

Report to: Scrutiny Committee



Date of Meeting 2<sup>nd</sup> October 2025

Document classification: Part A Public Document

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Review date for release N/A

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## **Finance Report: Agency and Consultant Expenditure for 2023/2024 and 2024/2025**

### **Report summary:**

The report was last presented to Scrutiny on 24 January 2024, therefore it includes comparative data from 2022/2023. It summarises directorate oversight of consultant, specialist advice, and agency staff spending for 2023/2024 and 2024/2025.

Expenditure within the council is carefully managed and monitored to ensure it is incurred solely when necessary. This includes providing coverage for staff absences, supplementing capacity when permanent recruitment is not feasible, or acquiring additional skills and expertise on a temporary basis.

The employment of agency workers and consultants differs across directorates, accounting for approximately 16% of the council's total workforce. Procedures are followed to regulate spending and allocate resources where required.

The significant work undertaken within the Housing and Health Directorate during this period to reduce the reliance on agency staff and improve the stability of the service through the recruitment of permanent staff is of note and is to be commended.

### **Is the proposed decision in accordance with:**

Budget Yes ☒ No ☐

Policy Framework Yes ☒ No ☐

### **Recommendation:**

Record of the expenditure details for Agency and Consultants Expenditure in 2023/2024 and 2024/2025.

### **Reason for recommendation:**

To report to Members of Scrutiny Committee the expenditure on consultants and agency staff in the delivery of Council services.

Officer: Melissa Muir – Principal Accountant, [melissa.muir@eastdevon.gov.uk](mailto:melissa.muir@eastdevon.gov.uk)

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Portfolio(s) (check which apply):

- ☐ Assets and Economy
- ☐ Communications and Democracy
- ☐ Council, Corporate and External Engagement
- ☐ Culture, Leisure, Sport and Tourism
- ☐ Environment - Nature and Climate
- ☐ Environment - Operational

- ☒ Finance
- ☐ Place, Infrastructure and Strategic Planning
- ☐ Sustainable Homes and Communities

**Equalities impact** Low Impact

**Climate change** Low Impact

**Risk:** Low Risk;

**Links to background information** N/A

**Link to** [Council Plan](#)

Priorities (check which apply)

- ☒ A supported and engaged community
- ☒ Carbon neutrality and ecological recovery
- ☒ Resilient economy that supports local business
- ☒ Financially secure and improving quality of services

