

Dear Deputy Gardiner
Chair of the Public Accounts Committee

BY EMAIL

20th June 2024

Dear Deputy Gardiner

Use of Consultants – Follow up – Executive Response

In reference to your letter of 10th June 2024, relating to the Executive Response to the Comptroller and Auditor General's (C&AG) report 'Use of Consultants – Follow up', please see below responses to the points the Committee has raised in its review.

- 1. The PAC notes that both Health and Community Services (HCS) and Children, Young People, Education and Skills (CYPES) are not intended to be included in the action point seeking to improve management information in relation to use of consultancy appointments. Given the current financial position of HCS and, whilst noted that the figure has reduced dramatically, the use of locum and agency staff within CYPES, how do you intend to ensure value for money is being achieved in this area without collecting better management data at this time?*

Response:

The action plan does not exclude HCS and CYPES; but rather highlights that there are other interdependencies for these departments which require further work in building and automating the reporting processes and therefore the planned action will be conducted in two phases.

It should be noted that HCS is already receiving regular detailed information which supports the monitoring of the financial recovery plan workstreams for temporary and locum staff. The production and reconciliation of the information, however, is currently very labour intensive, which we plan to address as part of the work anticipated.

CYPES also receive information each month, and there may be some added value in reports at a more granular level. Business Partners in People Services, Finance and Commercial Services work closely with the CYPES team to ensure that spend in these categories is justified and regular monitoring, as well as budget and workforce reviews with managers, will include a focus on VFM.

The Chief Officer has determined that Locum and Agency staff are necessary for the delivery of frontline services in CYPES and to keep children safe. Consultancy

appointments in CYPES are used in the Children Social Care service to ensure children and families are supported and risk of harm is reduced. In addition, specialist consultancy appointments are also utilised in CAMHS, for example, to complete both neurodiversity and autism assessments and reduce waiting lists. Although there will always be a need for consultancy appointments in these front-facing services, the Department is keen to reduce its reliance on their use. Officers are actively recruiting to permanent staff, particularly for social work roles. An established, permanent well-trained and motivated workforce is a key aim of the Children's Social Care Improvement Plan and the outcomes of the transition from a reliance on consultancy appointments to a permanent workforce will be monitored throughout the delivery of the programme. It should be noted that in these two areas, it is necessary to appoint Locum Doctors and agency Social Workers to ensure patient and children's safety. These are normally temporary to cover for a short period of time to fill gaps in rosters due to planned leave or sickness, in these cases it is more cost effective. They may also be used during recruitment processes to provide capacity whilst recruiting permanent staff.

2. *How do you intend to monitor and assess whether the frameworks and guidance set out by the Corporate Portfolio Management Office (CPMO) are being complied with by Chief Officers, noting a step is due to be built into the reporting on P.59/2019 and publication of Consultants Reports etc.*

Response:

As set-out in the action plan, the CPMO and Commercial Services will insert additional information in their guidance highlighting considerations for publishing reports. The new approval procedures also ask the requestor to indicate whether "a report will be produced", whether "it will be published" and "if not, why not". This early-stage data capture will assist in the verification at the reporting stage. Should there be a significant variation in the initial responses compared to the reporting under P59/2019, this can be raised with the relevant Chief Officer and the CEO. The revisions to, and automation of approvals for, the use of consultancy and contingent labour, provides better information and an opportunity to review compliance and good practice. This is a new approach and in early stages of development. Following a period of implementation, there will be an opportunity to better gauge compliance and appropriate action. Accountability for compliance with frameworks rests with Accountable Officers, who are required to confirm compliance through the annual Governance Statements.

3. *The PAC notes a number of 'bolt-on' modules of the Ariba system are due to be rolled out in due course, specifically the 'Request for Quote' element. Can the PAC be provided with further information and assurance over how this will enhance the process of engaging consultants. Furthermore, can you provide further details of any further additions that are likely to be required and whether these are planned to be budgeted for in future Government Plans.*

Response:

In respect of the first point, GOJ is not rolling out "bolt-on" modules to the current implementation of the SAP Ariba system, but rather, is utilising functionality that has already been deployed as part of the SAP ARIBA solution. This functionality enables employees to seek quotations from suppliers that provide catalogues or on framework agreements which have been loaded into Ariba. That said, this functionality requires

further embedding into general practice and ways of working across the organisation. The action plan aims to promote wider adoption across GoJ. In regard to engaging consultants specifically, the functionality will also support frameworks in place. Furthermore, functionality within Ariba will be optimised by the introduction of the new approvals process, enabling improved data points which will inform analytics and reporting.

There are currently no plans to propose additional funding for the Connect System in the next Government Plan.

4. *The PAC notes that the actions outlined in the Strategic Workforce Planning – Skills and Succession are intended to deliver improvements in relation to the future use of consultants. However, can the PAC please be provided with further detail in relation to how this will be achieved in practice and what steps are being taken to ensure the actions outlined in the response are achieved. Furthermore, can details of the plan within HCS to reduce the reliance on consultants be shared in confidence with the PAC.*

Response:

The Strategic Workforce Planning programme of work has highlighted an opportunity to provide further tools to support departments in the areas of succession planning and identifying skills gaps. The Strategic Workforce Planning team has now developed toolkits, training sessions and training materials for succession planning and to support managers and learning leads in identifying and addressing skills gaps in their areas. These tools are aimed at building the skills, knowledge and confidence of managers in these areas and to support the development of their workforce skills and capability.

The PAC request, to understand in confidence the HCS plan to reduce consultancy reliance, is noted and will be progressed separately.

5. *The PAC has noted a potential discrepancy in the response between the rejection of recommendations nine and ten and the acceptance of recommendation seven. Whilst we understand that a closure document exists as part of existing frameworks, the C&AG has made recommendations for improvements in this area and notes that the current processes could be strengthened. By accepting recommendation seven (which relates to reporting on the actual and planned skills transfer) without accepting recommendation nine and ten (which focus on improving evaluation processes) the PAC's view is that this does not marry up. Taking forward recommendation seven is reliant on the implementation of the improved evaluation processes set out in recommendation nine. The PAC would, therefore, question what is being done to address this potential disparity between responses.*

Response:

Addressing the Committee's comment of a potential discrepancy in response to these three recommendations; it is regarded that a consistent approach is being taken across the recommendations; the tenor of the responses being that People Services, Commercial Services and Finance, will provide additional guidance and a framework of good practice for Accountable Officers and their managers.

For example, in response to the C&AG report and recommendations, it is explained that recommendation 10 has not been agreed as this would require GOJ to develop a system for central recording, reviewing and monitoring all consultant recommendations. As set out

in our original response, it is considered that the amount of resource required outweighs the benefit. Furthermore, when considering these recommendations against other activities for prioritising our resource capacity, it is not assessed as a vital activity. There are not currently the resources or systems in place across GoJ to implement this recommendation effectively. At this time, additional resource to implement this recommendation is not a priority.

As highlighted above, central controls will not be implemented, and it will be for departments to decide how they apply compliance monitoring, for example, using a local tracking system. The Public Finance Manual, states that it is the responsibility of Accountable Officers to ensure that value for money can be demonstrated in the delivery of services, and therefore in this context, managing consultant engagements, the resultant recommendations and necessary skills transfer to the respective teams.

I hope that this additional information is of assistance to the Committee.

Yours sincerely

A handwritten signature in blue ink that reads "T. Walker".

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