

Client Insight: Building Resilience To Meet Ever-Changing Recruitment Needs

Introduction

“What makes working in local government so exciting is that it is an ever-changing environment. The needs and aspirations of Government, the economy, and wider society constantly evolve as does the technology to service these needs. In turn local government must evolve in step with these developments.

More than before, Local Government is judged on its ability to quickly respond to anticipated and unanticipated changes and this is prompting councils to question whether they have the right approach to workforce supply.



The way councils recruit staff and how they manage the supporting processes is key to getting that right.

Despite that, a fear of change or lack of understanding of what change might involve, can get in the way of putting the best systems in place.

To support organisations who are considering a switch to a different model of recruitment, we have created this report which shares the insight of clients who have been through the process already.

These are leading councils, covering different parts of the UK, each with their own challenges, each with their own reasons for driving change in their recruitment model, and each with their own advice they would give other councils approaching retender of their existing recruitment contract.

At the end of the report we have summarised the key areas to focus on when planning change.

I'd like to thank those councils for their candid views from the front line and hope the lessons learned from their experience will enable other councils to better understand the challenges and benefits to building a resilient workforce.”

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

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Why Councils Need A Resilient Approach To Recruitment And What Does This Mean?

There can be no doubt that local government is being asked to do more with less. Demand for services will continue to rise over the next two decades as a result of an ageing population, fragmented families and housing affordability. At the same time, local government employment is falling at a rate of 25% that's 800,000 employees between 2010 and 2017 (Local Public Services 2040, Social Market Foundation, June 2017). What impact is this having on workforce planning?

Councils Must Make A Clear And Compelling Case For Scarce Resource

The candidate pool is shrinking as the living standards squeeze forces qualified and experienced staff into the charity or private sector. At the same time compliance with IR35 is prompting specialist, IT and executive staff to discuss pay rates with HR. In the past the challenge was to get sufficient resource in, which suppliers made it easy to do. With scarce resources the priority for councils is to be clear that the spend is justified and allowed.

A Move Away From Reliance On Temporary Staff

Government has sent a clear directive to local authorities to reduce reliance on temporary workers and in doing so has set a clear direction of travel toward permanent staff.

Social Media Is Changing Public Perception Of Responsiveness

It enables the general public to monitor, report and widely share opinion on how they see local government respond to emergency situations or problems with the services it provides. Councils that do not appear to be responsive risk damage to their reputation.

Councils Must Take Control Of The Supply Chain

New approaches to managing the supply chain have disrupted the market in such a way that councils no longer have to make distress purchases from suppliers that hold staff back until crisis point.

Robust Management Information Is No Longer A Nice-To-Have

Councils will be unable to reduce cost unless they have full sight of spend, enabling them to better understand and address problem areas and predict future needs.

What Does A Resilient Approach To Recruitment Look Like?

We asked our interview panel to define resilient recruitment. All had recently undertaken extensive consultation exercises with business and service managers, procurement, HR, and other local authorities to understand the present and future workforce challenges facing their organisation. Here's a summary of what a resilient approach means to them:

- **Responsiveness** - the agility to meet anticipated and unanticipated needs quickly. Getting extra staff in without pushing up the pay rate, whether that is for emergency disasters like Grenfell, or everyday shortfalls in qualified social and care staff.
- **Flexibility** - scope to deploy a range of recruitment approaches to best meet the needs of my organisation, deal with high risk areas separately, and accommodate regional pay caps.
- **Control** - in full of the supply chain and spend. Neither of which is possible without robust data that enables you to drill down to better understand problem areas and predict seasonal fluctuations.
- **Relevance** - hiring managers no longer have the time or tolerance to sift through CVs from irrelevant or poor quality candidates.



Client Insight: The First-Hand Experience Of 5 Councils Who Changed Their Recruitment Approach With Matrix

We asked 5 clients to provide a first-hand account of their experience of switching recruitment supplier or approach to recruitment. Here's what they said:

"As a unitary authority, Hampshire processes a volume of £25 million temporary staff each year across diverse roles. Procurement were asked to reduce off contract recruitment spend across all roles, and for IT and qualified social care in particular.