**Report in full**

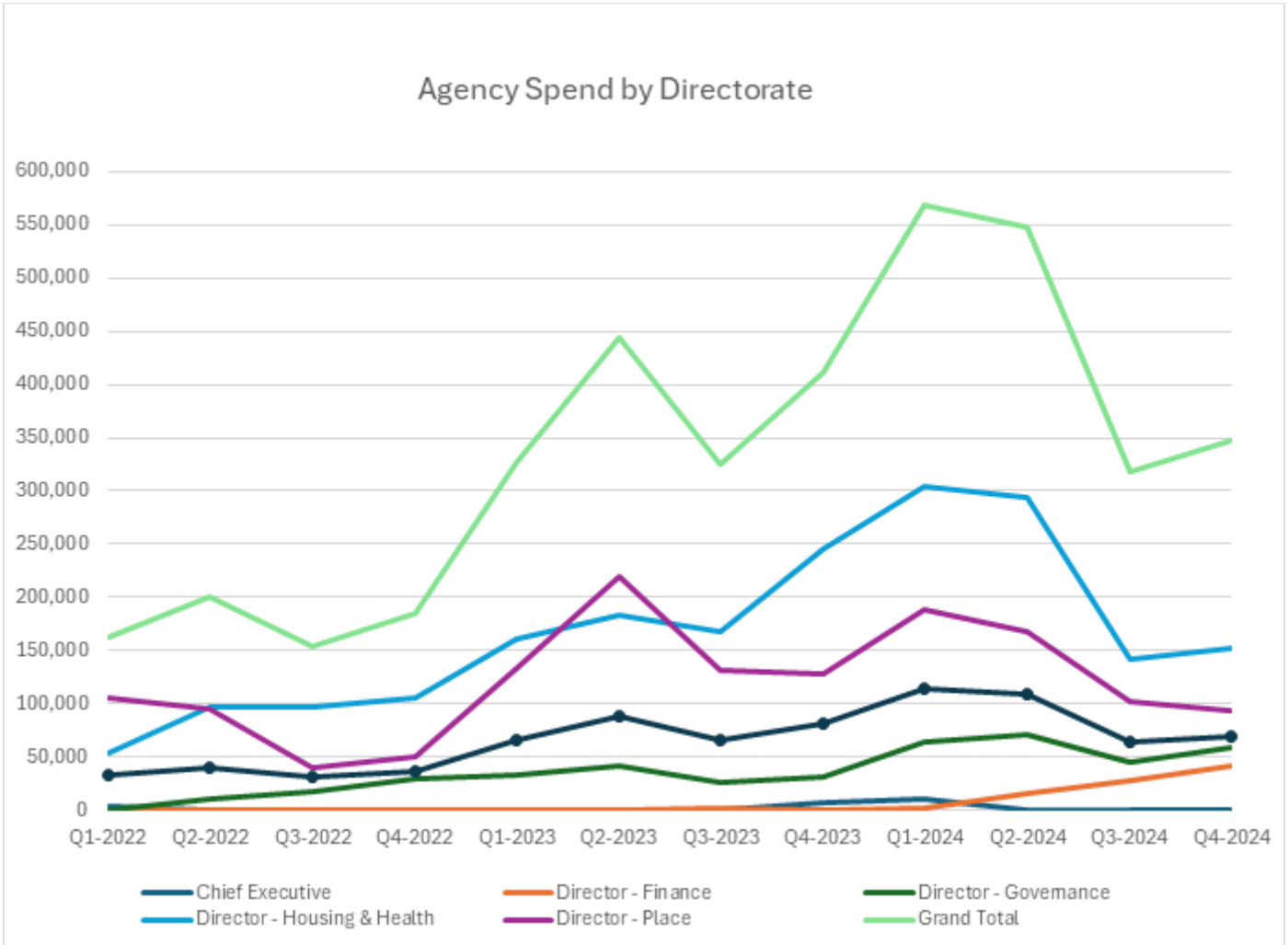
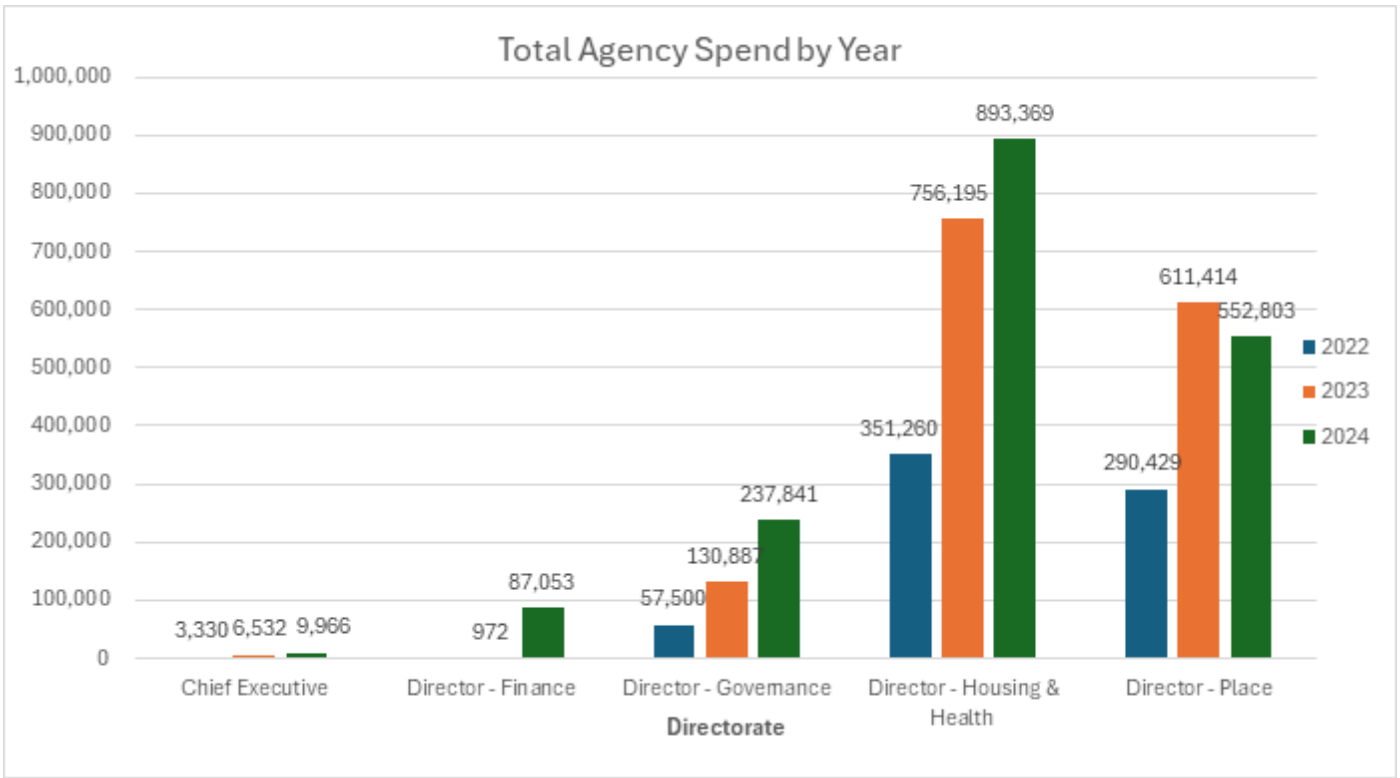
**Agency Expenditure 2022/2023 – 2024/2025**

