

HUNTINGDONSHIRE DISTRICT COUNCIL

Subject Matter:	Use of Consultants, Hired Staff and Temporary Staff
Meeting:	Employment Committee
Executive Portfolio:	Strategic Finance
Report by:	Director of Finance and Corporate Resources
Ward(s) affected:	All

Executive Summary:

Members requested this annual report in order to monitor the Council's use of interim staff (consultants and temporary staff).

Capital

During 2022/23, consultants have continued to be employed to provide technical and professional advice in respect of the Commercial Investment Strategy, Local Plans, future high street funding and development of market town prospectus for growth. There were also costs for temporary staff which have been employed on capital projects in the year.

Revenue

Overall, there was a net increase of £215k in the cost of interim staff in 2022/23 when compared to 2021/22. There is a continued use of interim staff to meet one off-activities delegated from central government, to cover staff vacancies across the Council where recruitment has proved difficult, and to provide expert advice and interim capacity whilst the Council follows the current transformation programme, development of the Local Plans and other business efficiency improvements.

All costs relating to interim staff have been met from within current resources (central government grants, existing budgets or use of earmarked reserves) and the use of such staff has given the Council the flexibility and short-term capacity to undertake its transformation programme.

Recommendation:

Members are asked to consider the report and comment as they consider necessary.

1. PURPOSE OF THE REPORT

- 1.1 To advise of the use of consultants and temporary staff during the 2022/23 financial year.

2. BACKGROUND

- 2.1 In July 2014 the Employment Panel approved guidance notes for managers regarding the use of consultants and temporary staff.
- 2.2 The use of interim staff is an essential requirement in the day-to-day management of the Council's business. However, their use is limited to a range of specific purposes i.e., to meet a specialist skills gap where a full-time resource would not award the Council value for money, to cover for unplanned gaps in staffing or to meet short-term peaks in workload.
- 2.3 Increasingly, the Council is benefitting from successful bids which attract external funding to deliver projects that meet our corporate objectives. Use of interim staff to deliver these projects is therefore fully funded and does not represent an additional burden on the MTFS.
- 2.4 The Council's accepted definitions for consultants and temporary staff is shown below:

Consultants

Individuals contracted to the Council as a sole trader or employees of a contractor to provide specialist and/or professional skills and knowledge the Council lacks. This is often to deliver a specific task or project where it would be non-economic for the Council to retain these skills on a full-time basis. The contract terminates after a defined period of event (e.g., delivery of a report of advice).

Temporary Staff

Individuals contracted to the Council as employees of an agency or contractor to provide additional capacity. They may be providing short term cover for staff absences (e.g., refuse operatives) or medium-term cover (e.g., cover for vacant posts while permanent recruitment completes).

3. EXPENDITURE ANALYSIS

- 3.1 The analysis shown below is split between capital and revenue. The reason for this distinction is that interim staff employed for capital development projects are incidental to the project and can be financed from capital resources i.e., the sale of assets.

3.2 Capital

During 2022/23, there was a net decrease of £521k in the cost of interim staff compared to 2021/22, a summary is shown below, and the detailed analysis is shown in **Appendix 1**.

Capital Comparison of consultants and temporary staff 2022/23 and 2021/22			
	Consultants	Temporary	TOTAL
	£000	£000	£000
2022/23	827	155	982
2021/22	1,259	244	1,503
Decrease	(432)	(89)	(521)

This decrease relates mainly to decreased reliance on consultants within the Market Town/Future High Street programme and the Commercial Investment Strategy, and the completion of decarbonisation works at Council properties.

3.3 Revenue

During 2022/23, there was a net increase of £215k in the cost of interim staff compared to 2021/22, a summary is shown below, and the detailed analysis is shown in **Appendix 2**.

Revenue Comparison of consultants and temporary staff 2022/23 and 2021/22			
	Consultants	Temporary	TOTAL
	£000	£000	£000
2022/23	1,056	1,787	2,843
2021/22	598	2,030	2,628
Increase/(Decrease)	458	(243)	215

This increase can, in the main, be attributed to the delivery of the Place Strategy and the continued use of consultants to support the planning application processes.

4. KEY IMPACTS

- 4.1 The use of interim staff assists the Council in meeting services needs and objectives. If such resources are not used from time-to-time, then it is very likely that service delivery and priorities would be impacted, and the process of transformation would take considerably longer.

5. LEGAL IMPLICATIONS

- 5.1** There are no direct legal implications arising from this report.

