

**HUNTINGDONSHIRE DISTRICT COUNCIL**

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

**Meeting/Date:** Employment Committee 15 September 2021

**Executive Portfolio:** Strategic Finance: 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 2020/21, 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 decrease of £131k in the cost of interim staff in 2020/21 when compared to 2019/20. There is a 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 2020/21 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, there 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 2020/21, there was a net decrease of £306k in the cost of interim staff compared to 2019/20, a summary is shown below, and the detailed analysis is shown in **Appendix 1**.

<b>Capital Comparison of consultants and temporary staff 2019/20 and 2020/21</b>			
	<b>Consultants</b>	<b>Temporary</b>	<b>TOTAL</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
2020/21	125	99	<b>224</b>
2019/20	515	15	<b>530</b>
<b>(Decrease)/Increase</b>	<b>(390)</b>	<b>84</b>	<b>(306)</b>

## Revenue

- 3.3 During 2020/21, there was a net decrease of £131k in the cost of interim staff compared to 2019/20, a summary is shown below, and the detailed analysis is shown in **Appendix 2**.

<b>Revenue Comparison of consultants and temporary staff 2019/20 and 2020/21</b>			
	<b>Consultants</b>	<b>Temporary</b>	<b>TOTAL</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>2020/21</b>	932	1,627	<b>2,559</b>
<b>2019/20</b>	1,020	1,670	<b>2,690</b>
<b>(Decrease)</b>	<b>(88)</b>	<b>(43)</b>	<b>(131)</b>

## 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.
- 6.3 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>2019/20 £000</b>	<b>2020/21 £000</b>	
COO	43	9	
Leisure & Health	39	23	Fees related to St Ives changing rooms project.
Operations	2	19	Fees relating to Godmanchester Mill weir improvements (£14k) plus small spends across a number of other projects.
Resources	431	70	Project Management for Alms Close development.
Transformation	0	4	
<b>TOTAL</b>	<b>515</b>	<b>125</b>	

<b>TEMPORARY STAFF CAPITAL EXPENDITURE</b>			
<b>Head of Service</b>	<b>2019/20 £000</b>	<b>2020/21 £000</b>	
Resources	15	3	Additional support in relation to sale of Bridge Place Car Park
		56	Project management costs relating to the Alms Close
		28	Project management costs relating to the Oak Tree Car Park redevelopment
		12	Project management costs relating to the Oak Tree Centre
<b>TOTAL</b>	<b>15</b>	<b>99</b>	

## REVENUE EXPENDITURE

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

<b>CONSULTANTS REVENUE EXPENDITURE</b>				
<b>Head of Service</b>	<b>2019/20 £000</b>	<b>2020/21 £000</b>	<b>Expenditure for 2020/21 includes</b>	<b>Justification for Spend</b>
COO	147	135	£59k in support of loss of senior member of staff; £20k for advice for planning application appeal; £56k support of licensing	Specialist advice not within establishment.
Corporate Leadership Team	7	0		
Housing	27	90	£75k in support of housing strategy; £15k in support of development of housing options	Specialist knowledge not available within the establishment. Income generating
ICT Shared Services	123	169	£71k in support of IDOX application; £23k in support of ESRI application; £20k in support of Phoenix application; £15k in support of Northgate application; £12k in support of Bramble Hub application; £7k in support of Civica application; £21k in support of other areas	Specialist knowledge not available within the establishment.
Leisure & Health	48	12	In support of Threadneedle application.	Specialist advice not within establishment.
Operations	14	168	£87k in support of media campaigns; £20k in support of trade waste market strategy; £37k in support of parks planning proposals and feasibility studies; £24k in support of other areas.	Specialist advice not within establishment.
Planning Policy	427	112	£12k in support of development of Market Town prospectuses for growth; £23k in support of review of HDC community infrastructure levy; £65k in support St Neots future funding of the highstreets bid; £24k in support of other areas.	Specialist knowledge not available within the establishment.
Programmes	19	9		

Resources	180	205	£79k in support of Covid-19 initiatives; £13k in support of advice on proposed investment in energy from waste; £39k in support of estates services; £53k in support of treasury, valuations and pension fund administration; £25k in support of other areas.	Specialist knowledge not available within the establishment and that is required for financial stewardship and audit.
Transformation	28	32	In support of ongoing transformation projects	Creation of business efficiencies
<b>TOTAL</b>	<b>1,020</b>	<b>932</b>		

<b>TEMPORARY STAFF REVENUE EXPENDITURE</b>				
<b>Head of Service</b>	<b>2019/20 £000</b>	<b>2020/21 £000</b>	<b>Expenditure for 2020/21 includes</b>	<b>Justification for Spend</b>
COO	181	247	Temporary staff	To cover vacancies, particularly in Development Management where, due to Covid, temporary staff were retained longer than anticipated, and to help with Universal Credit caseload migration in Housing Benefits.
Growth	0	138	Temporary staff	Market town programme manager costs.
Housing	5	1		
Leisure & Health	10	0		
Operations	555	334	Use of agency staff to cover basic collection rounds.	Requirements to back fill vacancies and holidays with agency staff to maintain service delivery.
Resources	548	740	Covid-19 cover (£251k)  Attempts to fill the vacant Estates Management posts have failed and staff are required to fill the income generating portfolio of property (£334k). Security costs at Pathfinder House (£87k)	Cost of temporary staff employed as a direct result of Covid-19. Covering vacant posts which should be income generating.  Ongoing costs.
ICT Shared Services	367	167	Hire of specialist staff to assist with software and other implementations	To cover vacancies and one-off projects. Offset by increased charge to partners.
Transformation	4	0		
<b>TOTAL</b>	<b>1,670</b>	<b>1,627</b>		