional recruitment agencies that seek first to place their own candidates.

An Ever-Increasing Need To Find Cashable Savings

- o Year on year Local Authorities are tasked with reducing costs while the cost of providing services increases.
- o Many welcome help with re-procuring agency margins.
- o Agencies are looking for other ways to make a profit.
- o A reliance on temporary workers has led to the practice of agencies holding back temporary staff until the Local Authority is forced to make a distress purchase at a higher cost.

A Lack Of Management Information

- o Many Local Authorities lack the necessary data to identify seasonal fluctuations and anticipate rather than react to staff shortages.
- o A lack of visibility and control leaves councils vulnerable to staff shortages and distress purchases. With advanced notice recruitment agencies can be briefed to find and supply suitable candidates.

Time To Manage Recruitment And Back-Office Functions

- o Cut backs have resulted in fewer internal HR and admin staff to manage the recruitment process, undertake compliance checks and process wages.



The Approach A Council Takes To Recruitment Will Impact Its Ability To Fill Vacancies And Meet Business Needs

Rather than designing an approach to recruitment fit for today's world it is true to say most councils have evolved their approach over time, typically in response to conversations with new agencies, legacy suppliers or for contractual reasons. Few have had the opportunity to sit back and think about recruitment in its totality and whether their current approach enables them to:

- o Meet fulfilment requirements especially for harder-to-fill and niche roles and short notice requests.
- o Attract applications from the best candidates.
- o Have clear visibility over what is being spent, both on and off contract.
- o Be 100% confident workers meet compliance requirements.
- o Deliver on strategic and local needs.

Here's a summary of the three main approaches to recruitment. **Which best describes how your organisation currently recruits and which would best meet the current and future needs?**

Informal Ad-hoc Arrangement / Preferred Supplier List

A low cost but hugely time consuming approach to recruitment. The council takes responsibility for managing recruitment and their relationship with supplier agencies. It tends to be used by organisations with a limited agency spend.

Pros

A direct contractual relationship with each supplier provides hiring managers with a sense of an individual relationship with each agency.

Cons

Liability remains with the Local Authority and because it is not possible to achieve economies of scale many regard the model as outdated:

- o Time spent negotiating agency rates, undertaking compliance checks and processing payment of workers across multiple agencies.
- o Lack of management information on agency resource spend.

mv Master Vendor Single Supplier

Councils outsource recruitment to a large brand agency that manages a supply chain of other recruitment agencies. The council deals with a single point of contact which reduces demand on internal HR resource.

Pros

A single point of contact creates the impression of a personalised service and contract management associated with traditional recruitment agencies.

Cons

Lead agency has a vested interest in its own success and is likely to submit its own candidates in the first instance even if those further along the supply chain are more suitable for the role, consequently:

- o MV often struggle to fulfil all of the Local Authority's diverse requirements particularly within harder to fill job categories and hold on to new orders for too long in an attempt to find their own candidates.
- o Talent from specialist local and smaller recruitment consultancies outside of the lead agency's supply chain can be overlooked simply because they registered with a non-participating agency.
- o Unable to meet Social Care requirements some MV's are choosing to walk away from this part of a Local Authority contract.

nv Neutral Vendor Managed Service

A tailored solution that offer all the benefits of a MSP with regard to size of talent pool economies of scale without a vested interest in any single agency getting the business.

Pros

Power is shared equally between the Local Authority and the Neutral Vendor, resulting in:

- o Increased choice, quality of candidates.
- o Greater access to diverse supply chain and SME suppliers.
- o Greater visibility over spend and usage of agency.
- o Transparency in pricing.
- o Compliance checks.
- o Ease in filling 'harder to fill' vacancies.
- o Management information – predict trends.

Cons

- o It may be perceived by some as technology based and 'faceless'.
- o Neutral vendors who cannot offer hybrid models may not suit many large organisations for which a one-size-fits-all approach does not meet their needs.

Neutral Vending The Matrix Way

At Matrix we offer a unique range of hybrid solutions, services and propriety technology that sets us apart from other suppliers of Neutral Vendor services.

A Dedicated Account Manager Will Take A Proactive Approach To The Day-To-Day Running Of your Contract

This ensures you're always getting the best from our services and technology, that they make a positive impact in your organisation and help reduce costs. Your account manager will:

- o Carry out all pre-employment checks and manage Agency Worker Regulations eligibility on placements, along with placement pauses and multiple assignments.
- o Monitor legal changes that affect candidate pay rates and statutory contributions.
- o Ensure candidates are best-fit for the role in question.

Our Contract Management team ensures excellent performance through pro-active management of our six measures of success:

**Increased Candidate Choice**

**Fulfilment**

**Cost Savings**

**100% Compliance**

**Increased Candidate Quality**

**Customer Process**

100% Of Workers Are Fully Compliant Before Assignment

Our competitors require a supply agency to carry out compliance checks on their behalf and check those duties were fulfilled by periodically inspecting a batch of sample files, typically on a six monthly basis. This approach is retrospective only picking up problems after the worker is in post.

Matrix conducts pre-employment checks to ensure that every single agency worker is legally compliant to work before their assignment begins. Our proprietary technology guarantees a robust process to compliance checks. We understand that compliance is not an option and as an added measure a member of our team will personally check and verify the paperwork for every worker our system flags as compliant before assigning them.

