

**Committee and Date**

Audit Committee
26th September 2025

Item

Public



Agency and Consultancy Staff Management Update

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Cabinet Member (Portfolio Holder):	Roger Evans		

1. Synopsis

This report provides an update on the progress made against the internal audit recommendations concerning the use of agency workers and consultants at Shropshire Council for the 2024/25 period. It highlights the actions taken and current status.

2. Executive Summary

This report provides an update on the progress made against the internal audit recommendations concerning the use of agency workers and consultants at Shropshire Council for the 2024/25 period. Of the 12 recommendations, 10 have been implemented with 2 in progress.

The key points of the report are as follows:

The audit conducted by Shropshire Council's Audit Services identified several recommendations to improve the processes and controls for engaging agency workers and consultants.

Management Actions: Various management actions have been taken to address the audit recommendations. These include updating the Terms of Reference (ToR) for the

Organisation-Wide Workforce Board, implementing a "Hard Stop" communication to ensure compliance, and updating guidance on the internal Intranet pages.

Financial Implications: The Council continues to manage unprecedented financial demands, with significant management actions being undertaken to ensure financial survival. There has been a 25% reduction in the yearly cost of agency workers since 2022/23 compared to the previous years, with further reductions anticipated in 2025/26.

Opus People Solutions: The Council has moved from Matrix to Opus People Solutions, a regional agency Solutions for West Midlands Councils. Opus is a people-led organisation that works directly with the Council to provide effective and efficient agency worker provision.

Continued Monitoring: Progress has been made across several key areas, particularly with the revised ToR of the Organisation-Wide Workforce Board and the Opus contract. Continued monitoring and timely implementation are essential to strengthen governance and ensure compliance across the Council.

3. Recommendations

- 3.1. Members to note the updates as set out in the report and support the actions that have been taken so forward and those remaining.

Report

4. Risk Assessment and Opportunities Appraisal

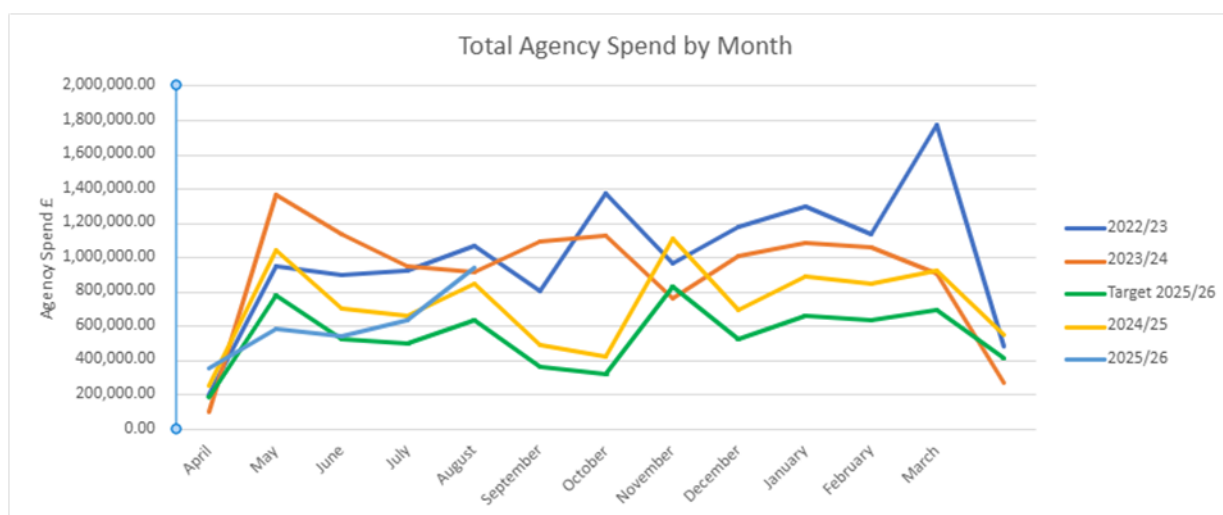
<i>Risk</i>	<i>Mitigation</i>
Continuation in the use of non-contracted staff	Implementation of a ToR within the Organisation-Wide Workforce Board requires every request for resource to be discussed at the Board which is chaired by the Executive Director Section 151, Executive Director DASS, Strategic Finance Business Partner and HR & OD Manager.
Financial costs increase	Opus People Solutions are a strategic partner within Local Authorities and work with Council to secure the best rate. Whilst they can do everything in their power to support this directive. If our service demands increase without the internal talent to support, then non-contracted workers maybe called upon.

