



**Governance and Audit
Committee**

Tuesday 6 November 2018

Subject: Expenditure on Agency and Consultants 2017/18

Report by:

Executive Director of Resources

Contact Officer:

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Purpose / Summary:

Annual report for Members on the expenditure incurred during 2017/18 on the engagement of externally appointed temporary/agency staff and consultants.

RECOMMENDATION(S):

- 1) Members accept the content of this report.**

IMPLICATIONS

Legal: None from this report.

Financial : FIN/105/19/TJB

The costs of Agency/External interim staffing totalled £860k (£757k 2016/17) of which

- £63k (£83k 2016/17) was funded from additional Planning Fee Income, as resources were required to meet the demands on the service.
- £44 (£75k 2016/17) funded by the grant and contributions
- £421k were sourced from WLDC Staffing Services Ltd

The costs of consultants was £213k (£320k 2016/17) of which

- £5k (£0) was funded from grant
- £27k was capitalised relating expert advice for commercial property investment

All expenditure has been contained within approved budgets.

Staffing: None arising from this report.

However, the impact of sickness and holidays within waste service results in an ongoing need for agency staffing throughout the year.

Equality and Diversity including Human Rights :

No impact

Risk Assessment :

The availability of agency staff will not meet the level of demand for business continuity of operational services.

Climate Related Risks and Opportunities :

None arising from this report.

Title and Location of any Background Papers used in the preparation of this report:

None.

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

x

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

x

Executive Summary

1. Background

1.1 The Governance and Audit committee have requested that an annual report be presented on the use and engagement of temporary staffing and consultancy. This was as a consequence of a 'Limited' Assurance given during the Internal Audit 2011. The following actions were subsequently implemented:

- No consultant should be engaged without evidenced authorisation from either the Chief Operating Officer or Executive Director;
- The period of engagement must be clear and adhered to with any extensions being authorised by the Chief Operating Officer or Executive Director;
- Financial Services will provide a full list of consultants used including the costs of consultancy to the Governance & Audit Committee on an annual basis. (See Section 5 Expenditure on temps, agency and consultants).

2. Definition of Consulting and Consultants

2.1 It is important that officers are clear on the distinction between a consultant as opposed to an interim manager or temporary employee.

2.2 The Management Consultancies Association (MCA) defines consulting as “the creation of value for organisations, through the application of knowledge, techniques, and assets to improve performance. This is achieved through the rendering of objective advice and/or the implementation of business solutions.”

2.3 Consultants are external third parties, with expertise that is typically not available internally. The Council employ consultants for short-term projects, and usually specify an endpoint to their involvement in the project. The responsibility for the final outcome of the project rests with the Council. This means that consulting is distinct from “outsourcing” or “staff substitution” (National Audit Office: Central government’s use of consultants).

2.4 Consultants are also distinct from contractors, in that the latter fill permanent vacancies or temporary increases in operational workload. Contractors are therefore used as day-to-day operational resources to maintain departmental function, and are managed by client staff.

3. Reasons for engaging agency staff and consultants

3.1 Agency staff are generally appointed on a temporary basis to cover reduced resources due to vacant posts, sickness, holiday cover etc. and also in periods of high demand for a service. In some instances the

appointment of temporary/ agency staff will enable West Lindsey District Council (WLDC) staff to be released to work on specific project delivery.

- 3.2 With the Council's acquisition of Surestaff (Lincs) Ltd in June 2016, operational service agency staffing needs, and some administrative positions have been met via our Tekal Company (WLDC Staffing Services Ltd) achieving savings when compared to other agency providers.
- 3.3 The Council hires consultants to bring in people with a particular set of skills. In 2017/18 these have been mainly experts in their field or have had previous experience of similar projects.
- 3.4 As third parties, consultants are also able to approach challenges facing an organisation from a fresh perspective and are able to provide an opinion expressed by as expert.
- 3.5 Unlike internal staff engaged on project who still have day-jobs, consultants are able to dedicate all their time and efforts to the project, which means that they are helpful in keeping a project going. Managers may also wish to hire consultants to collect data to help them decide what to do, or to offer a creative solution to a problem.
- 3.6 By utilising the Council's standardised project documentation, consultants are able to develop a plan with a structured methodology that captures the accumulated lessons of previous projects. This may also be important in increasing confidence that the project will meet the expectations of its sponsors and partners.

4. Expenditure incurred 2017/18

- 4.1 The WLDC employee budget totalled £10.356m.
- 4.2 Actual expenditure including costs totalled £10,213k (£9,829k 2016/17) of which interim/agency staff totalled **£860k (8.4%)** in 2017/18 (£757k (7.7%) 2016/17):
 - £397k related to Operational Services, ensuring seasonal work, operational cover and service delivery are maintained. Additional resourcing was also required for the implementation of Green Waste Collection charging;
 - £132k was incurred by the Accountancy Service to support periods of high demand i.e. closure of accounts and budget processes in addition, vacancies resulted in the need for interim resources of Finance Business Partner and Commercial Accountant and Finance Assistant roles pending a review of the service;
 - £71k - supported improvements to procedures and document storage and retrieval for the Building Control Service. £11k was utilised for an interim manager at the earlier part of the year;

- £68k was spent on cover for vacant planning and development control positions in addition to extra capacity to meet the increased demands of the service which has been offset by the significant amount of additional income generated from an increase planning applications;
- £58k was spent on additional staffing support for Property Services in order to provide capacity during a review of the service and implementation of the new structure;
- £54k for the housing service for an interim maternity cover, additional enforcement resourcing and backfilling whilst permanent structure was being developed and implemented;
- £39k additional resource for Planning enforcement pending restructure;
- £34k was spent by Customer Services on security staffing, (which is recharged to the Job Centre Plus) and short term vacancy cover;
- £5k resource to support the Mayflower Pilgrim Fathers Project.

5. Expenditure on Temps, Agency and Consultants

5.1 The expenditure incurred on consultants during 2017/18 totalled £213k (£428k 2016/17). As a result of the use of experts the Council has been successful in attracting additional grant funding, have developed business cases for projects to support the delivery of future income streams, informed new strategies to meet our corporate objectives and future needs in addition to achieving significant contract savings:

- £45k - Ecology expert required for the Marina/Green Corridor funding bid;
- £27k - Expert property and commercial advice required for specific investment in commercial property portfolio;
- £24k - relates to the development of Telephony Strategy to determine future communications via telephone/mobile devices to optimise the customer experience and efficiency;
- £24k - Leisure management contract procurement specialist. The new contract saving £269k per annum in addition to supporting £1.4m of investment in Gainsborough Leisure Centre and the provision of a new leisure facility at Market Rasen;
- £17k - ICT strategy development;
- £15k - expert advice in establishing a Development Partnership, to enable significant regeneration of Gainsborough through this public/private partnership;

- £11k - to develop an Asset Management Strategy framework;
- £11k - to research and provide evidence based data analysis to inform a Car Parking Strategy;
- £10k - on commercial business case development;
- £7k - (£5k grant funded), supporting the successful Food Enterprise Zone, Local Development Order and Greater Lincolnshire Enterprise Partnership grant funding bid;
- £6k - support for the Lincolnshire Homelessness Strategy;
- £6k - to advise and assist in the development of the Heritage Masterplan;
- £5k - commercial assets acquisition, specialist advice on investment framework;
- £5k - appraisals and due diligence for Gainsborough Growth Fund Bids.