**Spend by Directorate**

The following Charts and tables show the variation in Agency expenditure by directorate over the last three financial years broken down by quarter.

Table 1: Agency expenditure by Directorate

Quarter	Directorate					Total Spend
	Chief Executive	Director - Finance	Director - Governance	Director - Housing & Health	Director - Place	
Q1-2022	3,330		-	53,819	105,546	162,694
Q2-2022			10,000	96,076	94,297	200,373
Q3-2022			17,500	96,723	39,607	153,829
Q4-2022			30,000	104,643	50,980	185,623
<b>Total 2022</b>						<b>702,519</b>
Q1-2023			33,037	160,396	132,955	326,388
Q2-2023			40,709	183,437	219,537	443,683
Q3-2023		972	26,734	166,899	130,756	325,362
Q4-2023	6,532		30,406	245,464	128,166	410,567
<b>Total 2023</b>						<b>1,506,000</b>
Q1-2024	9,966	1,750	63,416	304,699	189,187	569,018
Q2-2024		15,400	70,858	293,512	167,616	547,386
Q3-2024		27,503	45,595	142,310	102,152	317,559
Q4-2024		42,400	57,972	152,848	93,849	347,069
<b>Total 2024</b>						<b>1,781,032</b>
<b>Total Spend</b>	<b>19,828</b>	<b>88,025</b>	<b>426,227</b>	<b>2,000,825</b>	<b>1,454,647</b>	<b>3,989,552</b>



There are various measures in place to manage the spend of agency workers and consultants these are as follows:

1. The policy on the use of Temporary Workers aligns with the recruitment policy and considers the Council's objectives as well as a guide for managers in engaging temporary staff that supports the Council's policy for hiring temps, agency workers and consultants.
2. Agency workers are sourced through the Council's approved Commensura Recruitment framework. If suitable candidates are not available, managers may use other agencies while adhering to financial and procurement regulations and consulting Finance or Devon County Council Procurement Services as required. Agency expenditure outside the Comensura Contract averaged approximately £278,000 per quarter for 2023/2024 and 2024/2025, which is a 121% increase compared to 2022/23. Commentary by directorate is provided in Appendix 1. Directorates are listed according to the current organisational structure, but prior year expenditure may not directly align with these service areas.
3. Agency workers and consultants are used to fill positions temporarily, cover increased workloads, or provide specialised skills until permanent staff are appointed. This helps the council maintain service delivery when recruiting certain roles is difficult.
4. Agency and consultancy expenditures are reviewed monthly by Accountancy in conjunction with the Executive Leadership Team. These meetings provide an opportunity for ELT to constructively evaluate and challenge all spending activities. (see Appendix 2 for Actuals vs Budget).

## **Consultancy Expenditure 2022/2023 – 2024/2025**

### **Spend by Directorate**

The following Charts and tables show the variation in Consultancy expenditure by directorate over the last three financial years.

