



BUDGET PANEL

Tuesday, 20th September, 2011

7.00 pm

Town Hall, Watford

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CONTACT

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COMMITTEE MEMBERSHIP

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Councillor T Poole (Vice-Chair)

Councillors S Counter, G Derbyshire, S Greenslade, R Martins, M Meerabux, S Rackett and M Watkin

AGENDA

PART A - OPEN TO THE PUBLIC

- 8. COST OF CONSULTANTS / AGENCY (Pages 1 - 10)**

Agenda Item 8

Report to: Budget Panel
Date of meeting: 20th September 2011
Report of: Head of Strategic Finance
Title: Use of Consultants/ Agency Staff

1.0 SUMMARY

1.1 The Budget Panel requested, at its meeting on 22nd June 2011, information relating to the use and cost of consultants and agency staff from 1st April 2010 up to the present date. It was anticipated that this information would have been available in July but a lack of staff resource did not make this possible.

2.0 RECOMMENDATIONS

2.1 The Budget Panel are requested to consider the information now provided.

Contact Officer:

For further information on this report please contact Bernard Clarke, Head of Strategic Finance, telephone extension 8189, email bernard.clarke@watford.gov.uk

3.0 INTRODUCTION

3.1 Attached to this report are two spreadsheets (Appendices 2 & 3) showing the use by Watford Borough Council of agency staff and consultants for the year 2010/2011 and the first four months of 2011/2012. It is necessary to understand that there is a clear distinction between the two sources of staffing resource.

3.2 In general terms, **agency staff** are employed to cover existing temporary vacancies and are used to ensure the day to day operational services of the Council are provided seamlessly and without detriment to our residents. In terms of the cost of agency staff they are monitored in conjunction with our staffing budgets (due to the inextricable link between the two).

3.3 **Appendix 1** attached to this report reminds the Budget Panel of the outturn for 2010/2011 for staffing and agency costs in 2010/2011—and reported elsewhere on the agenda of the Panel. The Appendix summarises that the staffing and agency costs in 2010/2011 were £15,273k as compared to an original budget of £15,438k, an under spend of £165k. The agency costs detailed at **Appendix 2** and covers a sixteen month period needs to be related to the fact that all such costs **were contained within budgets** and very largely covered for existing staff vacancies.

Why are agency staff employed? In general terms:

- * they are immediately available
- * they can cover for absences such as maternity leave, long term sickness and holidays
- * they provide a stop gap resource whilst structural reviews take place.

3.4 Providing overall salaries budgets are properly managed (as the figures above indicate that they are), then the use of such staff are a vital management tool to ensure operational services to our residents are maintained to current high standards. For example, £297,597 of the Agency cost relates to essential cover for the waste and street cleansing services and was due to sickness absence, holiday cover, and temporary vacancies. Without that agency support these extremely high profile services would have suffered significantly.

3.5 The use of **consultants** can be linked with any of the following:

- to provide specialist one off advice where it would be uneconomic to employ a permanent resource that would largely be redundant after the work was completed.
- to provide an immediate research capacity due to having carried out similar work for other public sector bodies.
- to supplement/ augment existing staffing resource to enable one of tasks to take place.

3.6 **Appendix 3**, which again covers a sixteen month period, details the use on consultants. Further notes include the following:

AKA Consulting : £91k

This resource has been used for an approximate 18 month period and had initially been engaged to develop the Council's approach to value for money. A national absence of benchmarking data needed to be supplemented by more local data.

This was important because the previous Audit Commission 'Use of Resources' assessment required local authorities to demonstrate work in this area. No internal resource existed to compile such data. In addition, the AKA consultancy support has assisted in the Housing VFM Review; and the Cultural Studies Review which is taking place at the present time.

Apart from VFM related work, the consultant has delivered a procurement for the scanning of planning documentation which has resulted in an annual saving of £25k per annum for a four year period. This review had long been overdue, but had not been addressed through a lack of existing staffing resource. Over the life span of the scanning contract, the AKA consultant has been totally self financing. Similarly he has provided financial data to reduce a potential increase in the cost of the current parking enforcement contract and finally he has provided much needed support to the Head of Strategic Finance (following the deletion of the support officer post to the HOSF—saving £45k per annum—as part of 2010/2011 efficiency savings). This consultancy support will cease on 30th September 2011.

Public Sector Consulting £68k

This cost covered work carried out from May 2010 to January 2011 on developing the highly regarded service prioritisation exercise carried out by the Council and which has identified 87 planned efficiency savings in 2010/2013 and totalling £3m. As a consequence of that detailed work, the budget setting process for 2012/2013 will be considerably more straightforward and will not divert service managers from the main focus to provide services to residents. This work could not be provided by the Finance Shared Service division and was, in any event, a one off approach to meeting the severe, front loaded reductions in Government Grant support.

Tom Fleming: £45k

This provided specialist advice for the council on current and future use of cultural activities to help achieve a more balanced town centre. It compliments the physical improvements set out in AECOM master plan by recommending an action plan which will gain maximum benefit for the town centre of the physical improvements

Beachcroft: £34k

This provided legal advice which could not be provided in house due to lack of capacity to enable the council to conclude some of the legal agreements with HQ Theatres and the building contract with Kier which were needed during the refurbishment of the Colosseum and subsequent lease arrangements for the building

4.0 CONCLUSION

4.1 Appendix 2 clearly indicates that failure to utilise agency staff would have significantly affected service delivery in the short term. This is unacceptable to our residents who contribute council tax and expect a good service in return.

4.2 Appendix 3 details the use of consultants and reflects the fact that the Council is a dynamic organisation which has considerably more ambition than many district councils. It is consistently seeking to improve both its efficiency and its vision for the future of the town. As a consequence there are occasions when specialist expertise is required to supplement its core staffing resource. The use of such support is constantly reviewed but should not be totally discounted in response to 'populist headlines' being currently generated.

5.0 FINANCIAL IMPLICATIONS

5.1 The use of agency/ consultancy support needs to be contained within existing budgets or needed to have had the specific approval of Cabinet. All agency staff in 2010/2011 were contained within the overall salaries budget (in fact a £165k under spend occurred). It is anticipated that the use of agency staff will again be contained within the staffing budget.

5.2 The use of consultancy support should equally be contained within existing budgets and, are typically, self financing from identified savings; financed through the budgetary virement process –funded from savings elsewhere; or have received specific Cabinet approval.

6.0 LEGAL IMPLICATIONS

6.1 There are no legal implications arising out of this report.

7.0 POTENTIAL RISKS

Potential Risk	Likelihood	Impact	Overall Score
That the Council's Budgets are exceeded due to the use of agency staff	1	3	3
That the Council's Budgets are exceeded due to the use of consultancy support	2	3	6
That the Council employs temporary staff/ consultants to the detriment of existing employees.	1	3	3

8.0 EQUALITIES

8.1 The use of agency staff/ consultants could have an impact if there were evidence that any bias was shown within the employment process. All appointments are subject to existing Council HR policies or through a proper procurement process..

Appendices

Appendix 1: Salaries and Agency Outturn for 2010/2011

Appendix 2: Detail of Agency usage over a sixteen month period

Appendix 3: Detail of Consultancy usage over a sixteen month period

Direct Employee Costs (inc. agency)