In order to achieve this, we knew we had to break the control some preferred suppliers have over hard-to-fill roles. With 25, older people, nursing and dementia homes to staff, Hampshire is at risk from suppliers holding back qualified nursing staff until staffing levels reach crisis point, forcing the council to make a distress purchase at a higher rate.

Before going out to tender, Procurement consulted widely with business and service managers to understand the most effective routes to market and identify drivers to reduce cost while increasing fulfilment and compliance rates.

— **Stevie Fountain**, Category Manager, Professional Services, **Hampshire County Council**

Stevie's Top Tip: Persevere at the outset and invest time teaching Matrix and the wider supply chain about your needs, once it works it works brilliantly.

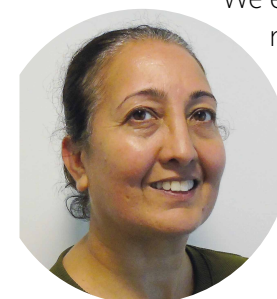
"On joining Westminster I discovered we were not well served by the incumbent supplier. Off contract spend was high and the recruitment process inefficient as managers had to sift through a high volume of irrelevant CVs from agencies. We needed a systems-driven process that would achieve value for money while allowing more interaction with agencies to ensure they provided the right candidates.

The implementation process took 12 weeks from the appointment of Matrix to go-live, during which time procurement implemented the Matrix SCM system, and up skilled business and service managers to use it through a programme of communication and training events. The new approach represented a significant culture change for managers who previously had a one to one relationship with a supplier who they would call when needed to fill a vacancy.

While implementation was relatively straightforward we have found it takes time to educate and up skill the supply chain. In our case suppliers did not understand the care sector very well and were not geared up to meet its need for round the clock staffing. Matrix responded by establishing a 24/7 recruitment service for care homes. We have found it's really important to work in partnership with Matrix to learn about how each party works and to align our processes."

Westminster appointed Matrix because they provide the best of both worlds, a systems-driven approach that can drive efficiency, supported by a senior account manager and an on-site support manager who brings a deep understanding of the market to help hiring managers fill hard-to-fill roles.

Stakeholder engagement was critical to



successful implementation from the get-go. We established a working party comprising representatives from across the tri-borough to work alongside Matrix project staff to champion the project. We established a board of senior managers to cascade information and issues through their teams and raise awareness of any issues early on.

We streamlined the system by cleansing the data and ensuring all positions were valid and were attached to the correct cost centre. This enabled us to configure the system so hiring managers can only see candidates they are allowed to recruit for. We consulted each division to identify the most appropriate suppliers and culled the chain from 188 to 75 relevant specialists, to stop hiring managers being bombarded with irrelevant candidates.

A communication and training programme

— **Harbinder Manku**, Corporate Contracts Manager, Procurement Services, **City of Westminster Council**



Harbinder's Top Tip: Take your time, while project deadlines are important, it is critical to the long-term success of the project to take time to get things right. Recognise upfront that issues will emerge during implementation around people, systems and processes that will need to be addressed and this takes extra time, as does the vital role of engaging stakeholders.

"A full procurement exercise was undertaken for a Managed Service Provider of agency workers in 2016; the previous contract for services had already been running beyond its four-year term and couldn't be extended any further. We viewed the tender process as an excellent opportunity to consider future needs, and drive further efficiencies and value, especially as our previous contract had been awarded in 2013, and the workforce landscape and hence business needs had changed dramatically since then.

HR worked in partnership with procurement who provided the technical expertise. Together we consulted widely across the business and used business data to produce a collective specification of current recruitment needs and

was rolled out at regular intervals across all platforms and levels of seniority, supported by Matrix, who provided communication templates and training. Communication began 12 weeks before the departure of the incumbent provider and continued post implementation; additional surgeries were run to enable managers to understand how to fill hard-to-fill rolls.

A number of unforeseen issues had to be addressed during implementation. This included, replacing the old agency approval process with one that is easier for HMRC to audit, and that enables the council full control over off contract spend, the introduction of IR35, and integration of back office systems.

