

## FORM 1

### NOTICE OF DELEGATION OF DECISION TO CABINET MEMBER BY STRONG LEADER

Section 15(4) of the Local Government Act 2000, the senior executive member may discharge any of the functions that are the responsibility of the Cabinet or may arrange for them to be discharged by another member of the Cabinet or Officer. On 1<sup>st</sup> December 2010, the Council adopted the Strong Leader Model for Corporate Governance 2011 as required under Part 3 of The Local Government and Public Involvement in Health Act 2007 (The 2007 Act).

I, Cllr Helen Dyke, as Strong Leader, delegate the decision for the procurement of temporary agency workforce services, as detailed in the Forward Plan to the Cabinet Member detailed below:

Cabinet Member for Housing, Health, Wellbeing and Democratic Services

Dated 6th July 2022

Signed

A handwritten signature in black ink that reads "H.E. Dyke". The signature is written in a cursive style with a large, looped 'D'.

Leader of the Council

## FORM 2

### NOTICE OF DECISION OF CABINET MEMBER

Pursuant Section 15(4) of the Local Government Act 2000, as amended by section 63 of the Local Government and Public Involvement in Health Act 2007, the senior executive member may discharge any of the functions that are the responsibility of the Cabinet or may arrange for them to be discharged by another member of the Cabinet or Officer. On 1<sup>st</sup> December 2010, the Council adopted the Strong Leader Model for Corporate Governance 2011 as required under Part 3 of The Local Government and Public Involvement in Health Act 2007 (The 2007 Act).

In accordance with the authority delegated to me, I have made the following decision:

Subject	Decision	Reason for decision	Date for Decision to be taken
The procurement of Temporary Agency Workforce services	To approve the use of the West Midlands Employers framework for the procurement of temporary agency workforce services.  To enter a call off agreement with Opus People Solutions for the services.	To proceed with a Call Off Contract with by Opus People Solutions	6th July 2022

**I confirm that the appropriate statutory officer consultation has taken place with regard to this**

**decision.** Dated: 6th July 2022

Signed:



Councillor: Nicky Martin  
Cabinet Member

## WYRE FOREST DISTRICT COUNCIL

### Strong Leader Report

#### **PROCUREMENT OF TEMPORARY AGENCY WORKFORCE SERVICES**

<b>OPEN</b>	
<b>CABINET MEMBER:</b>	Cllr Nicky Martin Cabinet Member for Housing, Health, Wellbeing and Democratic Services
<b>RESPONSIBLE OFFICER:</b>	Caroline Newlands, Solicitor to the Council
<b>CONTACT OFFICER:</b>	Rachael Simpson, HR & OD Manager Ext <b>2701</b>
<b>APPENDICES:</b>	None

#### **1. PURPOSE OF REPORT**

- 1.1 The purpose of this report is to seek Cabinet approval to use the West Midlands Employers framework agreement to enter a call off contract with Opus People Solutions for temporary agency workforce services as required by the Contract Procedure Rules for services over the value of £175,000.

#### **2. RECOMMENDATION**

- 2.1 That the leader approves the use of the West Midlands Employers framework agreement for the procurement of the temporary agency workforce services.
- 2.2 That the leader approves the direct award under the framework to Opus People Solutions and for a call off contract to be entered.

#### **3. BACKGROUND**

- 3.1 Currently, the majority of our agency workers are supplied by Matrix who are a neutral vend supplier, which means they effectively act as a system enabled procurement platform – they do not source workers directly but use technology that enables managers to post temporary vacancies for 3<sup>rd</sup> tier agencies to submit potential candidates via a system.
- 3.2 During 2021, West Midlands Employers (WME) undertook research in to the challenges all councils in the region are experiencing with managing temporary workforces and have undertaken a comprehensive procurement exercise (which Wyre Forest supported as part of evaluation panel) to source a regional agency supplier framework that councils in the region can access that offers quality, compliant temporary workers at competitive rates that could provide Wyre Forest with better provision of temporary workers and the opportunity to work as a strategic partner to improve longer term cost effectiveness and a more sustainable workforce.