Table 2: Consultancy expenditure by Directorate

Quarter	Directorate					Total Spend
	Chief Executive	Director - Finance	Director - Governance	Director - Housing & Health	Director - Place	
Q1-2022		7,728	15,743	55,622	280,389	359,481
Q2-2022		2,220	67,688	14,227	524,102	608,238
Q3-2022		2,193	16,646	31,181	522,707	572,726
Q4-2022		27,864	17,384	56,661	485,630	587,539
<b>Total 2022</b>						<b>2,127,983</b>
Q1-2023		14,554	15,006	55,410	225,446	310,415
Q2-2023		7,795	16,437	58,803	340,515	423,549
Q3-2023		15,813	17,965	44,488	435,232	513,497
Q4-2023		8,950	-	29,917	320,808	359,675
<b>Total 2023</b>						<b>1,607,136</b>
Q1-2024	3,479	400	-	1,141	548,874	550,813
Q2-2024	10,474	6,495	8,610	43,413	173,602	242,594
Q3-2024	20,329	16,646	5,000	36,194	323,378	401,548
Q4-2024	15,284	14,690	6,516	42,381	485,766	564,636
<b>Total 2024</b>						<b>1,759,591</b>
<b>Total Spend</b>	<b>49,567</b>	<b>124,547</b>	<b>186,993</b>	<b>467,156</b>	<b>4,666,448</b>	<b>5,494,711</b>

Consultancy Spend by Directorate

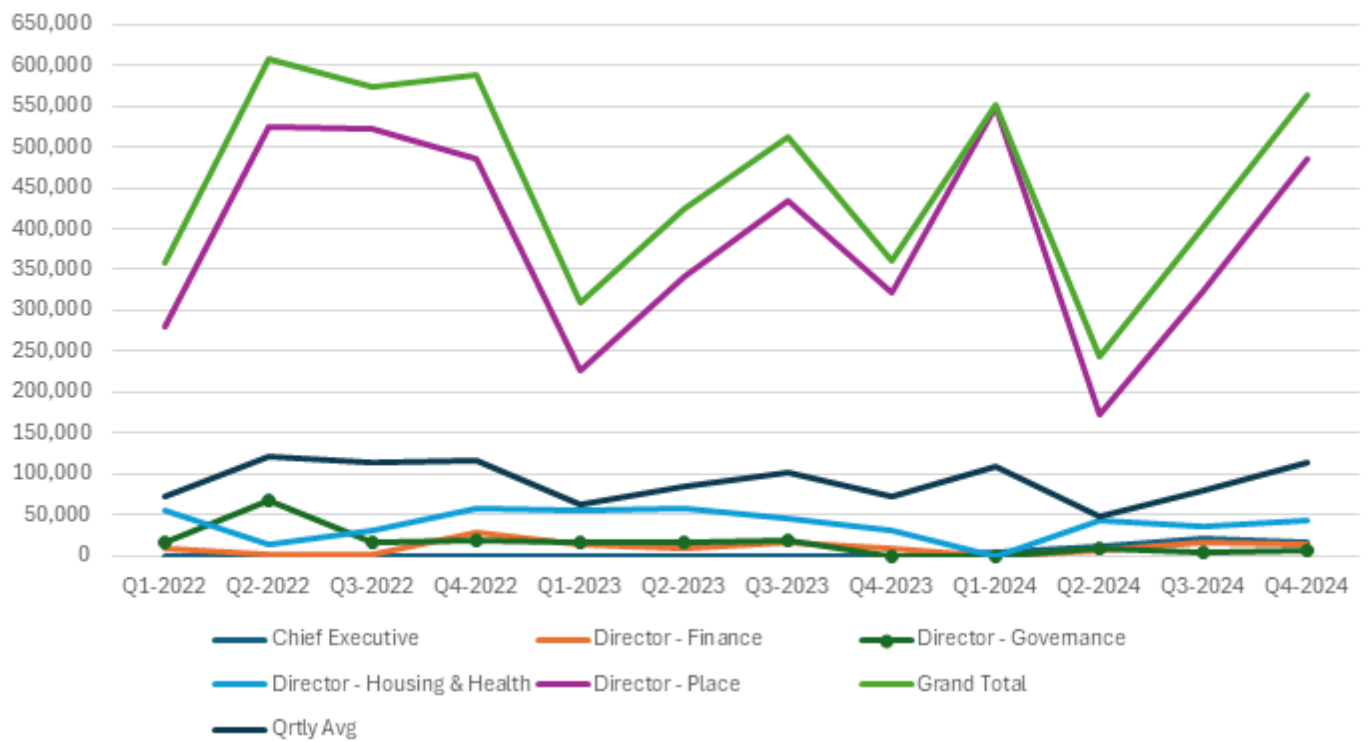


Table 3: Top 10 Highest-Spend in year on Consultancy Expenditure by Capital Project.

