

**HUNTINGDONSHIRE DISTRICT COUNCIL**

**Title/Subject Matter:** Use of Consultants, Hired Staff and Temporary Staff

**Meeting/Date:** Employment Committee 16 September 2020

**Executive Portfolio:** Strategic Resources: Councillor J A Gray

**Report by:** Chief Finance Officer

**Ward(s) affected:** All

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**Executive Summary:**

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

**Capital**

During 2019/20, 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 £153k in the cost of interim staff in 2019/20 when compared to 2018/19. The largest increase was in the use of consultants £269k with the employment of temporary staff showing a net decrease of £117k. The continued use of interim staff to meet vacancies across the Council, 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 (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 2019/20 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. 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 skills and knowledge the Council lacks. 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). The supplier is paid by invoice.

## 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.

### Capital

- 3.2 During 2019/20, there was a net increase of £48k in the cost of interim staff compared to 2018/19, a summary is shown in **Table 1** and the detailed analysis is shown in **Appendix 1**.

<b>Capital Comparison of consultants and temporary staff 2018/19 and 2019/20</b>			<b>Table 1</b>
	<b>Consultants</b>	<b>Temporary</b>	<b>TOTAL</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
2019/20	515	15	<b>530</b>
2018/19	281	201	<b>482</b>
<b>Variance</b>	<b>234</b>	<b>-186</b>	<b>48</b>

The main reasons for the increase in Consultants costs in 2019/20 are:

- Commercial Investments Rowley Centre and Tri-Link
- Construction of industrial units at Alms Close

The main reasons for the reduction in Temporary staff costs in 2019/20 are:

- Completion of the implementation of the new Financial Management System.

## Revenue

- 3.3 During 2019/20, there was a net increase of £153k in the cost of interim staff compared to 2018/19, a summary is shown in **Table 2** and the detailed analysis is shown in **Appendix 2**.

Revenue Comparison of consultants and temporary staff 2018/19 and 2019/20			Table 2
	Consultants	Temporary	TOTAL
	£000	£000	£000
2018/19	1,020	1,670	2,690
2017/18	751	1,787	2,537
<b>Variance</b>	<b>269</b>	<b>-117</b>	<b>153</b>

- 3.4 The main reason for the increase in temporary staff costs in 2019/20 relates to an increase in the level activity on specific business as usual areas such as:
- To support development of market town master plans and future high street funding bids to MHCLG
  - To support strategic investment decisions

## 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 With regard to 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.

6.3 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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**CAPITAL EXPENDITURE**

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

<b>CONSULTANTS CAPITAL EXPENDITURE</b>			
<b>Head of Service</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>	
COO	16	43	Consultants fees related to Cash Receipting system and CRM
Leisure & Health	53	39	Consultants fees related St Ives fitness project and general advice across all leisure facilities
Operations	11	2	
Resources	193	431	Commercial Investment support for Rowley Centre and Tri-Link; Project Management for Alms Close and Oaktree Centre
ICT	8	0	
<b>TOTAL</b>	<b>281</b>	<b>515</b>	

<b>TEMPORARY STAFF CAPITAL EXPENDITURE</b>			
<b>Head of Service</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>	
Operations	6	0	
Resources	195	15	Additional support in relation to sale of Bridge Place Car Park
ICT	0	0	
<b>TOTAL</b>	<b>201</b>	<b>15</b>	

## REVENUE EXPENDITURE

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

CONSULTANTS REVENUE EXPENDITURE				
Head of Service	2018/19 £000	2019/20 £000	Expenditure for 2019/20 includes	Justification for Spend
COO	33	147	£82k in support of loss of senior member of staff; £12k for advice for planning application appeal; £21k support of licensing	Specialist advice not within establishment.
Leisure & Health	5	48	£32k in support of St Ives outdoor proposal	Specialist advice not within establishment.
Operations	96	14		
Resources	96	180	£41k in support of advice on proposed investment in energy from waste.  £12k in support of on going provision of insurance claims.  £23k in support for on going legal challenge regarding HDC car park facility.  £15k in support of treasury activity	Specialist knowledge not available within the establishment.  Specialist knowledge not available within the establishment.  Specialist knowledge not available within the establishment.  Specialist advice not available within the establishment that is required for financial stewardship and audit.
Corporate Team Manager	5	7		
ICT Shared Services	367	123	£35k in support of IDOX application  £28k in support of various applications (Capita, Northgate and Uniform)  £17k in support of Council Anywhere implementation	Specialist knowledge not available within the establishment.  Specialist knowledge not available within the establishment.  Specialist knowledge not available within the establishment.
Transformation	46	28	Continuation of the transformation project	Creation of business efficiencies
Housing	0	27	£27k support in development of housing options	Specialist knowledge not available within the establishment. Income generating
Programmes	0	19	£19k consultation on programme management within HDC	Creation of business efficiencies

Planning Policy	103	427	<p>£157k in support of development of Market Town prospectuses for growth.</p> <p>£97k in support of investigate potential development sites with Huntingdonshire (St Ives and Huntingdon).</p> <p>£77k in support of local plan prep.</p> <p>£69k in support St Neots future funding of the highstreets bid.</p>	<p>Specialist knowledge not available within the establishment. Funded by Cambridge and Peterborough Combined Authority.</p> <p>Specialist knowledge not available within the establishment.</p> <p>Specialist knowledge not available within the establishment.</p> <p>Specialist knowledge not available within the establishment.</p>
<b>TOTAL</b>	<b>751</b>	<b>1,020</b>		

<b>TEMPORARY STAFF REVENUE EXPENDITURE</b>				
<b>Head of Service</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>	<b>Expenditure for 2019/20 includes</b>	<b>Justification for Spend</b>
COO	110	181	Temporary staff	To cover vacancies particularly in Planning (Development Management)
Housing	0	5		
Leisure & Health	10	10		
Operations	728	555	Use of agency staff to cover basic collection rounds.	Requirements to back fill vacancies and holidays with agency staff to maintain service delivery.
Resources	579	548	<p>The Financial Services Team have required extra to complete implementation of the FMS and the delayed recruitment to the Finance Managers post (£164k)</p> <p>Attempts to fill the vacant Estates Management posts have failed and staff are required to fill the income generating portfolio of property (£279k)</p>	<p>Covering vacant posts.</p> <p>Extra resources to undertake one-off project.</p> <p>Covering vacant posts.</p> <p>Income generating</p>
ICT Shared Services	354	367	Hired staff used until permanent staff	To cover vacancies and one-off projects

			appointed and the hire of specialist staff to assist with software and other implementations	
Transformation	6	4		
<b>TOTAL</b>	<b>1,787</b>	<b>1,670</b>		