

<b>LONDON BOROUGH OF CAMDEN</b>	<b>WARDS:</b> All
<b>REPORT TITLE</b> Procurement Strategy and Award for Temporary Agency Worker Contract (CS/2025/16)	
<b>REPORT OF</b> Cabinet Member for Finance and Cost of Living	
<b>FOR SUBMISSION TO:</b> Resources and Corporate Performance Scrutiny Committee Cabinet	<b>DATE</b> 11 November 2025  12 November 2025
<b>STRATEGIC CONTEXT</b>  We Make Camden is our joint vision for the borough, developed in partnership with our community. These proposals contribute to the aspirations set out in We Make Camden by ensuring access to high-quality, good work for local residents, supporting inclusive employment, and securing value for money in the way we resource services.  The Way We Work is the Council's response to We Make Camden. These proposals contribute by improving the Council's ability to recruit and retain a suitably skilled and diverse workforce through an efficient agency worker contract, ensuring resilience and high-quality service delivery. Agency staff at Camden are used as a short-term resourcing measure, or where niche specialist skills are required for a limited time. They are not used to address systemic resourcing issues.	
<b>SUMMARY OF REPORT</b>  This report outlines the proposed procurement approach and contract award for the re-procurement of the Temporary Agency Worker Contract, which provides temporary staffing via a Neutral Vendor model. The contract plays a vital role in ensuring the Council has access to a suitably skilled and diverse contingent workforce to deliver high quality services and value for money, while also supporting our wider ambition to shape an inclusive local economy.  The proposed contract with Matrix SCM also includes the Camden Talent Pool, which enables temporary Council roles to be offered directly to residents before being advertised more widely. This arrangement is already in place and would continue under the new contract, with further development to increase opportunities for Camden residents.	

Following a competitive process by a consortium of London boroughs (the London Collaboration Procurement) through the Eastern Shires Purchasing Organisation (ESPO) Managed Services for Temporary Agency Resources 4 (MSTAR4) framework agreement, Matrix SCM was identified as the highest scoring neutral provider. It is therefore proposed that a new contract be awarded for up to four years. Expenditure under the contract will be demand-led, with actual costs dependent on service needs. The estimated forecast value over the full term has been calculated based on recent usage levels, but with tighter controls already reducing spend, the expectation is that actual expenditure will be significantly lower. Additional controls put in place this year have already seen spend on agency staff reduce by 12% with a projected saving of £8 million over the next 12 months compared to previous years.

The report is being presented to Cabinet because the current agency contract with Matrix SCM ends in February 2026. In line with the Council's Contract Standing Orders, Cabinet approval is required for both the procurement strategy and the contract award.

In line with Cabinet governance, this report seeks approval of both the procurement strategy and the contract award at the same time. Aligning these ensures that Cabinet can consider the overall approach alongside the specific contractual decision, avoiding duplication and enabling a smooth transition before the current contract expires in February 2026. With the focus on driving down agency spend, we have deliberately aligned strategy and decision-making to ensure our choices are thoughtful, data-driven and aligned with our long-term objectives. This approach provides assurance on both value for money and service continuity, while maintaining transparency and robust governance.

### **Local Government Act 1972 – Access to Information**

No documents that require listing were used in the preparation of this report.

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## **RECOMMENDATIONS**

The Resources and Corporate Performance Scrutiny Committee is asked to consider the report and make any recommendations to Cabinet

The Cabinet is recommended

(1) To approve the procurement strategy to utilise the ESPO MSTAR4 London Collaboration Procurement to award a contract to Matrix SCM for the provision of agency worker services for a period of up to four years, comprising an initial term of three years with an optional extension of 12 months

(2) To award the contract for the provision of agency worker services to Matrix SCM for the proposed term of 4 years which includes one with an optional 12-month extension period.