Top 10 Consultancy Expenditure by Capital Project	2022			Consultancy as a % of Capital Budget	2023			Consultancy as a % of Capital Budget	2024			Consultancy as a % of Capital Budget	Grand Total - Actuals
	Actuals	£'s	Budget		Actuals	£'s	Budget		Actuals	£'s	Budget		
Cliff Works		3,760	12,413	30%									3,760
Clyst Meadows - Sang									42,716	1,713,985		2%	42,716
Exmouth Bmp					23,752	165,000		14%	73,093	145,248		50%	96,845
Exmouth Emergency Seawall Repairs									130,291	3,569,393		4%	130,291
Exmouth Pavillion - Refurb & Improvements		3,669	133,000	3%	38,612	356,331		11%	43,511	79,216		55%	85,792
Feniton Flood Alleviation Work					153,010	2,165,085		7%	147,192	3,204,685		5%	300,202
Financial Management Project					9,060	174,644		5%					9,060
Honiton Mini Site Nr3 Retaining Wall		3,164	101,500	3%	7,446	101,321		7%	7,249	23,553		31%	17,859
Honiton Pool And Changing Room		311	165,529	0%									311
Hq Relocation Project		8,578	220,258	4%	8,229	208,603		4%	9,704	150,249		6%	26,511
Ottery & Broadclyst Lc Roofs		6,890	328,750	2%									6,890
Ottery St Mary Sluice Replacement					4,500	50,000		9%					4,500
Public Toilet Review - Right Toilet, Right Place					85,422	3,150,000		3%	138,694	2,668,405		5%	224,116
Seaton Coast Protect Scheme		7,565	450,000	2%	12,334	442,435		3%	110,453	434,065		25%	130,351
Var. Corp Props External Repairs		2,000	232,750	1%									2,000
Var. Led Sites - Sports Halls Floors		4,000	169,850	2%									4,000
Var. Ss Depots Operations Review					29,820	50,000		60%	28,873	39,680		73%	58,693
Various Led Sites - Swim Pool Plant Works		1,082	63,250	2%									1,082
<b>Grand Total</b>		<b>41,018</b>	<b>1,877,300</b>	<b>2%</b>	<b>372,185</b>	<b>6,863,419</b>		<b>5%</b>	<b>731,777</b>	<b>12,028,479</b>		<b>6%</b>	<b>1,144,980</b>

- The increase in Consultant Capital Expenditure for 2023/24 and 2024/25 reflects the progression and significant scale of capital projects, including the Feniton Flood Alleviation Work and the Public Toilet Review.

## **Appendix 1**

### **Directorate Commentary**

#### **Chief Executive**

- Agency expenditure under the Chief Executive has remained consistently low, comprising only 0.43% of the total in 2023/24 and 0.56% in 2024/25. The individual previously served as Personal Assistant to the Director of Housing; however, following the appointment of the CEO, the Executive Support Team was established, and this role is now a permanent position within the newly formed team.
- Consultancy expenditure under Chief Executive support incurred in 2024 due to vacant post for Senior Communications Officer. This is a pivotal role that requires a specialist and absence of post holder could lead to a reputational risk.

#### **Finance**

- The main reason for hire under the finance directorate in 2024 is due to the need to cover a vacancy for the Performance and Data Analyst role within the Revenue and Benefits Support Team.
- In the Accountancy section, Agency staff were required for four months towards the end of 2024 because the position of HRA Accountant became vacant after a restructure, as the previous post holder was promoted to Principal Accountant within the team. The vacancy has since been filled by a permanent member of staff.
- The Overall consultancy expenditure for Finance remains consistent over the 3 years at around 2.4%. This includes the usual requirement is for the Council tax liability and Recovery team to engage consultants for policy rewrites due to legislative changes.

#### **Governance**

- Legal Services – Experienced Property Solicitor required for both knowledge/experience purposes and team capacity reasons. The majority of the work undertaken is capital related, outside of the day to day and therefore the costs are recharged across to those relevant project
- Legal Services – Locum Contracts Solicitor – locum cover brought in to identify the need for a more permanent role and to identify the processes outstanding. Recruitment is starting for a permanent contract solicitor.
- Od&T Communications Hire of Agency staff to cover long term sickness in 2024.

