

TELFORD & WREKIN COUNCIL

**REPORT AND DECISION NOTICE OF OFFICER KEY
DECISION TAKEN ON 5th September 2023**

PUBLISHED ON Monday 7th August 2023

DEADLINE FOR CALL-IN: 12th September 2023

WM Temps – Regional agency provider

This **Key Decision** was taken by Ken Clarke, being the appropriate Officer under Delegated Powers in compliance with the Council's Constitution.

The **Key Decision** related to the following identified item contained within the Council's **Notice of Key Decisions** as published on Monday 7th August 2023.

1. INFORMATION

- 1.1 The Council's current supplier of corporate agency workers is Matrix. The contract with Matrix was taken out via the MStar framework in 2019 for 3 years with an option to extend for 1 year; this was in compliance with the procurement rules that were in place at that time. The 1 year extension expires on 31st December 2023, meaning that the Council must procure a new provider from 1st January 2024, to secure ongoing agency provision.
- 1.2 West Midlands Employers (WME) are a not-for-profit organisation, owned by the 32 councils that govern the West Midlands, including Telford & Wrekin Council. WME acts as the Regional Employers Organisation for the West Midlands.
- 1.3 During 2021, West Midlands Employers, were commissioned by their Executive Board to understand the issues that councils within the West Midlands region were experiencing with agency provision of temporary workers and find solutions to improve the situation. Having undertaken extensive research and consultation with local authorities, WME proposed the introduction of the WMTemps service, providing regional agency provision.
- 1.4 The WM Temps service provision would enable a more regional approach to agency worker recruitment, allowing for greater benefits of rates agreed at a regional level and less transient agency workers as a result of the removal of competition due to pricing.
- 1.5 WME's Board and Chief Executive Shareholder Group approved the investment to undertake a full open procurement exercise that has now secured a framework contract that councils can access with no need to

undertake their own procurement. The successful supplier was Opus People Solutions – a wholly public sector owned organisation.

- 1.6 WMTemps provides an enhanced master vend agency solution, which means the process is supported and enabled by specialist and expert recruiters, leading to management time savings and a more consistent approach to agency recruitment. The Council's current agency recruitment is via a neutral vend solution, which means the service is primarily delivered via a technology platform with managers posting jobs on to a system and 2nd tier agency suppliers posting potential candidates for managers to review and select from.
- 1.7 The contract is intended as an exclusive contract, however we have received written confirmation that an exemption process can be used if Opus are unable to fill a role. In this instance, Opus would support the Council with the third party agency being used.

2. Legal Implications

- 2.1 The Council is able to enter into this agreement via a direct award, by virtue of the exemption which applies to public bodies. This is in line with the Council's Constitution and the Public Contract Regulations 2015.
- 2.2 The agreement will run for an initial three years and includes the option to extend for a further year.
- 2.3 Legal advice has been provided on the agreement and will be provided on an ongoing basis, as and when required.

AC – 10/08/2023

3. Financial Implications

- 3.1 The Council's agency spend for 2022/23 was £6,123,944 in total, with £2,910,966 spent through Matrix as the contracted supplier and a further £3,212,978 spent with agencies outside of the Matrix contract.
- 3.2 Agency costs are regularly monitored by budget holders and any variances are reported as part of the corporate financial monitoring process throughout the year.
- 3.3 There are no charges for implementing the WM Temps service or accessing the service once it is established – the Council will pay a fixed rate margin on top of for hours of temporary resource used.
- 3.4 The margin charged by Opus is greater than that of Matrix, however the Council's off-contract spend will be reduced and working with Opus as a

strategic workforce planning partner, should reduce the requirement for agency workers, over the life of the contract.

3.5 WME will also provide a £20,000 grant in the first year, in order to support the Council with any workforce development initiatives.

3.6 As WME have undertaken a regional procurement process on behalf of its members, we are able to proceed on the basis of a direct award, saving the cost and resource of a full procurement process ourselves.

3.7 As a result of data shared with Opus, it is evidenced that the majority of agencies we currently use in an off-contract capacity (and therefore with no previously agreed rates), are signed up to the Opus framework, meaning that we will be able to continue working with these agencies but under a more financially beneficial framework for the Council. This is as a result of pre-agreed rates at a regional level, which are lower than rates negotiated for an individual assignment, outside of our Matrix contract, by Telford & Wrekin Council as an individual authority.

PH – 31/07/2023

DECISION – that:-

- 1. The Director: Finance & HR approves the procurement of the Opus People Solutions through the WM Temps service for the provision of agency staff from 1 January 2024 until 31 December 2026 (with an optional 1 year extension).**
- 2. That the Director: Policy & Governance takes all necessary steps to enable the Council to enter into the necessary legal agreements to give effect to this decision.**

Further Information/Contact – Hannah Preece, HR Business Partner
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Signed:

Ken Clarke
Director: Finance & Human Resources

Dated: