

Dame Meg Hillier MP
Chair of Public Accounts Committee
House of Commons
London
SW1A 9NA

Sent via email to: pubaccom@parliament.uk

27 April 2022

Dear Chair,

RE: Public Accounts Committee, Twenty-Third Report of Session 2021-22 Department of Health and Social Care Test and Trace – Update

In your committee's recent report on Test and Trace (HC 182), published on 27 October, you asked the UK Health Security Agency (UKHSA) to provide a further update in March 2022 setting out progress in reducing dependency on consultants.

PAC Recommendation: UKHSA should write to Committee by the end of November 2021 detailing how it will reduce its dependency on consultants and write to us again in March 2022 and June 2022 setting out its progress against this.

Summary

On 1st October 2021 NHS Test and Trace was combined with the Joint Biosecurity Centre and the health protection, science and support functions of Public Health England to form the UKHSA. This letter provides an update on UKHSA's use of management consultants.

To avoid confusion, it is important to note that Consultants in Public Health are a core part of the UKHSA workforce and are distinct from management consultants. Consultants in Public Health are specialists with either clinical or multi-disciplinary backgrounds in public health and who hold appropriate professional registration (e.g. with the General Medical Council or UK Public Health Register).

Management consultants are defined by Government Procurement in Common Areas of Spend Standard Definitions as "an organisation seeking to fill a knowledge gap by providing advisory services". Within UKHSA the need to bring in expertise that is not normally found within the Civil Service has been essential to meet the demands of building the infrastructure and capabilities needed to deliver the pandemic response.

On 31st January 2022 the proportions of the UKHSA workforce were 58% civil servants, 29% contingent labour, and 13% management consultants. Within the civil servant element of the workforce 55% were permanent and the remainder were fixed-term appointments (including loans from other departments).

The plan to reduce the reliance on management consultants approved in July 2021 was specific to NHS Test and Trace and as we have transitioned to the UKHSA the organisational structure has changed significantly. This analysis reflects the use of management consultants in the context of the UKHSA against the reduction plan agreed for NHS Test and Trace.

When management consultant use was highest in February 2021, we had 2,586 resources classified as management consultants in Test and Trace, since then 43% have been removed from the workforce. On 31st January 2022 there were 1,476 management consultants in the UKHSA, with the majority of those remaining in highly specialised technology and data analytics roles.

Agreed day rates for management consultants range from £706 (Consultant grade) to £3,100 (Partner/Director grade) excluding VAT and are call-offs against Crown Commercial Service frameworks. Based on the most recent analysis (November 2021) the average actual daily rate across all management consultants working for UKHSA was £1,244 excluding VAT. This reflects an approach focused on minimising the cost of management consultants for those deemed essential to operational delivery.

The programme to reduce the number of management consultants was proceeding slightly ahead of plans until the emergence of the Omicron variant. This forced a renewed pandemic response and the retention of consultancy staff in critical operational roles for longer than planned.

It is important to note that reducing the number of management consultants is balanced with the delivery of national priorities, ensuring the sustainable handover of critical knowledge, and managing recruitment into high-skill roles. We are committed to reducing management consultancy spend and Ministers have clearly expressed a similar ambition. We have developed an action plan to re-engage our previous trajectory as we move out of the Omicron wave. This plan primarily focuses on recruiting civil servants to replace management consultants, which has been ongoing since July 2021.

On 21st February 2022 the Prime Minister announced the government's strategy for living safely with COVID and on 29th March 2022 the UKHSA received its confirmed Spending Review settlement (covering both COVID-related activity and our core health security responsibilities). The UKHSA is undertaking a rapid review of the functions and shape of the organisation required to deliver our future role. This review will identify the appropriate workforce composition for the future and is likely to see further significant reductions in the number of management consultants working in the UKHSA. A revised mechanism to track and report on these reductions is being put in place.

I would like to thank you for giving me the opportunity to provide an update. I will write further with a progress update in June 2022 as recommended.

Yours sincerely



Dame Jenny Harries DBE

Chief Executive, UK Health Security Agency