#### **Housing & Health**

- Agency spend in Housing and Health went from £351,260 in 2022, to £893,369 in 2024. This significant increase was primarily due to a large number of Management and Senior Leadership positions becoming vacant in the team in 2023, and the urgent exercise to fill these gaps to ensure service continuity and risk management. Primarily, these roles included:
  - Tenancy Services Management, ensuring robust oversight of our day-to-day estate and tenancy functions, as well as building our tenant and community engagement functions to ensure compliance with the new regulatory standards.

- o Contract management position in our housing property and assets team, which was vital to ensuring the ongoing management of our Integrated Asset Management Contract (IAMC) and the ongoing repairs and maintenance services in our properties.
  - o Interim increases in surveying capabilities to support with backlogs of repairs and surveying, which existed partly as a result of gaps in permanent resourcing, but also backlogs from Covid, complaints and disrepair claims.
  - o Property and Asset management and leadership roles, overseeing compliance, day to day repairs, and planned works functions were sourced via agency at various points during this period also.
- During 2022/23, there was an increase in consultancy spend also. This was primarily attributed to expenditure with Echelon, who provided interim support for repairs and voids management functions related to the management and oversight of contractor delivery. Consultancy provision for these roles ceased at the end of 2023.
- Despite the overall spend increase seen across the three-year period, there has been a significant decrease across 2024 and into FY 25/26. From Q1 of 2024 to Q4 of 2024, you can see an in year decrease in agency spend of nearly 50% from £304,699 to £152,848. In Q1 of FY 25/26, this reduced further to c.£75,000 for the quarter with recruitment plans in motion to reduce this further again.
- There has been a significant focus on permanent recruitment across Housing over the past 12 months, with a number of key roles now filled, bringing stability and expertise into the services.

## Place

- £280k is spent annually on StreetScene agency staff that help deal with seasonal trends (tourism and visitor increases for bin collection and street cleansing), this influences agency expenditure in Streetscene job roles, including Cleansing and Grounds Maintenance, within the Directorate of Place. These roles consistently experience a peak in spending during the second quarter of each year, as illustrated in the chart above. Agency staffing here represents better value than permanent staff on a short-term basis due to ongoing pension strains for the latter. This is a BAU spend which while we operate these services, will continue.
- Development Management – Temporary Agency staff supplied in 2023/24 helped manage a large number of planning applications, reducing spend from £269,334 in 2023/2024 to £61,297.14 in 2024/2025 a 77% decrease. This expenditure was covered by a mixture of government grant funding and increased planning fee income. Consultancy expenditure peaked in 2022 and 2023 for support with digital validation of planning applications via Terraquest and temporary staff via Sarto Thomas Ltd due to absence, but this has now ended.
- Planning Obligations increased from £0 in 23/24 to £124,389. Creation of new planning structure to look at Section 106 and CIL. This cost was entirely paid for from the CIL administration pot which is funded from developer contributions.
- Consultancy support under the Directorate for Place typically provides specialist expertise for project delivery. For example, the Heat Distribution Network project incurred the highest consultancy costs over the past three years, mainly engaging Anthesis (UK) LTD (funded by Central Government) and Bevan Brittan for services outside the Legal Service function's remit. This expenditure is predominately from grant funding awarded by the Department of Energy Security and Net Zero (DESNZ) to support the delivery of district heating decarbonisation work. This work requires specialist support which is not possible to recruit to within EDDC.



## Appendix 2

Table 4: Budgets by Directorate 2023

Accounting Year	2023						
Values							
Director Title	Category	Original Budget	Revised Budget	Actuals	Variance		Agency + Consultancy as a % of staffing budget
Chief Executive	Agency	-	-	6,531.63	6,531.63		
	Employed	563,270.00	456,070.00	420,668.79	- 35,401.21		
Chief Executive Total		563,270.00	456,070.00	427,200.42	- 28,869.58		1%
Director - Finance	Agency		1,000.00	972.41	- 27.59		
	Consultancy	60,280.00	60,280.00	125,622.94	65,342.94		
	Employed	2,689,650.00	2,689,650.00	2,636,698.98	- 52,951.02		
Director - Finance Total		2,749,930.00	2,750,930.00	2,763,294.33	12,364.33		5%
Director - Governance	Agency		4,950.00	130,886.62	125,936.62		
	Consultancy	35,000.00	5,465.00	50,104.25	44,639.25		
	Employed	1,649,620.00	1,710,130.00	1,592,826.80	- 117,303.20		
Director - Governance Total		1,684,620.00	1,720,545.00	1,773,817.67	53,272.67		11%
Director - Housing & Health	Agency		116,170.00	756,195.47	640,025.47		
	Consultancy	421,660.00	211,431.00	223,485.93	12,054.93		
	Employed	5,863,570.00	6,157,660.00	5,564,911.81	- 592,748.19		
Director - Housing & Health Total		6,285,230.00	6,485,261.00	6,544,593.21	59,332.21		15%
Director - Place	Agency	82,950.00	112,950.00	611,414.36	498,464.36		
	Consultancy	486,980.00	758,172.58	1,332,485.72	574,313.14		
	Employed	7,856,150.00	7,856,150.00	7,418,520.30	- 437,629.70		
Director - Place Total		8,426,080.00	8,727,272.58	9,362,420.38	635,147.80		22%

