

Consultancy and Agency Spend

To: Audit and Accounts Committee

Meeting Date: 30th January 2025

From: Clare Ellis: Head of Procurement and Commercial
Janet Atkin: Service Director Human Resources

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

Recommendation: Committee is asked to note the information contained within this report.

Officer contact:

Name: Clare Ellis

Post: Head of Procurement and Commercial

Email: clare.ellis@cambridgeshire.gov.uk

Tel: 01480 372345

1. Background

- 1.1 Information on the Council's use of consultants, agency workers and interims is presented to this Committee on a six monthly basis for review.
- 1.2 This report covers quarters 1 and 2 of financial year 2024/25.
- 1.3 We are committed to only using consultants and agency workers where necessary and where all other avenues have been exhausted. There are many different instances which required the engagement of temporary resource either linked to the type of work required or in response to market pressures. Consultants might be engaged to deliver a specific output where the Council lacks specialist knowledge and that specialist knowledge would either be prohibitively expensive or only required in the short term. An agency worker is usually engaged to cover a vacant role on the establishment on a temporary basis.
- 1.4 The use of consultants, agency workers and interims are covered by the Consultant's Policy and the Agency Worker and Interim Policy. Both policies provide detailed definitions for officers to use when determining the right approach to securing what they need. For consultants, a procurement compliant with the Contract Procedure Rules will be needed. For agency workers/interims, Opus should be contacted first and only if they cannot fill a role should other routes be looked at.
- 1.5 The different types of engagement and descriptors are set out in the Consultant's Policy and below for clarification:

Term	Definition and information
Consultant	<p>A consultant/consultancy company is engaged to undertake a specific project/task with a specified endpoint and provides expertise that is not available internally.</p> <p>Consultants are not held against an existing post in our establishment. This policy covers the use of consultants/consultancy services.</p> <p>A Business Case must be approved prior to procuring a consultant/consultancy services, and any extensions to the original consultancy placement are subject to additional approvals and require a revised Business Case.</p>
Interim	<p>Engaged to cover a substantive post within our organisational structure for a defined period of time. Covers business-as-usual activities of a role on a short-term basis.</p> <p>As interims provide temporary cover for key roles, once an interim is appointed, their line manager has responsibility to develop a Succession Plan, to identify a permanent solution for filling the post. This may include identifying existing staff</p>

	members to undertake skills transfer work with the interim worker.
Agency worker	Engaged as a temporary resource. The maximum length of an agency worker placement is 13 weeks, or 20 weeks for a placement in a Social Care role. A single extension beyond this time period may be approved via a formal Business Case, as per the Agency Worker Policy.

- 1.6 Spend on both consultants and agency workers/interims is tightly controlled. Consultant spend requires an e approval form and then approval from the Workforce Expenditure Panel. Any spend through the consultancy cost code (above £5,000) is monitored by the Procurement and Commercial Team to ensure the proper approvals are in place. Agency workers/interims require an Approval to recruit e form which again goes to the Workforce Expenditure Panel for Approval.

2. Main Issues

2.1 Use of Consultants:

- 2.1.1 The table below provides a breakdown of spend in quarters 1 and 2 on consultants by Directorate and Service Area. This is only consultancy spend that has gone through the consultancy cost code.

Directorate	Service Area	Quarter 1	Quarter 2	No. of Consultants	Total
Adults, Health and Commissioning					
	Commissioning	0	40,000	1	40,000
	Service Director: Care and Assessment	4,999	£0	1	4,999
Total		4,999	40,000	2	44,999
Children, Education and Families					
	Care and Support	7,580	8,775	3	16,355
	Education	7,582	28,247	4	35,829
Total		15,162	37,022	7	52,184
Finance and Resources					
	Customer & Digital Services	0	119,926	1	119,926
	Resources Directorate	51,135	0	2	51,135
Total		51,135	119,926	3	171,061

Greater Cambridge Partnership (GCP)		450	170,898	3	171,348
Place and Sustainability					
	Climate Change and Energy	39,227	42,022	3	81,249
	Connecting Cambs	17,573	7,920	1	25,493
	Highways Maintenance	22,140	29,903	2	52,043
	Highways Project Delivery	0	500	1	500
	Planning Growth & Environment	13,088	25,827	3	38,915
Total		92,028	106,172	10	198,200
Strategy and Partnerships					
	Communities, Libraries and Skills	0	10,000	1	10,000
	Exec Director	600	13,388	2	13,988
	Legal and Governance Services	3,881	0	1	3,881
Total		4,881	23,388	4	28,269
	Grand Total	168,254	497,404	29	665,659

2.1.2 Spend in both quarters represents a reduction in spend from the same quarters in 2023/24.

2.1.3 In quarter 1, £271,500 was approved via the e approval form and the Workforce Expenditure Panel. In quarter 2, the amount was £192,089. As previously reported, there will be a time lag between approval and the spend appearing in ERP, the lag covering the procurement process and the contract starting. The Procurement and Commercial Team maintain their intervention on consultancy spend valued over £5,000 so POs are cross referenced with either existing contracts or Panel approval.