Signed: 

Date: 29<sup>th</sup> October 2025

## 1. CONTEXT AND BACKGROUND

- 1.1 Camden Council has a long history of fostering a diverse and committed workforce and of being a committed and engaged employer. A skilled and engaged workforce is crucial in supporting the achievements of We Make Camden. In Camden, we hold ourselves to the highest workforce standards as an employer. We have promoted flexible working and were one of the first Timewise employers in the country. Our work on conscious inclusion and diversity has been sector leading and we have maintained our commitment to fair pay setting minimum earnings guarantee that is over 20% above the London Living Wage (LLW).
- 1.2 As part of our workforce strategy, it is vital that we have a resourcing model that ensures a suitably skilled workforce that can deliver We Make Camden and that supports an inclusive local economy and employment market by providing high-quality jobs for residents. While this model focuses primarily on permanent recruitment, it is critically important that we remain able to respond to rapidly changing circumstances.
- 1.3 Agency workers continue to be an important source of supply alongside our permanent workforce. That said, we recognise that we must ensure that any temporary engagements continue to represent value for money and that it does not become the default position in the absence of a long term, sustainable resourcing strategy. As such, we continue to monitor usage and reduce our reliance on agency workers by working across the organisation, particularly with areas with high agency usage. This will often mean that while agency staff may be one option, we will encourage alternative solutions, such as fixed term or permanent contracts and by exploring and developing other temporary supply models. We expect to deliver £8 million of savings this year by bringing agency levels below 10% of both FTE and salary spend.
- 1.4 This report outlines the current arrangements for the supply of temporary agency workers along with the proposed future approach.
- 1.5 We recognise the role the Council plays as a major employer in the Borough, and the impact we can have both through direct employment and by promoting and modelling high-quality employment practices with our partners. Good Work Camden (GWC) is the Council's approach to the way that employment support is delivered in the borough. GWC was co-designed with our residents, employers, and local providers to deliver a comprehensive programme of change. Strengths-based, locally delivered support is delivered via neighbourhood job hubs and focuses on developing relationships with citizens and supporting them on their journey to good work, at their own pace. Partnership with our family of employment support providers aims to create a more joined up, navigable system and to build capacity to adapt to changing context. Work with residents is complemented by support for employers to create jobs that work for people. The refocusing of our approach to agency resourcing provides a real opportunity for the Council to lead by example by embedding the principles of Good Work Camden through the procurement process, creating opportunities for local people and ensuring that agency staff from Camden are linked to employment support that is right for them.

1.6 The collaborative procurement route with other councils as described within the report offers the Council economy of scale in terms of spending power and will not require any implementation costs.

## 2. PROPOSAL AND REASONS

2.1 As a local authority, we have a duty to promote local employment opportunities and foster community engagement. Over recent years, a Neutral Vendor service provider has supported this responsibility by acting as an independent provider. It does not directly supply candidates but instead manages a network of recruitment agencies. This structure enables a fair and transparent allocation of opportunities across a broad supplier base, including small and medium-sized enterprises (SMEs). As a result, it improves access for local suppliers and residents, supporting inclusive growth across the borough and the wider London area.

2.2 The service will enable managers to fill temporary roles in a timely way with suitably skilled and qualified staff for a range of jobs required by Camden including specialist consultancy services.

### 2.3 Breakdown of Employee Spend (Current)

Financial Year	Agency Cost (Total Charge*)	Agency cost excluding workers pay/PAYE	Total Managed Service Provider (MSP) Fee	MSP Fee as a % of client charge	Total Camden Employee Cost (Permanent & Fixed Term Employees Only)	Total Workforce Spend (Agency Cost + Camden Employee Cost)	Percentage of Total Workforce Spend on Agency Workers (Based on Agency Cost – Total Charge)
2023/24	£32,278,038	£9,032,091	£152,314	0.004%	£250,084,313	£282,362,351	11.4%
2024/25	£35,728,627	£9,986,716	£166,592	0.004%	£283,987,672	£319,716,299	11.2%
2025/26 to date	£14,324,040	£4,170,548	£64,112	0.004%	£126,087,450	£140,411,490	10.2%

NB. £103 million of this spend will go on workers' pay and £40 million on agency costs, with around £666,368 (circa £166,592 per year) going to Matrix SCM as the managed service provider fee.

2.4 Since its introduction in 2022, the Camden talent pool has supported over 100 Camden residents into temporary roles, some of whom then went on to work permanently for the Council. This initiative not only provides valuable employment opportunities for residents but also delivers savings by reducing agency fees. The talent pool continues to be actively promoted to hiring managers, the wider community, and through external community partners to encourage greater uptake and maximise its impact.

2.5 It will not be possible to fill all our temporary roles via the Camden Talent pool. Some roles require more specialist skills (for example social workers, digital and technology roles), so an agency supplier will continue to be required alongside our Camden Talent Pool to maintain service continuity in critical areas. The expectation is that the new agency contract will be used where the

Camden Talent Pool has not delivered suitable candidates and/or where there are specialist/skilled roles that are not available via the Pool.