Table 5: Budgets by Directorate 2024

Accounting Year	2024						
Values							
Director Title	Category	Original Budget	Revised Budget	Actuals	Variance		Agency + Consultancy as a % of staffing budget
Chief Executive	Agency	-	-	9,966.19	9,966.19		
	Consultancy	-	-	49,567.13	49,567.13		
	Employed	468,990.00	440,922.00	429,568.34	- 11,353.66		
Chief Executive Total		468,990.00	440,922.00	489,101.66	48,179.66		14%
Director - Finance	Agency			87,052.77	87,052.77		
	Consultancy	76,040.00	100,040.00	105,173.02	5,133.02		
	Employed	2,896,590.00	2,844,630.00	2,731,819.16	- 112,810.84		
Director - Finance Total		2,972,630.00	2,944,670.00	2,924,044.95	- 20,625.05		7%
Director - Governance	Agency	20,950.00	68,950.00	237,840.86	168,890.86		
	Consultancy	6,000.00	35,535.00	107,512.74	71,977.74		
	Employed	1,938,200.00	2,140,400.00	1,992,986.76	- 147,413.24		
Director - Governance Total		1,965,150.00	2,244,885.00	2,338,340.36	93,455.36		15%
Director - Housing & Health	Agency	58,085.00	213,080.00	893,368.99	680,288.99		
	Consultancy	343,160.00	360,360.00	120,975.64	- 239,384.36		
	Employed	6,778,710.00	6,917,176.00	5,953,530.84	- 963,645.16		
Director - Housing & Health Total		7,179,955.00	7,490,616.00	6,967,875.47	- 522,740.53		14%
Director - Place	Agency	132,950.00	283,570.00	552,803.36	269,233.36		
	Consultancy	691,602.00	931,302.19	1,533,187.23	601,885.04		
	Employed	8,396,510.00	8,399,898.00	8,121,149.82	- 278,748.18		
Director - Place Total		9,221,062.00	9,614,770.19	10,207,140.41	592,370.22		22%

- The combined external resource obtained of Agency and Consultancy over the last three financial years is shown in Table 6.
- As the data shows the average spend the last two financial years is circa £3.3m this is an increase of 18% based on 2022/2023.
- There is no expenditure on agency staff for Capital projects. Table 7 provides of the consultancy expenditure how much is attributed to capital vs revenue.

Table 6: Combined expenditure

External Resource	2022	2023	2024	Grand Total
Consultancy	2,127,983	1,607,136	1,759,591	5,494,711
Agency	702,519	1,506,000	1,781,032	3,989,552
<b>Total Spend</b>	<b>2,830,502.49</b>	<b>3,113,136.72</b>	<b>3,540,623.63</b>	<b>9,484,262.84</b>

Table 7: Total Consultancy Spend split by Capital vs Revenue

Accounting Year		2022		2023		2024	
Capital Exp / Revenue Exp		Cap / Rev as a % of		Cap / Rev as a % of		Cap / Rev as a % of	
		Amount	Total	Amount	Total	Amount	Total
TOTCAP		41,018	1.93%	355,520	22.12%	742,079	42.17%
TOTREV		2,086,965	98.07%	1,251,616	77.88%	1,017,512	57.83%
<b>Grand Total</b>		<b>2,127,983</b>	<b>100.00%</b>	<b>1,607,136</b>	<b>100.00%</b>	<b>1,759,591</b>	<b>100.00%</b>

### Financial implications:

Contained in the report.

### Legal implications:

Any legal implications are identified in the report and no further comment is required.

