

Council's use of Consultancy and Agency staff

To: Audit and Accounts Committee

Meeting Date: 26th May 2023

From: Tom Kelly
Service Director: Finance and Resources

Outcome: The Committee is asked to consider the information contained within the report.

Recommendation: The Committee is asked to note the information in the report and the action being taken.

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1. Background

- 1.1 Information covering the Council's use of consultants, agency workers and interims is presented to the Audit and Accounts Committee on a six monthly basis.
- 1.2 This report outlines that information for quarters 2, 3 and 4 of 2022/23 (June 2022 to March 2023).

2. Main Issues

Consultancy

- 2.1 OPUS have confirmed that no consultants were engaged through them in the period covered by this report.
- 2.2 Milestone expenditure is not included in the cost code analysis because this spend is made via a procured contract.
- 2.3 The table below summarises the consultancy spend over the period covered by the report, Appendix 1 breaks down the spend further.

Quarter	Spend
2	£600,312
3	£559,012
4	£575,361 (inc. accruals)

- 2.4 Officers are now required to complete an electronic approval form before engaging a consultant. The electronic approval form went live in quarter 3. In total, £1.1m of consultancy spend has been approved via the approval form but this isn't represented fully in the consultancy cost code spend analysis.
- 2.5 The difference in spend going through the approval form and the levels represented in the spend analysis may be explained by any or all the following:
 - The spend notified on an approval form will represent the total contract value. Payments will be made over the whole contract term and so it will take some time for the payments to 'catch up' with the contract value.
 - There will be a lag of potentially a few months between authorisation and the contract starting as the procurement will have to take place in the intervening period.
 - The spend may be coded elsewhere.
- 2.6 Over the next quarter, the Procurement and Commercial Team will track a sample of the approval forms to determine which of the possible explanations at 2.5 is occurring.

Agency Staff and Interims

- 2.7 The table below summarises the agency staff and interim spend over the period covered by the report.

Quarter	Total Agency Spend	Spend through Opus	% of workforce spend	Change in spend (from same quarter in the previous year)
2	£3.47m	£2.76m	9.5%	+£0.53m
3	£3.25m	£2.9m	7.3%	+£0.19m
4	£4.16m	£3.75m	10.2%	+£0.74m

Appendix 1 provides a breakdown of the expenditure by Directorate.

- 2.8 Appendix 1 highlights that Place and Sustainability is the department with the highest levels of non-Opus spend. However, most of the individuals employed outside Opus have left or been moved to an Opus arrangement in the new financial year.
- 2.9 The increasing spend is not creating a budgetary pressure, interims and project teams are being funded, in the main, by grants and vacancies.
- 2.10 The electronic approval form for agency staff and interims is not yet live due to the re-structuring in the department.

3. Appendices

- 3.1 Appendix 1 – Breakdown of Spend by Directorate