A 'soft' go-live meant we could iron out any teething problems before a 'hard' go-live. We still encounter a few timesheet problems but these are manageable."

map out the future landscape. This fitted in with our longer-term workforce strategy – in terms of upskilling, retaining and creating a stable, permanent workforce whilst decreasing agency numbers and spend. We ensured that we strengthened requirements around data reporting and supplier compliance within the tender as well as addressing new requirements such as IR35.

In addition, we took time to identify high reputational risk service areas such as waste and social work where we have high numbers of agency workers and ensured key questions were built into the tender process to understand approaches through tender responses.

We received three responses to the tender and invited applicants to give a presentation enabling us to test out questions and see a demonstration of their approach and systems.



On appointing Matrix the implementation was really slick. In terms of a go-live date and implementation period, we were guided by assessing our current capacity within HR & OD to support the process. We identified a project officer and project sponsor within HR who were supported by Matrix project managers each with clearly defined roles and responsibilities.

HR coordinated the training element of the

— **Jane Graham**, Resourcing Manager, HR and Organisational Development, **Wiltshire Council**

Jane's Top Tip: Be aware that ending the relationship with a previous incumbent can be challenging. Remain professional throughout the transition period, be clear about what data you need before the contract ends and agree a period of grace after transition to process timesheets. Don't rush the planning. Involve people with the right expertise to better understand future demands. This involves a lot of data scrutiny and a little bit of crystal ball gazing. Work in partnership with procurement to ensure you ask the right questions to evaluate tenders and inviting applicants to present their approach gives you the opportunity to test those questions.



“The Master Vendor in place since 2009 worked for some areas of the business but not others. It wasn't a big player in the local authority market, and as a result didn't understand the challenges facing managers, and wasted their time putting forward candidates that were neither relevant nor suitable.



We were attracted to the Neutral Vendor model as it is flexible and can adapt to the changing needs of the organisation as we move forward. We consulted widely with local authorities that had recently re-tendered and decided our needs would be best met through a hybrid model that enables us to deal with waste management and supply teachers through specific specialist agencies and drive all other recruitment through a Neutral Vendor model. Issues will inevitably crop up during

project which was delivered by Matrix – they offered a range of solutions from face to face training to webinars and online resources to enable 5,000 staff across multiple sites to access learning. We made sure that systems training was delivered as close to the go-live date as possible so that any learning would not be forgotten and could be put into practice as soon as possible. HR continues to capture and address ongoing learning needs through a feedback and issues log.

It has only been a few months since go-live and in the fullness of time we are looking forward to assessing impact, especially around financial savings and improving supply – for example around LGV drivers and Approved Mental Health Professionals where there are national shortages.”

implementation that will extend the duration of the project. We anticipated it would take three months but it took closer to five to integrate different systems, conduct robust testing and introduce a new payroll system.

Hackney assembled an expert and knowledgeable project team to provide advice, expertise and governance. This included an HR lead with previous implementation experience. We established a Project Board to cover all business issues or concerns. We regarded Matrix as internal partners and drew on their expert advice.

We had to extend the handover period from old to new supplier. At times the transition was challenging and required mediation which I had not anticipated would be necessary. Four months on Hackney has seen a positive reduction in costs and managers say they are

very pleased with the standard of applications. We have learned that time to fill works both ways to our benefit. We can choose to fill roles quickly or hold back to suit lead timescales and create competition.

It's a great help that the Matrix system

— **Stuart Thorn**, Strategic HR Business Partner, **London Borough of Hackney Council**



Stuart's Top Tip: Scope your requirements carefully and plan implementation properly to allow adequate time. Don't try to rush it. It needs to be right even if that means extending the current contract.

“As an early adopter of the Neutral Vendor approach in 2008, Lambeth wanted to move to a blended approach, as this would enable us to fill most roles through a Neutral Vendor and have a managed service provider for specific hard to fill roles. With this in mind we entered the tender process with a clear idea of our needs, agnostic to any model, and asked the agencies to tell us what model they thought would best meet those needs.

We worked closely with procurement and business and service areas to understand our priority needs. These are, to reduce agency spend, increase the temporary to permanent conversion rate, comply with IR35, and increase flexibility of resource to meet changing needs. As the recent Grenfell Tower disaster highlights, Local Government has to be responsive to events it may or may not anticipate. Resourcing temporary workers is part of that.



These priorities have to be met against a changing financial landscape. With scarce resources we need to be clear the spend is justified and allowed. This is different from the past when the priority

— **Paul Ewing**, Organisational Development and Change Manager, **London Borough of Lambeth Council**



Paul's Top Tip: Don't be distracted about what model to adopt, that's a red herring, instead focus on working out what you need to meet your present and future workforce requirements.

can incorporate our referral system. The Management information we can pull off the system is extensive enabling us to drill down to better understand expenditure and ensure we are meeting our local goals of employing local people.”

was to get in resources and suppliers made it easy to do this. A blended approach will enable us to work towards these goals while hard to fill roles like waste receive a separate focus through a contract with a third-party supplier.

Matrix were able to show they understand where the organisation is moving to and offer a range of interventions to meet changing needs. They also provide evidenced based workforce reporting to help inform our workforce strategy.

We rolled out a communication and on-line learning programme to help managers understand how to use the updated system. In the near future I expect any system we roll out to fall in line with the experience our users have of technology outside of the workplace, to be sufficiently intuitive to not require additional training.

A month on from go-live it's too early to talk about impact for the new contract, but given that Matrix has saved us somewhere in the region of £4million to date, in time we expect to see even lower spend on agency workers and improved service satisfaction.”

10 Key Lessons Based On The Experience Of Leading Councils

1. **Consult widely** with internal experts, procurement, HR, business and service managers, to understand current and future recruitment needs, and externally with other councils to understand how they tackle common issues.
2. **Work in partnership** to harness internal and external expertise. Procurement has the knowledge to create an effective and legal tender process and HR the expertise to manage change, while Matrix brings an in-depth knowledge of the supply side.
3. **Consciously uncouple** from your incumbent supplier. Don't assume the transition will go smoothly. Be clear and upfront about what data you need from them, and by when.
4. **Set realistic timescale and implementation:** As a general rule of thumb double your original estimate. Make sure you include time to integrate other systems such as, IT or payroll and for robust testing. Identify potential high-risk areas such as waste or hard to fill roles and plan to address these issues.
5. **Check capacity** of IT and other functions required to integrate process/system changes. It's better to plan realistically by capacity than try to rush through.
6. **Invest time upfront scoping present and future business needs** doing so will save time and trouble further down the line.
7. **Don't get hung up on recruitment models:** Work out what your needs are and ask suppliers in the tender process to advise which approach will best meet them.
8. **Take time to educate your supply chain:** The period from awarding the contract to go-live is likely to go smoothly. Be prepared for issues to arise during the bedding in period. Educating the supply chain around needs specific to your location can solve many of these.
9. **Provide just-in-time training:** Training rolled out too early is likely to be forgotten by go-live.
10. **Have a communication plan** to ensure you are communicating with the right stakeholders, covering all issues and bringing back expertise and advice from them.

Future-Proof Your Workforce

Pulling all the learning from this paper together a useful exercise for any council to undertake, whether they are approaching contract re-tender or some way off, is it to gather together a team of in house experts to discuss key learning from our interview panel. Form a view as to whether you are clear on what your current and future recruitment needs are, and whether your current supplier is able to meet those needs.

Neutral Vending The Matrix Way

At Matrix SCM we offer tailor made solutions to best meet the needs of your organisation:

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.

New 'Blended' Managed Service

Our 'blended' managed service allows a customer to cater for requirements across 'generic', 'specialist' and 'interim' job categories.

Software as a Service (SaaS) Solution

CR.Net is the Matrix SCM 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.

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.

Contract Management Team

Our Contract Management team ensures excellent performance through proactive management of our 6 measures of success.

100% Of Workers Are Fully Compliant Before Assignment

A Business Manager Ensures You Receive The Best Value And Service

Extensive management information gathered through our systems enables you to take a strategic view of workforce planning.



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