3.3 The WME Framework is a single supplier framework and accessing the framework will allow direct award of the contract to Opus People Solutions.

The table below provides an overview of the difference between Neutral vend and Traditional Master Vend Services. Appendix 1 shows the additional benefits of the traditional master vend service that can be provided by Opus People Solutions.

Type of Service	Brief description	Benefits	Drawbacks
Neutral Vend Service	Unbiased provider of temporary staff Manage supply chain Form partnerships with agencies – when a client needs staff they go to market to their agencies to find most suitable and cost effective	Straightforward model	No quality control Off contract risk Greater management time risk Risk to compliance standards
Traditional Master Vend Service	Sole recruitment agency Attempt to fill vacancies with their own candidates	Saving in management time Quality control Dedicated resource for contract	Off contract spend difficult to mitigate Savings offered via margin Commercially driven More spend = more saving

#### 4. **KEY ISSUES**

- 4.1 The contract with Matrix is due for retendering and to not reprocure could leave the council at risk of challenge for non-compliance with procurement regulations.
- 4.2 Currently, lack of data and information make it difficult for us to understand and control our temporary workforce and we are unable to evidence that decisions to use agency temporary staff represent best value.
- 4.3 The way we currently secure agency workers takes a lot of time and effort for our managers – detracting from time they could be spending on delivering services

#### 5. **FINANCIAL IMPLICATIONS**

- 5.1 Current agency spend per annum was c£320k (2020/21), where it was assumed this amounts to approximately 26,000 temporary worker hours at a mark-up of 1.34 (difference from pay rate to charge rate, including statutory on-costs).

- 5.2 The financial modelling suggests that under the WMTemps model there would be a marginal increase in agency spend to £329k per annum, an additional £9K if the same agency demand was required and no other benefits were realised.
- 5.3 However, the expectation would be that the WMTemps model (through improved quality of the overall service) would realise savings in the following areas:
- Off-contract - c£10k in savings (based on assumption of c£100k off-contract spend currently being incurred at a margin rate double to that charged by WMTemps);
  - Spend reductions - c£9.6k in savings (based on realising a 5% reduction in total agency spend through the reduction of the number of temporary workers utilised);
  - Management time savings – not currently quantified, however the WMTemps model expected to significantly reduce managers' time in dealing with recruitment and 3<sup>rd</sup> party agencies direct.
  - Potential savings in transfer fee commonly charged for permanent appointments
  - Higher calibre candidates, better fit with role profiles resulting in lower turnover/failed commissions.

## **6. LEGAL AND POLICY IMPLICATIONS**

- 6.1 The Contract Procedure Rules require Cabinet approval to procure and to enter into contracts where the estimated value of the contract exceeds £175,000.
- 6.2 The use of the West Midlands Employers Framework is believed to offer best value to the council due to the potential financial savings, improved service model and reduction in management time. The procurement undertaken by West Midlands Employers was comprehensive and identified Opus People Solutions as the most economically advantageous tender.
- 6.3 Opus People Solutions will be required to enter into a formal contract as set out in the framework and approved by the Solicitor to the Council.

## **7. EQUALITY IMPACT NEEDS ASSESSMENT**

- 7.1 An equality impact assessment has been undertaken and there is no adverse impact.

## **8. RISK MANAGEMENT**

- 8.1 We are potentially at risk of challenge for non-compliance with procurement regulations.
- 8.2 We do not currently undertake assurance or quality checks on the compliance of our temporary workers, which is a liability.
- 8.3 The HR team are not directly involved in overseeing management of agency temporary workers, which may mean we have compliance risk from a HR perspective, and we are unable to strategically manage our overall workforce.

