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Dame Meg Hillier MP
Chair of Public Accounts Committee
House of Commons
London
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Sent via email to: pubaccomm@parliament.uk

10 June 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 report on NHS Test and Trace (HC 182), published on 27 October 2021, you asked the UK Health Security Agency (UKHSA) to provide a further update in June 2022 setting out progress in reducing dependency on management 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.

Management consultants fulfil a knowledge gap by providing advisory services which are not normally found within the Civil Service. Within UKHSA, management consultants have been essential in meeting the demands of building the infrastructure and capabilities needed to deliver the pandemic response.

Reducing the number of management consultants is balanced with the delivery of national health protection priorities. The plan agreed with our Minister in July 2021 focused on recruiting civil servants to replace management consultants

The tables below illustrate the position on 19 May 2022 and compares it to the position as of 31 January 2022, which was included in our previous update to the Committee. You will note that we have made significant progress with just 22% of management consultants remaining since the peak position in February 2021.

Figure	31 January 2022	19 May 2022
Management Consultants in place (total headcount)	1,476	580
Management Consultants Removed*	43%	78%
Day Rates (excluding VAT)	Low: £706 (Consultant grade)	Low: £623 (Consultant grade)
	High: £3,100 (Partner/Director grade)	High: £2,905 (Partner/Director grade)
Average Day Rate	£1,244 excluding VAT	£989 excluding VAT

*This percentage figure is calculated from when the Management Consultant resource was at its highest in February 2021 – which was 2,586.

Average monthly costs of Management Consultants spend Test and Trace

Period	Total £m	Avge per mth £m
Financial Year 20/21 (NHSTT) DHSC published accounts	145	12
First Half Financial Year 21/22 period from 1 April 2021- 30 Sept 2021, (Provisional, pre-audit)	201	34
Second Half Financial Year 21/22 period from 1 Oct 2021 - 31 March 2022 (provisional, pre-audit)	116	19

The apparent anomaly between consultant numbers peaking in February 2021 and the financial run rate being higher in H1 2021/22 is explained by the delays in the receipt of invoices, which meant that while the number of consultants peaked in February 2021, the amount spent was higher in the months that followed.

With the exception of Technology, and a very few other critical skills not readily available in the Civil Service but required for health protection service delivery, it is our intention to reduce management consultants to an absolute minimum by the end of July 2022. Ministers recognised a special case for specific Technology functions such as software engineers, testing specialists, cyber security, information governance specialists, and data

engineers/scientists, roles that are not readily available within the Civil Service. It was agreed that Technology pursue a separate programme to transition which means that some Technology management consultants (forecast to be around 100) may be retained into 2023.

I would like to thank you for giving me the opportunity to provide an update.

Yours sincerely

A handwritten signature in red ink that reads "Jennifer Harries". The signature is written in a cursive style.

Dame Jenny Harries DBE
Chief Executive, UK Health Security Agency