

## Consultancy and Agency Spend

To: Audit and Accounts Committee

Meeting Date: 30<sup>th</sup> July 2024

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.

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## 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 3 and 4 of financial year 2023/24.
- 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 that needs to be undertaken 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:

<b>Term</b>	<b>Definition and information</b>
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 3 and 4 on consultants by Directorate and Service Area. This is only consultancy spend that has gone through the consultancy cost code.

Directorate	Service Area	Quarter 3	Quarter 4	Total
Adults, Health and Commissioning	Exec AHC	£0	£6,500	£6,500
Children, Education and Families	C&S	£4,610	£25,290	£29,900
Children, Education and Families	Education	£0	£1,925	£1,925
Children, Education and Families	Total	£4,610	£27,215	£31,825
Finance and Resources	Resources	£0	£2,850	£2,850
Greater Cambridge Partnership (GCP)	GCP	£108,996	£76,539	£185,535
Place and Sustainability	Climate Change	£68,650	£101,794	£170,444
Place and Sustainability	Connecting Cambridgeshire	£21,285	£29,770	£51,055
Place and Sustainability	Highways & Transport: highways maintenance	£61,155	£38,805	£99,960
Place and Sustainability	H&T: project delivery	£150,878	£1,344	£152,223
Place and Sustainability	H&T: Transport, Strategy and Development	£18,455	£8,294	£26,749
Place and Sustainability	Planning, Growth & Environment	-£2,717	£33,850	£31,133
Place and Sustainability	Total	£317,706	£213,858	£531,564
Strategy and Partnerships	Total	-£5,000	£0	-£5,000

	<b>Grand Total</b>	<b>£426,312</b>	<b>£326,962</b>	<b>£753,275</b>
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Please note that the negative figures represent miscodes from the previous quarter where the miscodes exceed the spend in the current quarter.

2.1.2 The spend in Quarter 3 represents a reduction in spend of £266,000 from the same quarter in 2022/23. The spend in Quarter 4 represents a reduction in spend of £648,000 from the same quarter in 202/2/23.

2.1.3 In quarter 3, £865,000 was approved via the e approval form and the Workforce Expenditure Panel. In quarter 4, the amount was £63,350. 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

<b>Directorate</b>	<b>Service Area</b>	<b>Quarter 3</b>	<b>Quarter 4</b>	<b>Total</b>
Adults, Health & Commissioning	Commissioning	£223,338	£177,402	£400,741
	Exec Director AHC	£78,689	£77,236	£155,295
	Care & Assessment	£438,342	£1,042,434	£1,480,776
	LDP and Prevention	£561,934,69	£677,320	£1,239,255
<b>Total</b>		<b>£1,302,306</b>	<b>£1,974,393</b>	<b>£3,276,069</b>
Children, Education and Families	C&S	£1,852,985	£1,720,152	£3,573,137
	Children's care services managed by Adults	£103,820	£194,631	£298,452
	Education	£89,568	£168,419	£257,988
	Exec Director CEF	£93,847	£6,800	£100,653
<b>Total</b>		<b>£2,140,221</b>	<b>£2,090,010</b>	<b>£4,230,232</b>
Finance and Resources	Customer and Digital Services	£308,420	£240,864	£549,285
	Investment Activity	£13,804	£18,480	£32,285
	Resources	£172,224	£93,507	£265,731
<b>Total</b>		<b>£494,449</b>	<b>£352,851</b>	<b>£847,301</b>
Place and Sustainability	Climate Change	£10,692	£30,294	£40,986

	Connecting Cams	£23,433	£51,750	£75,003
	Exec Director	-£9,436	£14,426	£4,989
	Highways & Transport (H&T): Highways Maintenance	£1,142	£0.00	£1,142
	H&T: Project delivery	£343,141	£258,892	£602,034
	H&T: Transport, Strategy & Development	£134,352	£88,593	£222,945
	Planning & Growth	£107,290	£55,629	£162,919
<b>Total</b>		<b>£610,615</b>	<b>£499,585</b>	<b>£1,110,200</b>
Public Health		£22,358	£22,358	£45,016
Strategy & partnerships (S&P)	Communities & Partnership	£39,480	£38,149	£77,629
	Legal & governance	£16,098	£12,727	£28,825
	S&P	£42,832	£57,329	£100,161
<b>Total</b>		<b>£98,410</b>	<b>£108,206</b>	<b>£206,616</b>
<b>Grand Total</b>		<b>£4,350,622</b>	<b>£5,365,144</b>	<b>£9,715,767</b>

2.2.2 Of the above spend, £134,000 was non Opus spend in quarter 3 and £93,000 in quarter 4. This figure is gradually reducing as seen when compared to similar non Opus spend of £376,000 in Q1 to £337,000 in Q2.

2.2.3 This reduction is as a direct result of the increase in rigour and governance around the engagement process which has been established through the Workforce Expenditure Control Panel process.

## 2.3 Interim Information

2.3.1 Internal Audit recently published a report on interim and agency staff spend, this required increased reporting on interims particularly. Please find below a summary of the information required by that report.