5. Financial Implications

5.1. Shropshire Council continues to manage unprecedented financial demands and a financial emergency was declared by Cabinet on 10 September 2025. The overall financial position of the Council is set out in the monitoring position presented to Cabinet on a monthly basis. Significant management action has been instigated at all levels of the Council reducing spend to ensure the Council's financial survival. While all reports to Members provide the financial implications of decisions being taken, this may change as officers review the overall financial situation and make decisions aligned to financial survivability. All non-essential spend will be stopped and all essential spend challenged. These actions may involve (this is not exhaustive):

- scaling down initiatives,
- changing the scope of activities,
- delaying implementation of agreed plans, or
- extending delivery timescales.

5.2. Focused work commenced during 2022/23 to look at agency spend and usage by an HR, Procurement and Finance project group. Since its inception we experienced a 9.62% reduction in the cost of agency workers between 2022/23 and 2023/24 and further reduction of 19.86% between 2023/24 and 2024/25. We anticipate a further reduction in 2025/26. This has led to costs of agency reducing from £13.069m in 2022/23 financial year to £9.465m in 24/25 financial year. Since 2022/23 we've experienced increased nationally agreed pay awards and national insurance contributions which should be taken into account when reviewing total agency costs. The move from Matrix to Opus People Solutions which is more of a strategic partner in supporting the council in achieving value for money which has assisted in reducing spend.



6. Climate Change Appraisal

6.1. There are no anticipated direct climate change or environmental impacts associated with the recommendations in this report.

7. Background

- 7.1. The use of agency and consultancy staff audit 2024/25 was conducted by Shropshire Council's Audit Services as part of the approved internal audit plan for 2024/25. The audit aimed to review the processes and controls in place for engaging agency workers and consultants, ensuring compliance with internal policies, financial rules, and procurement legislation.
- 7.2. The audit gave an unsatisfactory assurance rating and identified several recommendations. The below table updates audit committee on the progress against the recommendations:

Recommendation	Management Action	Review Date
"Guidance reflective of current requirements for the appointment of agency and consultancy staff should be produced and circulated. This should include clear reference within relevant constitutional processes such as Financial Rules and/or Contract Procedure Rules and updating of 'How to' guides to be clear on the requirements for the appointment of agency workers and consultants. To ensure consistency on requests being made to Workforce Board, guidance should be made available demonstrating what is required within business cases and should cover the following as a minimum: • Business need and risk of non-appointment • Duration of assignment • Estimate cost of assignment • Request for Matrix/Consultant or other and clear justification and evidence of value for money assessment."	Terms of Reference (ToR) for the Organisation-Wide Workforce Board updated to reflect agency and consultancy requirements. No appointments can be made until approved at this board. Manager guidance on our internal Intranet pages have also been updated on the new ToR and Organisation-Wide Workforce Board approval. Guidance include updated information on our agency supplier framework – Opus People Solutions. "Hard Stop" communication published to ensure all Managers/Budget Holders only utilise (unless exception at Organisation-Wide Workforce Board) Opus People Solutions for non-contracted workers. Communications reinforced the need for compliance and ToR requirements. Conversations continuing with service areas who have specific dependencies on off-Opus agencies.	February 2025
Information within the Contract Procedure Rules should be updated to remove out of date information and focus on the current process of ensuring the online check against HMRC is used.	Work continuing within Procurement.	February 2025

