

**Agency Staff and Consultants**

**Synopsis**

To appraise members of the level of use of Consultants and Agency staff within the Authority for the first six months of 2009/10.

**1. Relevant Background Details**

When recruiting agency and consultancy staff, budget holders are required to complete a requisition sheet. This details why they believe it is appropriate to recruit an agency/consultancy member of staff, the budget which will be used to finance the post and any previous action taken to recruit to/cover the post. Authorisation and agreement must be obtained from the relevant Head of Service. The Core Management Team authorises all these appointments.

This report is brought before Overview and Scrutiny Panel every 6 months. As can be seen from the table below spend is reducing and the instances of permanent posts being covered has also reduced. The biggest spend is now on the pool and hub which is for expertise not held within the council and is covered by budgets.

The following table shows the expenditure on Consultants and Agency Staff for the last 5 years.

| <b>Category</b>     | <b>2004/05</b>   | <b>2005/06</b>   | <b>2006/07</b>   | <b>2007/08</b>   | <b>2008/09</b>   |
|---------------------|------------------|------------------|------------------|------------------|------------------|
| Agency Revenue      | 909,098          | 1,120,162        | 782,473          | 489,461          | 221,135          |
| Agency Capital      | 143,148          | 238,923          | 46,676           | 51,240           | 55,870           |
| Consultants Revenue | 1,285,511        | 989,334          | 695,554          | 534,976          | 309,750          |
| Consultants Capital | 121,643          | 764,364          | 737,311          | 418,919          | 464,564          |
| <b>Total</b>        | <b>2,459,400</b> | <b>3,112,783</b> | <b>2,262,014</b> | <b>1,494,596</b> | <b>1,051,319</b> |

This report shows Revenue and Capital expenditure between 1<sup>st</sup> April 2009 and 30 September 2009 for Agency and Consultants (see Appendix A for full analysis).

In order to focus attention on those areas with high levels of expenditure, headings that show an expenditure of greater than £9,000 have been selected for comment.

**2. Agency Staff**

2.1 Revenue expenditure on Agency staff to the end of September 2009 was £175,067 (£57,763 for the same period in 2008/09) or 2.4% of Salary budgets. In 2008/09 Agency staff accounted for 1.6% of Salary Budgets. Single headings that exceed £9,000 account for £166,925 (95%) of the total and are shown below.

| <b>Description</b> | <b>Expenditure</b> | <b>Comments</b>  |
|--------------------|--------------------|--|
| Corporate Core     | £20,581            | Temporary procurement officer in post whilst an evaluation of a current shared service provision is explored. Post is due to expire on 13 <sup>th</sup> November 2009. |
| Sustainability     | £11,662            | This agency spend has now ended due to the post being recruited to on a permanent basis  |

| Description                       | Expenditure | Comments   |
|-----------------------------------|-------------|--|
| EnCor Financial Services          | £21,560     | Year end accountant to help cover vacancy and ensure successful audit of accounts  |
| Benefits and Rebates              | £25,376     | Budget has been made available to provide additional cover to cover short term increase in work loads. Post due to expire in March 2010.   |
| Commercial Property               | £24,378     | The last agency placement left on 9 <sup>th</sup> October 2009. No further agency spend is planned in this area.   |
| Family Intervention Project (FIP) | £22,368     | FIP is externally funded from the Department for Children, Schools and Families to put a stop to anti-social behaviour caused by disruptive families and affecting the wider community. Corby Borough Council is working with Action for Children to deliver this programme which is having a positive effect on reducing anti social behaviour. |
| Tenancy Team                      | £41,000     | Agency placements left on 2 <sup>nd</sup> Oct 2009. No further agency spend is planned in this area.   |

The spend on Capital Expenditure on Agency staff to the end of September 2009 was £15,808 which relates to the use of one technical agency worker on capital projects (see table below). The spend to the same point in 2008/09 was £29,941 (Reduction in spend is due to the requirement to engage with one agency worker as opposed to two). Expenditure of this nature is covered within the projects budget.

Posts covered by Agency Staff for over six months:

| Start date | End Date  | Reason   | Actions  |
|------------|---|--|--|
| 01/08/06   | 31/10/2009                                      | Building Surveyors (Environmental Quality)   | One contract has now ended. One contract remains in place until 31/10/09 to supervise traveller sites.   |
| 1/1/05     | 31/3/2010<br><br>This date remains under review | Project Manager/Building Surveyor (Environmental Quality)<br><br>Specialist consultant procured for Capital Projects – currently assigned to projects such as Oakley Vale Community Centre, Gt Oakley Community Centre, Rockingham Triangle, Heritage Centre, West Glebe etc | Project Management Capital Programme (Culture and Leisure).<br><br>Reliance on agency staff is to provide specialist skills not available 'in house'. Recruitment is currently not being considered due to the uncertainty around funding for capital works projects.<br><br>Funding is subject to mix of external funding, S106 agreements and CBC investment |

### 3. Consultants

3.1 Revenue expenditure on consultants to the end of September 2009 was £111,736 (compared to £78,988 for the same period in 2008/09). Any overspends have to be accommodated within the service areas overall finances.