- 2.6 We are committed to ensuring that temporary engagements represent value for money and do not become the default option in the absence of a long-term, sustainable resourcing and employment strategy.
- 2.7 In March 2025, Camden introduced tighter agency and recruitment controls to reduce overall spend, strengthen vacancy management, and ensure greater scrutiny of workforce decisions. These measures include a cap of 36 working hours per week for all agency staff, a formal approvals process for any rate increases, exit strategies for engagements of nine months or more, and a requirement for services to keep agency usage below 10% of both total FTE and spend. Since their introduction, agency spend has shown a consistent month-on-month reduction, with a projected saving of £8 million over 12 months. In the first three months of these tighter controls, we saw a reduction of 82% less timesheets claiming overtime.
- 2.8 The forecasted contract value has been provisionally estimated at £143 million, reflecting the level of spend observed over the last financial year. However, this figure represents a maximum potential value rather than a fixed cost. The contract is demand-led, meaning spend is directly linked to workforce requirements across services. With the tighter recruitment and agency controls introduced in March 2025, agency usage has already reduced significantly, and we anticipate actual spend over the life of the contract will be substantially lower than this upper projection.
- 2.9 By continuing our current approach with Matrix SCM, we expect to achieve the following outcomes:
- Greater employment opportunities for residents aligned with our organisational aspiration to shape an inclusive local economy.
  - Provision of a suitably skilled and diverse temporary workforce to sustain the range of high-quality services the Council delivers.
  - Compliance with legislation and local commitments e.g. Agency Worker Regulations (AWR), payment of the London Living Wage (LLW) and implementation of the IR35 legislation which covers the taxation arrangements for individuals who provide their services to public sector bodies through their own company. Suppliers will need to ensure that they can continue to provide these types of skilled and specialist workers who are engaged under the interim and executive category.
  - Value for money.
  - Strong links between Good Work Camden, HR and Matrix SCM to ensure the opportunity to be in the local talent pool is accessed by a wide and diverse range of residents and that once in the pool, residents are supported to access opportunities and develop their career plans.

- Meeting the Councils need for high quality interims and consultants as well as agency workers.

### **3. OPTIONS APPRAISAL**

- 3.1 In alignment with Camden's service strategy, a number of options were identified and considered in relation to the future supply of Temporary Agency Workers. These included a complete delivery of the service in house; to continue with the existing contract; undertaking our own tender process and to call-off an existing compliant procurement framework via a shared procurement with neighbouring authorities. These are set out in more detail below:
- 3.2 A Neutral Vendor service model enables a service provider to manage a supply chain of multiple Agencies which is an equitable access to roles, thereby supporting SMEs and Camden's social value and local employment priorities.
- 3.3 A Master Vendor model enables a lead recruitment agency exclusive first refusal on all roles, passing opportunities to other agencies only if they are unable to fulfil the requirement. Unfortunately, this approach can limit participation by local (SME) suppliers, potentially reducing resident access to employment opportunities.
- 3.4 Insourcing the service has been considered but is not currently deemed viable. Delivering the service in-house would require substantial investment In staffing, systems and infrastructure to manage recruitment activity, Compliance, supplier relationships and temporary worker placements.
- 3.5 The Neutral Vendor model will continue to provide greater value and operational efficiency. It will enable Camden to access to a broad network of recruitment agencies, specialist market expertise and established processes for the management of temporary staffing. Replicating this capability internally would be significantly more costly, resource intensive and operationally complex.
- 3.6 Therefore, the preferred service model is to retain the external contract to meet high-volume and specialist resourcing requirements efficiently, while continuing to expand the Camden Talent Pool to increase opportunities for direct employment wherever possible.
- 3.7 Procurement Option 1. To contract by participating in a collaborative procurement using a Compliant procurement Framework.

- 3.8 The London Boroughs of Havering and Newham, via the OneSource service, led a collaborative procurement exercise which sought to aggregate spend across the 32 London Boroughs to enable better value for money. This exercise promoted consistency, efficiency and the sharing of best practice while providing streamlined access to pre-approved suppliers. Our incumbent supplier, Matrix SCM, was the highest scoring bidder for the Neutral Vendor Lot.

Note: A procurement framework helps buyers to procure goods and services from a list of pre-approved suppliers, with agreed terms and conditions and legal protections.