Having a clear page on the intranet would be beneficial to ensuring this information is readily available to officers.		
With the launch of Opus, controls around non-Opus use should be clearly communicated and there should be a clear process in place to justify non-Opus appointments. Consideration should be given to whether this is a role for Workforce Boards to approve and monitor both Opus and Non-Opus appointments.	“Hard Stop” communication published to ensure all Managers/Budget Holders only utilise (unless exception at Organisation-Wide Workforce Board) Opus People Solutions for agency workers. Communications reinforced the need for compliance and ToR requirements on any resource requirement requires Organisation-Wide Workforce Board approval first.	February 2025
Where officers are using off-Matrix (or Opus) agencies approval should be sought in line with their request to Workforce Board. There should be a clear rationale as to why non-Matrix is being used with a link to ensuring that value for money on the appointment is in place. Where Workforce Boards provide approval to appoint outside of the Opus contract Procurement should be notified to ensure proper process is followed and contracts can be included on the contract register. (Updated from previous recommendation raised in 2019/20).	Intranet guidance, ToR for the Organisation-Wide Workforce Board have been updated and communicated to Managers/Budget Holders on the requirement for board approval on any resource requirements.	February 2025
With the launch of the new Opus contract there should be clearer expectations on the use of non-Opus assignments that cover the following: • Non Opus use is approved by Workforce Board • Contract value estimate is approved by Workforce Board • Notification to Procurement if contract is over £5k • Record of PO number is recorded by workforce board to ensure it does not go above agreed value.	Manager guidance on our internal Intranet pages has been updated on the new ToR and Organisation-Wide Workforce Board approval. Guidance includes updated information on our agency supplier framework – Opus People Solutions. “Hard Stop” communication published to ensure all Managers/Budget Holders only utilise (unless exception at Organisation-Wide Workforce Board) Opus People Solutions for agency workers. Communications reinforced the need for compliance and ToR requirements.	February 2025
Following updated guidance on the use of the Consultants account	All invoice settled transactions in the ERP come via the spend control	March 2025

code on ERP, reports on the use of spend on consultants should be monitored by the Workforce Boards to ensure that expenditure is line with approvals made. Where appointments have not been properly authorised the Workforce Boards will be best placed to identify and take action against this, implementing this alongside ensuring a PO is recorded on the decision log would allow enhanced monitoring that decisions are complied with.	gateway and therefore is a sense check on coding by the appropriate Finance Business Partner to mitigate miscoding of consultancy. Terms of Reference (ToR) for the Organisation-Wide Workforce Board updated to reflect agency and consultancy requirements. No appointments can be made until approved at this board. Strategic Finance Business Partner attends Organisation-Wide Workforce Board and provides any update from Finance Business Partners on relevant financial information relating to spend on agency and consultancy. Finance dashboards have also been enhanced in 2025/26 to provide information on agency spend, highlighting each service's spend with agencies, also highlighting which supplier is used, i.e. outside of Opus. This is visible to Leadership Board and Service Directors to challenge this.	
The Council should define the minimum expectations for managers to ensure they are undertaking agency workers with minimised risk including ensuring what vetting checks should be undertaken, contract clauses reviewed and when appointed what working conditions agency workers should expect within the Council. This should also include the requirement for any mandatory corporate training and health and safety information. (Updated from recommendations previously agreed in 2016/17 and 2019/20 audits).	Manager guidance on our internal Intranet pages has been updated on the new ToR and Organisation-Wide Workforce Board approval. Guidance includes updated information on our agency supplier framework – Opus People Solutions who undertake checks.	March 2025
The number of consultants currently working for Shropshire Council should be verified at the earliest opportunity. Once confirmed a process to monitor these consultants on an ongoing basis should be implemented in line with the Council's Contract	Initial review carried out. Terms of Reference (ToR) for the Organisation-Wide Workforce Board updated to reflect agency and consultancy requirements. No appointments can be made until approved at this board.	March 2025