APPENDIX 1

Dept	Section	Original 2010/11	Actual	Actual - Original
WA5010 - Corporate Services	Corporate Projects	76,120	187,172	111,052
	Customer Services	808,220	744,163	-64,057
	Management Team	212,950	214,522	1,572
	Partnerships And Performance	639,610	608,630	-30,980
WA5010 - Corporate Services Total		1,736,900	1,754,486	17,586
WA5020 - Community Services	Housing	903,780	874,819	-28,961
	Parks And Open Spaces	1,481,830	1,500,938	19,108
	Sports And Arts	1,315,440	1,131,008	-184,432
WA5020 - Community Services Total		3,701,050	3,506,766	-194,284
WA5030 - Environmental Services	Environmental Hlth & Licensing	1,354,730	1,325,751	-28,979
	Street Cleansing	1,187,770	1,184,887	-2,883
	Waste And Recycling	2,194,020	2,310,421	116,401
WA5030 - Environmental Services Total		4,736,520	4,821,059	84,539
WA5040 - Legal And Property Services	Buildings And Projects	672,250	717,428	45,178
	Legal And Democratic Property	930,880	916,429	-14,451
		742,030	816,043	74,013
WA5040 - Legal And Property Services Total		2,345,160	2,449,900	104,740
WA5050 - Planning	Development Section	1,158,010	1,094,116	-63,894
	Policy Team	422,370	432,958	10,588
	Transport And Infrastructure	602,280	516,026	-86,254
WA5050 - Planning Total		2,182,660	2,043,100	-139,560
WA5060 - Corporate Management	Corporate Management	557,750	564,246	6,496
WA5060 - Corporate Management		557,750	564,246	6,496
WA5070 - Strategic Finance	Finance & Resources	91,700	88,323	-3,377
	Human Resources Client	26,960	13,535	-13,425
	Procurement	59,030	31,727	-27,303
WA5070 - Strategic Finance Total		177,690	133,584	-44,106
GRAND TOTAL		15,437,730	15,273,141	-164,589

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Agency Spend

1 April 2010 - 31 July 2012

APPENDIX 2

	2010/11 £	2011/12 £	Total £
WA5010 - Corporate Services			
Temporary switchboard cover	12,434	4,663	17,097
Vector resourcing - One staff member to work on introduction of information management and data quality. Funded by a vacancy which was deleted in April as part of Service Prioritisation	17,100	-	17,100
Comensura - Courier, post now deleted	20,758	-	20,758
Comensura - One staff member to develop a Project Management framework. Funded from a vacancy which was deleted in April as part of Service Prioritisation.	18,874	-	18,874
	<u>69,166</u>	<u>4,663</u>	<u>73,829</u>
WA5020 - Community Services			
ACX000 - Community Services Support - Cover for vacant Commissioning Manager post	26,808	-	26,808
ACX000 - Community Services Support - Fixed term (18m) contract covering vacant Parks Section Head post	-	15,738	15,738
DAA000 - Colosseum (Landlord Costs) - Various Colosseum Stewards prior to closure	8,660	-	8,660
DEA000 - Watford Museum - Various cover for staff leave	2,366	-	2,366
DHG000 - Leavesden Green Community Ctr - D Ward, temporary disability cover	4,370	-	4,370
DHR000 - Meriden Community Centre - temporary long term sickness cover	5,966	-	5,966
DNC000 - Youth Work - interim role filling Play Manager vacancy pending service review	47,773	12,113	59,886
JAC000 - Private Sector Team - interim role filling Manager vacancy pending service review	41,271	-	41,271
JAN000 - Housing Needs - R Dowds interim post filling a front line vacancy prior to recruitment	22,850	-	22,850
JCE000 - Centrepont Community Centre - Temporary cover for a vacant post prior to transfer of centre	4,403	-	4,403
JCL000 - Housing - Enabling Functions - interim post filling Housing Strategy Manager post	69,239	12,088	81,327
	<u>233,704</u>	<u>39,939</u>	<u>273,643</u>
WA5030 - Environmental Services			
EBA000 - Environmental Health Team:			-
- Maternity cover for Environmental Health Officer	47,780	3,426	51,206
- Cover for Environmental Health Officer vacancy	42,437	9,603	52,040
- Maternity cover for Environmental Health Officer	15,483	18,531	34,014
KLC000 - Cleansing-Overhead: Various sickness and vacancy front line cover for operational, driver, sweeper roles	22,231	4,369	26,600
KMF000 - Refuse - Special Collections - Various sickness and annual leave cover	2,666	567	3,233
KMD000 - Refuse - Trade - Various sickness and annual leave cover	11,820	2,553	14,373
KME000 - Refuse - Domestic - Various sickness and annual leave cover	69,991	23,019	93,010
KMH000 - Recycling - Kerbside - Various sickness and annual leave cover	123,068	25,075	148,143
KKB002 - Enhanced Street Cleaning - agency workers for annual Leaf Fall programme	12,238	-	12,238
KKB005 - Action On The Streets - Vicarage High Obstruction cleansing support	1,170	-	1,170
	<u>348,884</u>	<u>87,144</u>	<u>436,028</u>