- 3.9 Procurement Option 2 – Undertake a tender process on an individual basis. This option, be it using a procurement framework or other open competitive tender exercise has been discounted based on the collaborative procurement as described in Option 1. Conducting our own tender process would be a timely and costly option and unlikely to deliver a better solution for the Council due to the inability to obtain greater economy of scale when compared with a collaborative procurement.
- 3.10 Procurement Option 3 – Do Nothing – Should Camden decommission all arrangements for temporary staff, it would not be a viable option as the Council requires Temporary Agency Workers to fulfil short-term gaps in workforce and continuity of service, with a specialist service provider as an enabler to provide these staff.
- 3.11 Therefore, the proposed procurement approach is Procurement option 1, which proposes to award a contract using the ESPO MSTAR4 Framework via the London Collaboration route
- 3.12 This procurement route offers Camden continuity of service to Camden’s incumbent provider and provides the best economy of scale when undertaking an independent tender exercise. This option also provides stability for Camden and does not require the implementation of a new system or retraining managers and HR colleagues in this process.

#### **4. WHAT ARE THE KEY IMPACTS / RISKS? HOW WILL THEY BE ADDRESSED?**

- 4.1 The awarded supplier will support Camden in meeting all compliance requirements, including IR35, right to work, reference checks, Disclosure and Barring Service (DBS) checks, and adherence to His Majesty’s Revenue and Customs guidance.



4.2 Key risks are included in the table below: -

<b>Risk Type</b>	<b>Impact of Risk</b>	<b>Mitigation</b>
Personnel supply (Temporary workforce quality and availability)	Risk that the provider cannot supply sufficient high-quality workers across all levels in a competitive labour market, potentially leading to service gaps.	This will be addressed through ongoing business reviews and manager feedback to monitor supply and assure quality and value for money.
SME engagement and workforce diversity	Limited engagement with SMEs or underrepresentation of specific groups.	Where appropriate supplier to actively engage SMEs and under-represented groups through outreach and social value commitments, with targeted actions to improve representation, the supplier will be asked to look at ways to attract workers from those groups that currently under-represented.
Compliance with legislation and employment standards	Non-compliance with IR35, HMRC checks, right-to-work, reference checks, DBS checks, or failure to meet London Living Wage (LLW) obligations.	Ongoing monitoring throughout the term. Camden remains an accredited LLW employer.
Casual labour and insecure work	Increased use of the Camden Talent Pool could result in more casual labour arrangements	Provide CV and interview workshops for local residents to support to secure permanent or fixed term roles. Maintain commitment to fixed hours contracts and no use of zero-hour contracts
Cost control and spend management	Risk of unapproved or unplanned spend / spend creep	Maintain robust approvals and governance processes with regular reviews
Information Security and Data Protection	Data is breached/compromised by supplier or within the supply chain	Supplier and supply chain assessed against required standards before award and reviewed periodically throughout the contract term

## **5. CONSULTATION/ENGAGEMENT**

- 5.1 No consultation or engagement has been undertaken.
- 5.2 An Equalities Impact Assessment was undertaken as part of the collaborative procurement exercise and is attached at Appendix 1.
- 5.3 Camden is a diverse Borough, with stark inequalities in wealth, income and opportunity. Much of our work as a Council seeks to address the problem of disproportionality and inequality. We are committed to using our available resources and powers to reduce inequality in Camden and as such, we recognise the value and influence of our role as a local employer and procurer. We have accelerated apprenticeship and kickstart opportunities within the organisation.
- 5.4 We are also designing an employment offer for and with young people, but there is a further opportunity that exists. While local evidence shows no disproportionate disadvantage within the agency workforce, national data indicates that some groups including disabled minority ethnic residents, women from minority ethnic backgrounds, and older LGBTQ+ individuals may face additional barriers to employment. Camden's approach, combining the MStar4 framework with the Talent Pool, local outreach, and Matrix's social value programme, helps ensure compliance while promoting equality, diversity, and fair access to opportunities.
- 5.5 The Council must comply with its duties under the Equality Act 2010 when exercising its functions. This includes the Public Sector Equality Duty to have due regard to the need to eliminate discrimination, harassment and victimisation; to advance equality of opportunity between people who share a relevant protected characteristic and those who do not; and to foster good relations between people who share a protected characteristic and those who do not, including by tackling prejudice and promoting understanding.
- 5.6 The relevant protected characteristics under the Equality Act 2010 are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. In relation to the duty to eliminate discrimination only, marriage and civil partnership are also relevant protected characteristics.
- 5.7 The contract will require the supplier to continue to work with and encourage Small and Medium Enterprises (SMEs) and ensure jobseekers in Black, Asian and other ethnic groups are well represented ensuring that it is providing a diverse contingent workforce.
- 5.8 Where appropriate, the supplier will be asked to look at ways to attract workers from those groups that are currently under-represented.
- 5.9 It must also be noted that The Supplier shall ensure that the underlying service; product; methodology and/or model of delivery has not been developed in a way that may lead to the discrimination or unequal profiling of candidates.