Procedure Rules section 5.7 Appointment of Consultants. (As previously recommended and agreed in 2016/17 and 2019/20.)		
Officers should be reminded of the requirements for ensuring the appropriate insurance indemnity checks are completed prior to engaging with new suppliers/consultants as part of the Contract Procedure Rules. Procurement should be engaged within the appointment process to ensure checks are properly completed.	Terms of Reference (ToR) for the Organisation-Wide Workforce Board updated to reflect agency and consultancy requirements. No appointments can be made until approved at this board. Opus People Solutionss carry this activity out for any workers supplied via them. Hard Stop Communication highlighted to Managers/Budget Holders procurement requirements.	March 2025
With the launch of Opus greater controls and monitoring should be introduced to ensure that all non-Opus agreements (once the approval has been granted by the Workforce Boards) are reviewed by Procurement to ensure relevant procurement and EU thresholds are reviewed. Consideration should also be given to ensuring that any business cases presented to Workforce Boards that state a preference for using non-Opus that Procurement are in attendance to advise on potential procurement risks.	Hard stop communications highlighted the procurement requirements. Terms of Reference (ToR) for the Organisation-Wide Workforce Board updated to reflect agency and consultancy requirements. No appointments can be made until approved at this board. Opus People Solutionss carry this activity out for any workers supplied via them.	March 2025
Contract Procedure Rules should be reviewed to ensure they reflect current practice. (Updated from recommendation made and agreed in 2019/20).	Work continuing within Procurement.	February 2025
Either the Council should enforce the Financial Rules through the Matrix system or update the requirement to ensure that delegation is approved for Matrix authorisation from budget holder and evidence of the authorisation is maintained.	Checks added to Opus system for users to self-affirm OWB process has been followed. System permissions settings have been discussed with Opus - Programme Manager and Finance Business Partner reviewing what appropriate user permissions should be based on Opus feedback on system capability.	March 2025

- 7.3. Work is still on-going with the audit recommendations between HR, Procurement, Finance and management to address these recommendations. Whilst a number have been delivered upon there is further work required on reducing the usage and cost of non-contracted workers. It is important to acknowledge there will still be a requirement in future to have a small percentage of non-contracted workers for covering short-term absence, vacancies and/or specific projects if the skills aren't held internally.
- 7.4. The implementation of the Organisation-Wide Workforce Board, chaired by the Executive Director Section 151, Executive Director DASS with Strategic Finance Business Partner and HR & OD Manager in attendance is the additional measure to check and challenge the request and use of non-contacted workers within the organisation, with management needing to adhere to published ToR.

8. Additional Information

- 8.1. Since the initial Audit report, we moved from Matrix to Opus People Solutions. This is a regional agency Solutions for West Midlands Councils, developed by West Midlands Employers, and provided in partnership with Opus People Solutions. Opus People Solutions is the recruitment partner for the WMTemps framework. Established in 2014, Opus specialises in working with public sector clients to provide cost effective, high quality, end-to-end recruitment.
- 8.2. Opus is a people-led organisation with a dedicated recruitment team who will work directly with the council to provide an effective and efficient agency worker provision. As a company that is wholly owned by local authorities, all Opus' profits are retained in the public sector as part of their partnership arrangements. By working with one supplier, the council will be able to better understand and control their temporary workforce.
- 8.3. Our relationship with Opus People Solutions continues to develop as they look to support the council in our workforce planning through engagement at career events within the local community, schools and colleges. In December 2025, we will have our first Shropshire Education Event where Opus People Solutions along with HR and OD colleagues will meet with education teachers and leaders to upskill them in Local Government careers.
- 8.4. Opus People Solutions are actively engaged with Children's Services senior management to address our Social worker recruitment Solutions and reduce our agency use and increase 'contracted staff' arrangements.
- 8.5. Management compliance to the communicated guidance and procedures is vital in addressing and reducing our agency usage and costs.

9. Conclusions

- 9.1. Progress has been made across several key areas, particularly with revised Terms of Reference of the Organisation-Wide Workforce Board and the Opus contract. Work continues in the review and usages of agency workers across the council. Continued monitoring and timely implementation are essential to strengthen governance and ensure compliance across the council.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Local Member: Roger Evans

Appendices NA