

APPENDIX A

Angela Huggett
Head of HR Head Strategy and Education
London Borough of Bromley
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BR1 3UH

1st May 2017

Dear Angela

As we approach the Executive and Resource PDS, I would like to take the opportunity to write to you and share Adecco's review of the contract's performance throughout Quarter 1 of 2017. As part of this review, we have analysed the contract's performance against key metrics including the key performance indicators within section 12 of the contract and the Monitoring and Management Information detail in Schedule 7. Within this letter, we look at some of the key performances and changes within the contract that we have experienced in Q1 and provided an overview of the contract going forward and as we transition to MStar2.

Usage and Fulfilment

Coming into 2017, we have seen an increase in usage across the contract. This has been predominately within categories deemed hard to fill due to market conditions and candidate shortages such as; Social and Health Care Services.

To respond to this increased demand within these challenging recruitment areas and ensure fulfilment increased in line with demand, Adecco have worked in partnership with LBB to review these areas and create unique sourcing methods.

The largest user within LBB throughout Q1 has been within Social and Healthcare Services. Throughout Q1 we have worked with the business to ensure that we are following the most effective sourcing models to respond to the demand in this area. Many of our effective methods used for this were developed from initiatives identified in forums that Adecco hosted for Social Care. These were held in conjunction with managers and suppliers where we created open conversations regarding the challenges to recruitment for all parties and defining best practice for recruitment processes to overcome these challenges. Key improvements taken from this session included; the information supplied by managers when releasing roles, Key criteria for suppliers to consider when shortlisting, Information supplied at the point of submission and response times to CV's. All of these have led to a much more streamlined recruitment process, which has enabled Adecco and its supply chain to respond to the increasing demand within this category and ensure prompt fulfilment.

Fulfilment of roles is the key priority for Adecco. Simultaneously, we aim drive fulfilment through the Adecco Group to achieve value for money for LBB by delivering a reduced the reduced management fee that direct fulfilment carries. In 2016, we achieved 66.9% direct fulfilment (excluding Qualified and Unqualified Social Care). In Q1, this achieved savings in excess of £4000 for LBB. To drive further direct recruitment in 2017 and beyond, we have recently reviewed the structure within the Account Team and delivery teams across the

Adecco Group and realigned roles to enhance the onsite customer service for LBB and the cost saving realised through direct fulfilment. LBB benefit from; An experienced Senior Account Manager who has strong presence, and both general staffing and professional staffing delivery hubs. This enables the team to focus on fulfilment of staff to LBB whilst contract ensure high levels of customers service through working directly with Hiring Managers on a day-to-day service. We are also in the process of recruiting a Contract Manager to support LBB Hiring Managers on a day-to-day basis with recruitment an enquiries, which will further enhance the service LBB receives.

Value Adding Services

Whilst driving direct fulfilment, we also ensure we have a strong, fully engage to supply to support in maintaining such levels of fulfilment. Throughout 2016 we have managed a streamlined supply chain of 59 fully engaged agencies and 41 of these are SME's, of number of which are local to LBB. In addition to this, Adecco and our supply chain proactively conduct recruitment campaigns within the local area, independently and in conjunction with 3rd parties such as Job Centre Plus, to drive the placement of local people within LBB. In the last 12 months, we place over 200 people at LBB that live within the borough creating genuine opportunity within the borough.

To create further opportunity, we have also partnered with Bromley Education Business Partnership through 2015 and 2016 to support with the placement of young people residing in LBB. To date we have supported in placing a number of young people in employment and we look forward to further developing this partnership in 2017.

Continuous Improvement

Thorough out Q1 and going into Q2 of 2017, we have already identified and implemented a number of initiatives to deliver continuous improvement for LBB. Such initiatives include;

Improvement/Value Adding Area	Description
Audit and Compliance	Changing our audit process to up front audits, from retrospective audits, to ensure 100% compliance of all workers starting at LBB.
Changes in Legislation	Adecco are at the forefront when it comes to understanding and planning for legislative changes, which have an impact on our customers. Throughout March and April we have already worked successfully with Bromley to manage the impact of IR35. We transitioned 193 Limited workers to the appropriate payments models as part of this process with minimal impact to the wider business.
	We continually undertake market research to ensure that the borough is positioned correctly within the market to ensure competitiveness, whilst avoiding costs being driven up. This

Continued Market Research	exercise is regularly repeated for categories that are deemed as 'hard to fill' such as; Qualified Social Care, Engineering and Planning. In addition to this, we also complete adhoc research as when requested by the business.
Increased Value For Money	The Adecco contract moved to the MStar 2 Framework on the 22 nd April 2017. This will deliver additional value for money and generate cost savings through new, reduced competitive margins.

After reviewing and analysing the key performance criteria, Adecco have demonstrated a strong performance against KPI's despite challenging market conditions. We have implemented a number of service improvements which have already made a positive impact on the contract. Adecco remain committed to continue to drive these initiatives and continuously identify further areas that will enhance the service we provide during the remainder of 2017 and beyond.

I would to take this opportunity to thank you and the teams across LBB that have worked with supported the Adecco contract throughout the last year and we at Adecco look to working with you all throughout the coming years.

Yours Sincerely



Nicola Rush
Senior Account Manager