## **9. CONCLUSION**

- 9.1 The proposed way of providing agency provision will enable us to consider our workforce as a whole and identify and develop our permanent workforce with a complementary agency workforce.
- 9.2 Working with only one provider will allow us to remove our off-contract spending, likely to lead to cost savings.
- 9.3 Working with one provider will provide single source of data and simple billing solutions, saving the Council money and effort including freeing up manager time, allowing them to focus on effective service delivery.
- 9.4 Managing our workforce collectively will allow us to understand it better, making better informed decisions and ultimately manage our workforce spend better.
- 9.5 Work opportunities for residents, keeping the workforce 'local' / local agencies – with backing and resilience, therefore supporting our local economy

## **10. CONSULTEES**

- 10.1 Corporate Leadership Team

## **11. BACKGROUND PAPERS**

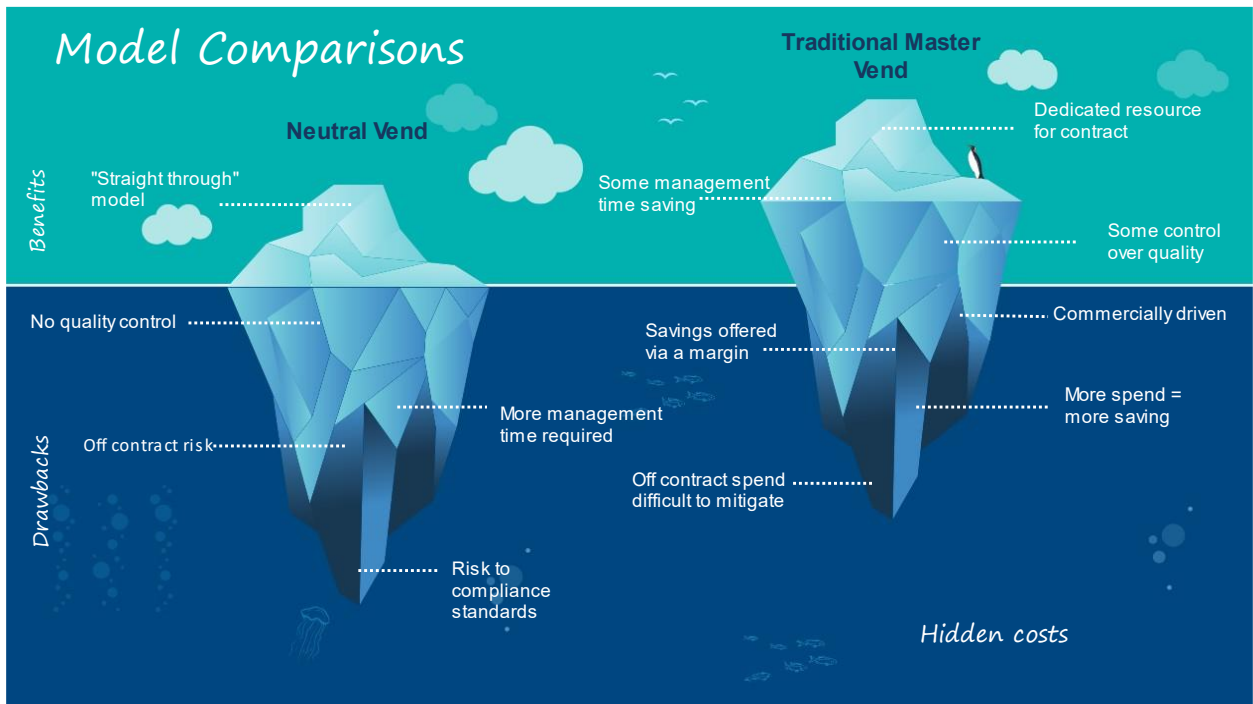
None

## **12. APPENDICES**

None.

## Appendix 1

This model illustrates the differences between a neutral vend service – which is what we currently receive from Matrix – and a master vend service:



This model illustrates the additional benefits that can be achieved by the WMTemps service:

