

<b>AUDIT COMMITTEE</b>	AGENDA ITEM No. 12
<b>11 FEBRUARY 2019</b>	<b>PUBLIC REPORT</b>

Cabinet Member(s) responsible:	Cllr David Seaton, Cabinet Member for Resources	
Contact Officer(s):	Peter Carpenter, Acting Corporate Director Resources	Tel. 452520

## USE OF CONSULTANTS – UPDATE REPORT

RECOMMENDATIONS	
<b>FROM :</b> Corporate Director Resources	<b>Deadline date :</b> N/A
1. That Audit Committee consider the update report on the use of Consultants for the financial year 2018/19 up to December 2018 (9 months).	

### 1. ORIGIN OF REPORT

- 1.1 This report is submitted to Audit Committee following the Sustainable Growth Scrutiny Committee review into Peterborough City Council's use of consultants, the subsequent endorsement of their recommendations by Cabinet, and the agreement of Audit Committee to undertake an on-going monitoring role.

### 2. PURPOSE AND REASON FOR REPORT

- 2.1 Sustainable Growth Scrutiny Committee recommended that the on-going monitoring role at Member level is undertaken by Audit Committee. Audit Committee considered their approach to this role at their meeting of 26 March 2012. This report is in line with the approach agreed and subsequent updates, and is in accordance with the Committees' Terms of Reference:

- 2.2.1.11 To review any issue referred to it by the Chief Executive or a Director, or any Council body; and
- 2.2.1.15 To consider the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.

### 3. TIMESCALE

Is this a Major Policy Item / Statutory Plan?	<b>NO</b>	If Yes, date for relevant Cabinet Meeting	N/A
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### 4. REVIEW OF THE USE OF CONSULTANTS

- 4.1 In March 2010, the Sustainable Growth Scrutiny Committee requested a review into Peterborough City Council's use of consultants. A cross-party review group was established to undertake this work on behalf of the Sustainable Growth Scrutiny Committee.
- 4.2 The report from the Consultancy Review Group was issued in March 2011. Scrutiny also recommended that on-going monitoring of the use of consultants should fall to Audit Committee. Audit Committee considered this role at their meeting of 26 March 2012.
- 4.3 A further report, outlining the information requested, was discussed at the meeting of 5 November 2012. Further updates have been considered at the meetings of 4 February 2013, 4 November 2013, 3 November 2014, 9 November 2015 and 21 November 2016. A report on 19 November 2018 continued the regular reporting to Audit Committee.

#### 4.4 **Use of consultants**

The definition of consultancy is based upon standard procurement classification. As such it covers a wide range of companies and services. Expenditure is included here if the company meets the standard classification, irrespective of exactly what services have been provided.

4.5 The spend for the last nine full years, plus in current year to date is shown below. The trend over that period is for a reduction in spend.

	<b>Total £m</b>
2009-10	8.5
2010-11	6.4
2011-12	5.4
2012-13	4.3
2013-14	4.5
2014-15	3.1
2015-16	2.5
2016-17	3.0
2017-18	2.4
2018-19 first 9 months	1.6

4.6 Spend has risen slightly in 2016/17 before reducing again in 2018/19.

4.7 The policy agreed by Cabinet and Audit Committee to manage use of consultants, including the need for a business case to be produced, remains in place. The Corporate Management Team has reviewed arrangements as part of the 2017/18 budget monitoring process, and will continue to review as part of the 2018/19 budget monitoring process.

4.8 A list of companies used for the period 1 April 2016 to 31 December 2018 is included in Appendix 1, indicating the breadth of these companies and services that are included in the standard classification and in the analysis in this report.

#### **Agency**

4.9 The Council also employs Agency staff through a number of Contracts. The spend for the past 2 financial years on Agency and the current year to date has been:

- 2016/17 - £6.3m
- 2017/18 - £6.5m
- 2018/19 - £7.4m

### **5. CONSULTATION**

5.1 Audit Committee considered options for how they wish to monitor use of consultants in the future at their meeting of 26 March 2012. Subsequent discussions at the meetings referred to have refined the information they wish to monitor.

### **6 ANTICIPATED OUTCOMES**

6.1 That Audit Committee consider the update report on the use of consultants.

### **7 REASONS FOR RECOMMENDATIONS**

7.1 The recommendations are in line with the recommendations of Scrutiny, and the view of Audit Committee in undertaking this role.

### **8 ALTERNATIVE OPTIONS CONSIDERED**

- 8.1 Audit Committee considered options for how they wish to monitor use of consultants in the future at their meeting of 26 March 2012.

## **9 IMPLICATIONS**

- 9.1 Where appropriate, the policy outlines implications for areas such as Legal, Human Resources, Procurement and Finance.
- 9.2 This report does not have implications for specific wards.

## **10 BACKGROUND DOCUMENTS**

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985)

- Consultancy Review Report, March 2011;
- Report to Sustainable Growth Scrutiny Committee, 8 November 2011;
- Report to Sustainable Growth Scrutiny Committee, 6 March 2012; and
- Reports to Cabinet and Audit Committee 26 March 2012.
- Report to Audit Committee of 5 November 2012
- Report to Audit Committee of 4 February 2013
- Report to Audit Committee of 4 November 2013
- Report to Audit Committee of 3 November 2014 and supplementary report to Audit Committee of 2 February 2015
- Report to Audit Committee of 9 November 2015
- Report to Audit Committee of 22 November 2016
- Report to Audit Committee of 19 November 2018

## **11 APPENDICES**

- Appendix 1 - list of companies used during the period 1 April 2018 and 31 December 2018 with summary

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