6. RESOURCE IMPLICATIONS

- 6.1** Regarding capital, as the Commercial Investment Strategy matures there will be incidental costs relating to both the acquisition, and in time, disposal of assets. Also, over the life of a capital asset it is necessary for the Council to undertake some enhancement activity to ensure that such assets maintain their capital value, can continue to meet agreed lease standards and health & safety obligations.
- 6.2** New regulations came into force on 6 April 2017 changing the responsibility for assessing the tax status of consultants, interims, and temporary staff. If directly engaged (not through an agency), the Council must determine whether the individual is acting as if a member of staff and if appropriate, collect national insurance (NI) contributions and tax. The determination, based on HMRC guidance, considers a number of factors including duration, if a post holder, ability to substitute, etc. Failure to collect the correct tax and NI risks incurring fines, interest charges and back tax. The Management Team have been briefed and provided with links to the HMRC guidance and the HMRC online assessment tool. The Heads of Service have been tasked with identifying any consultants, interims and temporary staff that fall within the scope of the regulations and carrying out the appropriate assessment.

7. LIST OF APPENDICES INCLUDED

- Appendix 1 - consultants and temporary staff – capital expenditure
- Appendix 2 - consultants and temporary staff – revenue expenditure

BACKGROUND PAPERS

None.

CONTACT OFFICER

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Director of Finance and Corporate Resources

CAPITAL EXPENDITURE

Comments on expenditure in excess of £10,000 are provided.

CONSULTANTS CAPITAL EXPENDITURE			
Head of Service	2021/22 £000	2022/23 £000	
Chief Operating Officer	7	15	Replacement Environmental Health software
Corporate Resources	305	23 4 6	Bridge Place car park Oak Tree Drive remedial works Upgrade to public conveniences
Housing Strategy	807	706	Project Management for the Market Town & Future High St Programme *
ICT Shared Services	0	9	
Leisure & Health	20	3	
Operations	0	7	Godmanchester Mill weir improvements *
Strategic Insight & Delivery	120	30 24	Fees relating to: Hinchingsbrooke Country Park St Neots Riverside path & cycle ways *
TOTAL	1,259	827	

TEMPORARY STAFF CAPITAL EXPENDITURE			
Head of Service	2021/22 £000	2022/23 £000	
ICT Shared Services	9	73	Telephony project
Strategic Insight & Delivery	7	0	
Housing Strategy	120	81	Project Management for the Market Town & Future High St Programme *
Corporate Resources	108	1	
TOTAL	244	155	

* externally funded

Appendix 2

REVENUE EXPENDITURE

Comments on expenditure in excess of £10,000 are provided.

CONSULTANTS REVENUE EXPENDITURE				
Head of Service	2021/22 £000	2022/23 £000	Expenditure for 2022/23 includes	Justification for Spend
Chief Operating Officer	4	22 7 8	Support for: Licensing Customer Services Printing Services	Specialist advice not available within establishment
Chief Planning Officer	63	180 21 10 4	Support for: Planning applications** A428 project** Local plan** Other**	Specialist advice not available within establishment
Corporate Leadership	7	138	Support for the Place Strategy *	Specialist advice not available within establishment
Corporate Resources	244	95 118 74 20 20	Support for: Covid-19 initiatives * Commercial Estates ** Treasury, valuations and pension fund administration** HR initiatives Other areas	Specialist knowledge not available within the Council and/or that is required for financial stewardship and audit
Economic Development	2	0		
Housing Strategy	16	0		
ICT Shared Services	96	142	Support for ICT applications **	Specialist knowledge not available within the establishment

Leisure & Health	1	16 4 5 6	Support for: Sales Support Programme Digital audit Demographic analysis Other areas	Specialist knowledge not available within the establishment
Operations	8	13 13 5 5 5	Support for: Amey contract novation RouteSmart options modelling ISO9001 management system DAS certification Other areas	Specialist knowledge not available within the establishment
Strategic Insight & Delivery	157	58 48 15 4	Support for: Civil parking enforcement implementation project * Biodiversity initiatives * Review of traffic regulation orders Other areas	Specialist advice not within establishment.
TOTAL	598	1,056		

* externally funded or funded from earmarked reserves/increased income

** budgeted in MTFS

TEMPORARY STAFF REVENUE EXPENDITURE				
Head of Service	2021/22 £000	2022/23 £000	Expenditure for 2021/22 includes	Justification for Spend
Chief Operating Officer	102	192	Agency staff for Benefits Administration *	A combination of cover to maintain service delivery and to cover additional workload re grant payments
Chief Planning Officer	488	243	Agency staff for Development Management *	Cover to maintain service delivery
Corporate Resources	638	96	Agency staff for Commercial Estates *	To support the income generating portfolio of property
Housing Strategy	168	125	Temporary staffing *	Market town programme manager costs
ICT Shared Services	189	141	Specialist staff employed to assist with software and project implementation **	Cover for vacant posts and project delivery
Operations	437	815 162 13	Agency staff for: Waste Management * Street Cleansing * Vehicle maintenance	Requirement to back fill vacancies and holidays with agency staff to maintain service delivery
Strategic Insight & Delivery	8	0		
TOTAL	2,030	1,787		

- * externally funded or funded from earmarked reserves/increased income/staff savings
- ** budgeted in MTFS