A Business Manager Ensures You Receive The Best Value And Service

You will also be assigned a business manager who draws on extensive management information gathered through our systems to take a strategic view of your contract to:

- o Improve demand management by identifying seasonal fluctuations and predicting future staff shortages.
- o Reduce reliance on agency resource.
- o Manage supply chain performance.
- o Ensure the approach you chose meets your organisations strategic and local objectives.
- o Re-procure agency margins to continually achieve savings.

Tailor-made Solutions To Best Meet The Needs Of Your Organisation

At Matrix we recognise that a one-size fits all solution will not meet the needs of all organisations. We offer:

NV Neutral Vendor Managed Service

Matrix SCM is a genuine neutral vendor provider. This means that we do not supply temporary workers directly, and therefore do not compete with other recruitment agencies; providing customers with the most competitive and robust supply chain possible.

Our neutral vendor model enables our customers to achieve significant savings, greater control and achieve 100% compliance across their agency staffing spend and is perfect for Local Authorities that have previously struggled with fulfilment of roles with a Master Vendor or Preferred Supplier List arrangement and require more transparency and control over agency spend.

New 'Blended' Managed Service

This service allows a customer to cater for requirements across 'generic', 'specialist' and 'interim' job categories. This suits Authorities with very diverse and complex agency requirements that have had a Neutral or Master Vendor arrangement in place previously. Matrix is leading the way with this new approach, with Hackney and Westminster, the first Borough Councils in London to implement the model.

Software as a Service (SaaS) Solution

CR.Net is Matrix SCM's proprietary web-based technology application that automates the end-to-end process of procuring temporary, interim and permanent staff. CR.Net enables our customers to order and review candidates, manage timesheets and supplier payment, receive management information, and effectively manage the supply chain.

Customers who partner with Matrix under a SaaS model, simply pay an annual licence fee for the software and can then decide which if any professional services they wish to purchase from Matrix. Our SaaS customers retain a direct contractual relationship with their suppliers and have the ability to run a Dynamic Purchasing System (DPS).

This would suit Authorities, like our clients Greenwich and Suffolk, that operate an in-house agency or those with enough internal resource to manage the agency contract on their own, without the professional support of a managed service provider.

Client Case Studies



Thurrock Council - Switch To A Tailored Managed Service

With its previous managed service provider struggling to meet fulfilment and the need to reduce an annual spend of £9 million on temporary agency staff, Thurrock engaged Matrix.

Following a straightforward 10 week implementation the council went live with the matrix solution consisting of:

- o An on site Account Manager, responsible for the day-to-day management of the contract. This means managers can be specific about the quality of candidate they require.
- o A Business Manager, who ensures the council is consistently achieving best value for money through re-procurement exercises and supply chain management.
- o Our technology platform which automates the process of ordering, screening, time sheeting and invoicing agency labour.
- o Comprehensive Management Information.
- o Compliance checks on all candidates prior to placement.

As a result Thurrock has achieved:

- o Savings of 2.5% since go-live in January 2016.
- o A fulfilment rate of 99% across 25 different job categories.
- o Supply chain growth of 20%.
- o Pro-active reduction of historical off-contract spend.
- o Candidate quality now matches job specifications.
- o A more simple and efficient system for procuring agency workers.
- o Full visibility over agency spend and local engagement.



Lambeth Council - New 'Blended' Managed Service

When Lambeth awarded the agency staffing contract to Matrix for a third term they took the opportunity to roll out a new blended managed service.

The new model puts an emphasis on ensuring candidate quality remains high for the 895,000 temporary agency worker hours the Council processes through Matrix-CR.Net, at a spend of £28 million per annum.

Lambeth aims to reduce reliance on agency social care workers so Matrix SCM is helping to achieve this goal through a strategic 'longer-term resourcing plan'.

Lambeth also wants its hiring policies to benefit the local community. In turn, people with local knowledge benefit the council's services. Matrix draws on extensive data gathered through Matrix-CR.Net to help adapt Lambeth's hiring policy, and how they advertise.

As a result, a growing number of temporary workers are found within a local radius, in turn these people are spending their earnings locally. This approach doesn't just benefit the SMEs in the council's supply chain, but ensures the wider community benefits too.

As a result Lambeth has achieved:

- o 100% fulfilment rate across all job categories.
- o Annual cashable savings of £4m.
- o Almost total elimination of 'off-contract' spend.
- o Local jobs for local people.
- o A flexible managed service model which offers hiring managers multiple 'recruitment pathways' to source workers.

Here Are Some Of The Local Authorities Currently **Benefiting** From Matrix Solutions

NV Neutral Vendor Managed Service

"From day one our relationship with Matrix SCM has been excellent. They are pro-active, flexible and committed to working with us in order to understand our ever-changing needs and continue to drive best value for money."

— Mykela Pratt, Improvement Manager, Thurrock Council



THURROCK COUNCIL



Hampshire County Council



Waltham Forest



Liverpool City Council



ENFIELD Council

New 'Blended' Managed Service



Hackney



City of Westminster



Lambeth

Software as a Service (SaaS) Solution



ROYAL borough of GREENWICH



Suffolk County Council



Cambridgeshire County Council



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