Directorate	Service Area	Number of interims	Placements over 20 weeks
Adults, Health & Commissioning	Adults & Safeguarding	2	2
	Commissioning	1	1

Children, education & families	Children & safeguarding	10	6
	Education	1	1
	Exec Director CEF	2	1
Resources	Finance and Resources	2	1
Place & sustainability	Connecting Cambs	1	1
	Exec Director	1	1
	H&T: Project delivery	4	4
	H&T: Trans, Strat & Dev	2	2
	Planning, growth & env	1	0
GCP	GCP	3	3

2.3.2 Of the interims identified above, the top 3 highest day rates were:

- 1 x Adults, health and commissioning (total cost £78,000)
- 2 x Children, education and families (total cost £70,785 and £58,410)

2.3.3 Of the interims identified above, the top 3 longest tenure were all in GCP with tenures of just under 4 years. All those interim placements have now ended.

2.3.4 All engagements are for 13 weeks and if further review is needed, it is undertaken by the Workforce Panel.

2.3.5 In all cases the cost of interims is in excess of 20% greater than the substantive post. This is due to the nature of the interim market and the fact that there is tough competition for people with the skills required in these roles.

## 2.4 Narrative on Spend

### 2.4.1 Adults, Health and Commissioning

Whilst £3.3m of agency and interim spend has been spent by the AHC Directorate across quarters 3 and 4, c. 77% of this was funded from external ring-fenced grant funding (predominantly Market Sustainability and Improvement Funding and Discharge Funding). The nature of the funding being short-term and one-off in nature has resulted in a high level of agency recruitment for these posts. The recruitment of permanent or fixed term posts has often been unrealistic due to this, alongside the need to rapidly implement schemes and additional capacity in line with the grant funding conditions.

Much of the remaining spend has been in relation to where we have filled existing vacancies across the directorate with short-term agency staffing. Whilst we endeavour to attract and recruit permanent staffing wherever possible, there are a number of specialist roles that are known to be hard to recruit, in line with national workforce shortages in these areas. This is particularly evident in relation to some professional roles, such as social

workers and occupational therapists. Maintaining a minimum level of staffing across teams is a requirement to ensure that services remain safe and that we are able to meet our duties under the Care Act 2014, responding to rising demand across many service areas.

We continue to take active steps to reduce agency spend through a number of initiatives, including:

- rolling evergreen recruitment adverts for hard to recruit to posts
- expanding use of apprenticeships to grow our own internal capacity
- reviewing our recruitment and retention approaches to ensure that Cambridgeshire County Council is an attractive employer

2.4.2 In CEF during 2023/24 there was a significant increase in the use of consultants to offer advice and management capacity. This was largely across social care.

Since June 2023 we have recruited to all senior roles on a permanent basis and have no consultancy cover arrangements for roles or the activity that those roles have responsibility for.

The final role to be covered was the SD Education which ended in May 2024.

We have agreed 2 x consultants to review specific aspects of our education portfolio. These being: -

1. SEND Self Evaluation, EHCP processes and Safety Valve.
2. Review of the Local Authority and school partnership Behaviour, Attendance and Improvement Partnership (BAIP) arrangements.

The agency cohort remains a significant pressure in relation to social worker roles and SEND casework officer roles. Social workers are c32% agency with a target to reduce to 15%. SEND caseworkers include 8 additional capacity roles to support EHCP processes.

All agency roles are reviewed regularly and when demand reduction means these roles are not required the contract is terminated e.g. fostering team social worker role was agreed for closure w/c 08/07/24.

The workforce development board is supporting the recruitment of a permanent workforce for social workers. However, there is a national shortage of QSW's and this, combined with Cambridgeshire's relatively high caseloads makes recruitment difficult.

2.4.3 In Place and Sustainability, for Highways and Transport, 3 progression schemes have been established in hard to fill posts including Commercial, Project Management and Design. These have been key in improving retention and reducing reliance on interims. The schemes present a career path enabling the development of existing staff and the flexibility to bring talent into the Council at any point on the progression staircase. By the end of February 2024, Project Delivery were down to 6 interims in permanent roles, 22 interims having been removed from the team. The interim model which was in place in

July 2022 was costing, £3.6m per annum, the current annual interim cost is £880,000 for 9 posts – 6 of these are actively being recruited to and 3 are fixed term.

In some cases, having an interim blend in a capital dominated environment is sensible despite the approach to reduce the numbers of interims. For example, if CPCA funding was to reduce or disappear, purely capitalised roles would become a revenue pressure. So it is argued that having a consultant on, for example, the A10 or A141, means that the contract can be finished when he work ends.

The majority of the agency spend in the Climate Change and Energy Service and Connecting Cambridgeshire is funded through external sources and is connected with specific projects. Additional agency spend is being monitored by the Workforce Expenditure Panel and is due to a failure to recruit (CCES).

Additional agency spend in the Directorate is connected with the work being undertaken on the Waste PFI.

Overall, Place and Sustainability has substantially reduced their agency/interim use and either has a clear exit strategy or arrangements in place that are for specialist requirements funded from grants or other external sources of funding.

2.4.4 In Finance and Procurement the spend in Quarter 4 was external professional input for the payment card industry compliance process and support for accreditation processes.

### 3. Appendices

None

### 4. Source documents

None