

## HUNTINGDONSHIRE DISTRICT COUNCIL

<b>Subject Matter:</b>	Use of Consultants, Hired Staff and Temporary Staff
<b>Meeting:</b>	Employment Committee
<b>Executive Portfolio:</b>	Strategic Finance
<b>Report by:</b>	Chief Finance Officer
<b>Ward(s) affected:</b>	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 2021/22, 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 £67k in the cost of interim staff in 2021/22 when compared to 2020/21. 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 2021/22 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 2021/22, there was a net increase of £1,280k in the cost of interim staff compared to 2020/21, a summary is shown below, and the detailed analysis is shown in **Appendix 1**.

<b>Capital Comparison of consultants and temporary staff 2021/22 and 2020/21</b>			
	<b>Consultants</b>	<b>Temporary</b>	<b>TOTAL</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>2021/22</b>	1,259	244	<b>1,503</b>
<b>2020/21</b>	125	99	<b>224</b>
<b>Increase</b>	<b>1,134</b>	<b>145</b>	<b>1,279</b>

This increase relates mainly to the Market Town/Future High Street programme and the decarbonisation of Council properties, both of which are externally funded.

### 3.3 Revenue

During 2021/22, there was a net increase of £69k in the cost of interim staff compared to 2020/21, a summary is shown below, and the detailed analysis is shown in **Appendix 2**.

<b>Revenue Comparison of consultants and temporary staff 2021/22 and 2020/21</b>			
	<b>Consultants</b>	<b>Temporary</b>	<b>TOTAL</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>2021/22</b>	598	2,030	<b>2,628</b>
<b>2020/21</b>	932	1,627	<b>2,559</b>
<b>(Decrease)/Increase</b>	<b>(334)</b>	<b>401</b>	<b>69</b>

This increase can, in the main, be attributed to the additional burden placed upon the Council to deliver government initiatives, often on a time-limited basis. This additional burden has been funded by way of government grants.

## 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**

Sharon Russell-Surtees  
Chief Finance Officer

## CAPITAL EXPENDITURE

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

<b>CONSULTANTS CAPITAL EXPENDITURE</b>			
<b>Head of Service</b>	<b>2020/21 £000</b>	<b>2021/22 £000</b>	
COO	9	7	
Leisure & Health	23	13	Fees related to: St Ives changing rooms project £13k
		7	One Leisure Ramsey 3G
Operations	19	18	Fees relating to: Godmanchester Mill weir improvements *
		45	Hinchingbrooke Country Park St Neots Riverside path & cycle ways *
		22	Parklets *
		17	Town Walks *
		11	Back office improvements
		7	
Planning Policy	0	807	Project Management for the Market Town & Future High St Programme *
Resources	70	223	Project management for: Decarbonisation schemes *
		5	Alms Close development
		46	Oak Tree Drive remedial works
		31	Bridge Place car park £31k
Transformation	4	0	
<b>TOTAL</b>	<b>125</b>	<b>1,259</b>	

\* externally funded

<b>TEMPORARY STAFF CAPITAL EXPENDITURE</b>			
<b>Head of Service</b>	<b>2020/21 £000</b>	<b>2021/22 £000</b>	
ICT Shared Services	0	9	
Operations	0	7	
Planning Policy	0	120	Project Management for the Market Town & Future High St Programme *
Resources	99	2	Additional support in relation to sale of Bridge Place Car Park
		58	Project management costs relating to the Alms Close
		11	Project management costs relating to the Oak Tree Car Park redevelopment
		37	Project management costs relating to the Oak Tree Centre
<b>TOTAL</b>	<b>99</b>	<b>244</b>	

\* externally funded

## REVENUE EXPENDITURE

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

<b>CONSULTANTS REVENUE EXPENDITURE</b>				
<b>Head of Service</b>	<b>2020/21 £000</b>	<b>2021/22 £000</b>	<b>Expenditure for 2021/22 includes</b>	<b>Justification for Spend</b>
COO	135	53	Support for: Planning applications 7 Licensing	Specialist advice not available within establishment
Corporate Leadership	0	7		
Housing	90	9 7	Support for: Market Town Programme * Housing strategy	Specialist knowledge not available within the establishment.
ICT Shared Services	169	18 31 5 16 15 11	Support for ICT applications: IDOX Yotta Phoenix Northgate NTA Other areas	Specialist knowledge not available within the establishment.
Leisure & Health	12	1		
Operations	168	17 10	Support for: Civil parking enforcement implementation project ** Other areas	Specialist advice not within establishment.
Planning Policy	112	8		
Programmes	9	0		
Resources	205	55 43 126 20	Support for: Covid-19 initiatives * Commercial Estates ** Treasury, valuations and pension fund administration Other areas	Specialist knowledge not available within the Council and that is required for financial stewardship and audit.

Transformation	32	139	Support for ongoing transformation projects *	Creation of business efficiencies
<b>TOTAL</b>	<b>932</b>	<b>598</b>		

\* externally funded or funded from earmarked reserves/increased income

\*\* budgeted in MTFS

<b>TEMPORARY STAFF REVENUE EXPENDITURE</b>				
<b>Head of Service</b>	<b>2020/21 £000</b>	<b>2021/22 £000</b>	<b>Expenditure for 2021/22 includes</b>	<b>Justification for Spend</b>
COO	247	488	Agency staff for: Development Management	Cover to maintain service delivery Additional workload due to Covid
		101	Benefits Administration *	
Housing	1	0		
ICT Shared Services	167	189	Specialist staff employed to assist with software and project implementation **	Cover for vacant posts and project delivery
Operations	334	406	Agency staff for: Waste Management **	Requirement to back fill vacancies and holidays with agency staff to maintain service delivery
		24	Street Cleansing **	
		15	Other areas	
Planning Policy	138	168	Temporary staff *	Market town programme manager costs
Resources	740	362	Agency staff for: Covid-19 cover *	Staff employed as a direct result of Covid-19 To support the income generating portfolio of property Maternity cover Vacancy cover Vacancy cover
		160	Commercial Estates *	
		90	Finance	
		10	HR **	
		17	Other areas	
<b>TOTAL</b>	<b>1,627</b>	<b>2,030</b>		

\* externally funded or funded from earmarked reserves/increased income

\*\* budgeted in MTFS