	2010/11 £	2011/12 £	Total £
WA5040 - Legal And Property Services:			
Charter Place security cover - The security team of 7 currently has 3 vacancies which are being covered by agency workers. There are some shift pattern changes coming which should mean that permanent staff are hired and agency spend will reduce.	106,323	19,143	125,466
Valuation and estates group - an agency worker was used to fill a property surveyor post. This worker has now been taken on full time	54,278		54,278
Agency worker to provide admin support during implementation of Atrium IT system (document loading). This was covered by a 0.25 FTE saving as one permanent staff is working at 0.75 FTE.		2,647	2,647
Charter Place Market - Comensura - provision of agency worker to provide admin support at Charter Place Market	-	8,135	8,135
	<u>160,601</u>	<u>29,925</u>	<u>190,526</u>
WA5050 - Planning:			
Comensura Ltd - Tamsin Chambers covering a Land Charges vacancy for a short time	3,644		3,644
Cover for a vacant Planning Support team post	15,013	9,472	24,485
GBA000 - Development Control:			-
- Comensura Ltd - provision of cover for a vacant post in the Planning Support Team. This is essential cover pending staff re-structuring	25,865	4,998	30,863
- McDonald & Co - provision of a temporary 0.5 FTE post for redesigning s106 records pending the staff re-structuring	24,471		24,471
- Comensura - provision of Structural Engineering advice to building control for 1 day per week. Limited demands for this service make Agency provision the most cost effective method.	9,450	2,576	12,026
GGA000 - Planning & Transportation Mgt:			-
- Beams Ltd - Specialist advice on building and conservation matter:	1,750		1,750
- Comensura - Cover for vacant Economic Development Officer post. Staff member now employed on a permanent basis.	6,478		6,478
- Doug Brodie - employed by WBC on behalf of One Watford to deliver the Watford Commuter Programme.	2,000		2,000
- McDonald & Co - Cover for vacant planning policy Section Head post until it was permanently filled.	3,454		3,454
- Matchtech - Cover for the vacant Traffic Engineer post until it was permanently filled.	29,338		29,338
- Parking Service - Synergy Group - Cover for vacant Reps Officer post until it was permanently filled.	10,618	1,229	11,847
	<u>132,081</u>	<u>18,275</u>	<u>150,356</u>
Total	944,436	179,946	1,124,382

Consultants Fees Summary			
WBC only (no shared service) - 1 April 10 - 31 July 11		APPENDIX 3	
Section	Contractor	Service description	£
Strategic Finance	AKA Ltd	Provision of VfM consultant / strategic finance support interim	91,125
Strategic Finance	Public Sector Consulting	Strategic finance interim support	68,703
Community Services	Tom Fleming	Preparation of the Cultural Action Plan - this was part-funded by the Arts Council (£25,000 of the total fee of £66,000)	44,500
Community Services	Beachcroft	Colosseum Project Agreement	33,939
Housing	Campbell Tickell	Housing Value for Money consultancy and report	18,000
Culture	W A Usher - The Play Doctors	Youth Work consultation and preparation of Play Review Report	16,000
Environmental	Naheeda Khan	Climate Change Project officer - developing strategy / action plan, partly funded by One Watford (£9,715 in 2010-11).	14,355
Planning, Corporate	IDOX, ESRI	Software consultants - Planning and Geographical Information systems	11,775
Environmental	Jackie Smith	Contaminated Land consulting - 1/2 day a week. Expertise not held within the Council, and more cost effective to cover this way.	11,667
Environmental	Various	Climate change consulting	8,220
	Wenta, Plan-It Eco, others	Mayor's Eco-mmunity School, promoting Climate Change work to youth, funded through climate change reserve and sundry climate change fees	5,158
Equalities	Disabled Go	Preparation of report on local disabled access - annual fee, now discontinued	5,000
	AEA Technology Environment	Climate Change strategy document	3,062
Shared services	Sector Treasury Services Ltd	Presentation to Watford Councillors	2,620
	Total		334,124

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