## **6. LEGAL IMPLICATIONS**

- 6.1 The Council is required to conduct all procurement activities in accordance with its Contract Standing Orders (CSOs) and in this instance the Public Contracts Regulations 2015 (PCR), which is the legislation under which the proposed procurement framework was established.
- 6.2 Under the Council's CSOs, the procurement strategy and contract award for a contract of the estimated value described in this report must be approved by Cabinet.
- 6.3 The proposed procurement strategy is to source using a compliant framework which was in place prior to the commencement of the Procurement Act 2023 known as the ESPO MSTAR4 Framework.
- 6.4 The outcome of a mini competition procurement which was undertaken by the London Collaboration, was the appointment of Matrix SCM as the Neutral Vendor provider under the relevant lot which offers the Most Economically Advantageous Tender (MEAT) for the Council.
- 6.5 This procurement approach and the framework as recommended is fully compliant with both the Council's Contract Standing Orders (CSOs) and the Public Contracts Regulations (PCR) 2015.

## **7. RESOURCE IMPLICATIONS**

- 7.1 As stated in the report the expected spend will be in the region of £143 million over four years. The cost of agency staff is taken from individual budgets based on individual service needs. The majority of agency spend is to provide short term cover for staff vacancies and the cost of agency staff is usually met from existing staff budgets. The cost of agency staff will be split across the General Fund and the Housing Revenue Account and will be driven by individual service need.
- 7.2 Rates for individual agency workers are set by market conditions and in many cases will be inflated each year in line with the market.
- 7.3 Camden's role is to provide ongoing management of the service to ensure that the Council has access to a suitably skilled and diverse contingent workforce. This is a key component of Camden's overall resourcing strategy and directly supports the delivery of the Council's aims as set out in the Medium-Term Financial Strategy (MTFS).

## **8. ENVIRONMENTAL IMPLICATIONS**

- 8.1 Using a cloud-based service technical platform to deliver this service has positive environmental impacts, including reduced energy consumption and dependence on physical hardware.
- 8.2 Matrix SCM, has a strong commitment to environmental sustainability, aiming to become a net-zero carbon business by 2030. Their sustainability plan

includes a commitment to reducing their carbon footprint, improving energy efficiency, and promoting a circular economy.

- 8.3 In support of several of Camden Council’s environmentally focused policies (including the Climate Action Plan, the Clean Air Action Plan, and the Reduction & Recycling Plan), the contractor will be required to adhere to the following commitments as part of their obligations when completing this project:
- 8.4 Where possible, agencies and sub-contractors should acknowledge and convey green initiatives to staff which encourages remote working/working from home where possible (in accordance with Camden’s policies and initiatives)  
Travel to sites (if required) will be via public transport or active travel. (in accordance with Camden’s policies and initiatives). If vehicle use is necessary for fulfilment of the contract, Temporary Agency Workers are expected to adhere to the Council’s ‘Green Vehicle Fleet Standard for Contractors and Service Providers’.
- 8.5 All Temporary Agency Workers employed are to commit to minimise waste as far as practicable and where unavoidable use recyclable/recycled materials for the nature of the contract (i.e. paper free work environment, food waste etc.).

## 9. TIMETABLE FOR IMPLEMENTATION

Key milestones	Indicative Date (or range)
Contract Award Report – Cabinet	12 <sup>th</sup> November 2025
Winning Tenderer’s Social Value Delivery Plan logged	December 2025
Contract signature / sealing of contract	December 2025
Transition to the new contractual arrangements	January 2026
Contract start date	February 17 <sup>th</sup> 2026

## APPENDICES

Appendix 1 – Equalities Impact Assessment

**REPORT ENDS**