2.2 Use of Agency Staff and Interims

2.1.2 The table below provides a breakdown on spend by Directorate and Service Area

Directorate	Service Area	Quarter 1	Quarter 2	Total
Adults, Health & Commissioning				
	Commissioning	158,726	130,696	289,422
	Exec Director AHC	28,824	119,019	147,843
	Public Health	18,989	3,675	22,665
	Care & Assessment	589,019	333,913	922,933
	LDP and Prevention	470,370	372,374	842,744
Total		1,265,928	959,678	2,225,605
Children, Education and Families				
	C&S	1,673,345	1,623,141	3,296,486
	Children's care services managed by Adults	131,512	108,703	240,215
	Education	246,087	220,666	466,753
	Exec Director CEF	34,409	16,129	50,538
Total		2,085,353	1,968,639	4,053,992
Finance and Resources				
	Customer and Digital Services	95,209	146,141	242,014
	Investment Activity	12,184	19,384	31,568
	Resources	61,130	45,568	106,698
Total		168,523	211,757	380,281
Greater Cambridgeshire Partnership		0	12,251	12,251
Place and Sustainability				
	Climate Change	23,166	28,512	51,678
	Connecting Cambs	45,244	8,496	53,739
	Exec Director	7,521	8,496	53,739
	Highways Maintenance	0	36,071	36,071

	H&T: Project delivery	234,876	308,561	543,437
	H&T: Transport, Strategy & Development	66,837	65,320	132,157
	Planning & Growth	41,524	-28,856	12,668
Total		419,169	421,774	840,943
Strategy & partnerships (S&P)				
	Legal & governance	7,219	0	7,219
	S&P	57,587	70,297	127,884
Total		64,086	70,297	135,103
Grand Total		4,003,779	3,644,397	7,648,176

2.2.2 Of the above spend, £116,306 was non-Opus spend in quarter 1 and £98,588 in quarter 2. 82% of the non-Opus spend occurred in Children's Care services managed by Adults, this has been coded wrongly in ERP and the service area has been recommended to use a more appropriate code in the future.

2.2.3 Spend in quarter 1 rose by 17% compared to the same quarter in the previous year but spend in quarter 2 reduced by 21% compared to the same quarter in the previous year. Overall, therefore, spend continues to decline.

2.3 Interim Information

2.3.1 The table below provides interim information by Directorate, giving the total number of interims and the number of interims who have been employed for over 20 weeks. These are interims employed via Opus, it is not possible to identify interims not employed via Opus.

Directorate	Number of interims	10 Most Expensive Placementsⁱ
Adults, Health & Commissioning	104	0
Children, Education & Families	65	2
Finance and Resources	9	2
Place & Sustainability	23	2
GCP	Included in P&S	4

2.3.2 HR have committed to:

- Raise with each Executive Director the tenure and cost of each worker
- Utilise the Workforce Expenditure Control Panel to review all interim and agency staff.
- Report to CLT and each DMT, interim numbers on a regular basis.

2.4 Narrative on Spend

2.4.1 Adults, Health and Commissioning

Some of the spend is to cover in-house services which have a higher turnover of staff than average and agency cover is needed to ensure appropriate safe staffing levels. The service is exploring those with long periods of employment.

2.4.2 Finance and Resources

The Directorate has lower agency spend due to holding vacancies where appropriate to manage budgets. Consultancy spend mainly reflects the work undertaken to decouple IT and Digital Services from Peterborough which is now complete. The Directorate is managing this spend further and looking to manage revenue spend down longer term.

2.4.3 Children, education and families

Consultancy spend: the department used consultants to review the BAIP agreement with schools and the review of SAT operations as well as for Ofsted preparations. These were one off pieces of work funded by SEND improvement funds which had been allocated by Council in the budget voted in February 2024.

Agency spend: there are some areas in CEF that are holding several vacancies. The MASH, Assessment and Family Safeguarding and Support Teams are particularly affected. Investment in the budget will enable permanent recruitment to roles in the MASH and East Cambs as these are currently over establishment and therefore it is not possible to recruit permanently to them. There is a large piece of work looking at the long-term workforce plan to provide a short, medium and long term improvement plan for our workforce which will address the caseload capacity. We also have a lot of training social workers in our system who are not able to hold full caseloads which increases the need for experienced agency staff to hold complex casework.

2.4.4 Strategy and Partnerships:

Consultancy spend includes the buying of the services of a contract manager from Central Bedfordshire as we share the use of Pathfinder Legal Services. We have also procured a consultant to work on the partnership programme, Changing Futures, which supports people with complex and multiple needs. The agency staff and interim spend includes agency support to help us deliver the Household Support Fund, expertise in SEND and Safety Valve reporting for the Insight Team and expertise to support the delivery of social work training.

2.4.5 Place and Sustainability:

Consultants: The Directorate uses consultants for certain projects that require external expertise not available in existing teams. Once projects have been completed, the expertise is no longer required and so it is more suitable to have those people in external consulting roles rather than permanent staff. An example is the Waste PFI future strategy review where specialist knowledge for specific areas of the project is being provided by consultants.

Interims: Are used to provide specialist knowledge particularly in difficult to recruit to areas such as commercial management or to support the delivery of capital projects. Recruitment campaigns are ongoing, though, with the aim of reducing interim appointments in the future.

Any interims in post are currently covering approved and existing roles in the establishment and the interim rate has been benchmarked against the cost of employing a design consultancy or contractor to deliver the same work. As well as representing a reduced cost, using interims also provides a much greater degree of ownership and control across delivery of the capital programme than the use of consultants/contractors would, resulting in outcomes more closely aligned with the Council's priorities and objectives.

Connecting Cambridgeshire and the Consents team also use interims to provide specialist knowledge and expertise for specific projects such as the A428 discharge of requirements management. In other areas of the Directorate. 2 of the interim assignments have now come to an end.

The use of consultants and interims is continually reviewed by the Directorate Management Team, with Heads of Service, to ensure that we are getting the best value for money.

3. Appendices

N/A

4. Source documents

N/A