Single headings that exceed over £9,000 make up £77,220, which is 69% of the total spend on Revenue Consultants.

| Description                 | Budget for Year | Expenditure | Comments   |
|-----------------------------|-----------------|-------------|--|
| Local Development Framework | £59,300         | £58,860     | Local Development Framework, being undertaken by a consultant, was rolled forward from last year due to projects being delayed.  |
| EnCor Client Services       | £0              | £9,360      | Solicitors and Court Fees to lodge requirement for HM Revenue and Customs (HMRC) to pay compound interest on a VAT reclaim case. Costs will be covered by repayment of the base VAT claim. |
| Priority Places Research    | £9,445          | £9,000      | Project receives external funding to cover these costs   |

3.2 Capital expenditure on consultants to the end of September 2009 was £354,507 (compared to £213,444 for the same period in 2008/09). By its very nature capital expenditure is project based and may well require expenditure of a specialist nature that the Council does not have internally. In addition on the Civic Hub a considerable amount of the capital and consultant costs are covered by the Council obtaining external funding.

Single headings that exceed over £9,000 make up £353,590 which is 99% of the total spend on Capital Consultants.

| Description                            | Expenditure | Comments   |
|--|-------------|--|
| Woodland Management Plan               | £34,683     | External consultants have completed the Woodland Management Plan for the Ancient Woodland and are assisting early implementation in 2009/10 until partners and community groups are fully engaged. The project is externally funded. |
| Swimming Pool                          | £176,668    | Project Management, cost, environmental and highways consultants fees for the construction of the new pool   |
| Civic Hub and Parkland Gateway Project | £142,239    | Project Management, environmental and highways consultants fees for the construction of civic hub and parkland gateway project   |

The use of Consultants can benefit the Authority where there is a need to buy in specialist advice or skills.

3.3 Posts covered by Consultants for over six months:

| <b>Start date</b> | <b>End date</b> | <b>Reason</b>   |
|-------------------|-----------------|---|
| 1/5/05            | 30/07/09        | Project management of new swimming pool – required until just after the officially opening  |
| 1/01/06           | 30/06/10        | On-going Specialist Project management of Civic Hub - 5 days per week   |
| 01/07/07          | 01/02/10        | Project manager, architect and lead consultant to develop a Heritage Centre for the Borough. Oversee refurbishment of 75 – 77 High Street, Old Village. |

#### **4. Issues to be taken into account:-**

##### ***Policy Priorities***

The authority seeks to be a model employer; use of Agency employees over extended periods of time may not be compatible with this view. The Authority is finding innovative ways to more effectively develop an in house approach to the development and retention of staff.

##### ***Financial***

Expenditure on Agency Staff and Consultants must be accommodated within existing Service Area budgets. The total cost of Agency Staff and Consultants is up in total in 2009/10 compared to 2008/09. The cost of capital consultants is up in 2009/10 compared to 2008/09 but this is due to spend on two major capital projects (Swimming Pool and Civic Hub) which is understandable due the significance of these projects. Revenue Agency staff is up and reasons are given in the main body of the report.

##### ***Legal***

Recent case law has demonstrated that Agency employees who have long service with a single organisation may accrue employment rights and the authority may risk unfair dismissal claims and redundancy claims when extended contracts are ended.

##### ***Performance Information***

There are no performance indicators relating directly to this issue.

##### ***Best Value***

The Procurement Officer is investigating the possibility of an agreed Agency contract to ensure best value.

##### ***Human Rights***

The Council as an employer has a duty of care for its entire staff including those not directly employed by the Council but working on the Council's behalf/on Council premises.

##### ***Equalities***

Procurement currently does not ensure that Agency staff is sought from agencies with sound recruitment processes. This will be addressed in any forthcoming procurement processes.

#### **5. Conclusion**

The Borough Council's preference is for directly employed, well trained, highly valued employees. However, the use of Agency staff in appropriate situations is an important facility for management to be able to use to maintain services. The use of staff from such sources has disadvantages when not utilised correctly. The use of consultants is an important means by which the authority gains/supplements specialist knowledge in order to fulfil its duties. Procedures have been developed for the procurement of consultants and agency staff. Both these areas can result in significant expenditure and it is important that this expenditure is properly controlled and evaluated.

Responsibility for the budgeting and justification of Consultants and Agency staff remains with line management and Heads of Service.

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## **6. Recommendation**

That Members note the information contained in the report

### **Background Papers**

Working papers held within the EnCor Financial Services  
Completed returns held with Human Resources

### **External Consultations**

None

### **List of Appendices**

Appendix A – Summary of Expenditure to 30 September 2009 on Agency Staff and Consultants

### **Wards**

All

### **Officers to Contact**

Alan Hughes – Financial Services Manager (464101)

Stella Jinks – Human Resources Manager (464655)