

AUDIT COMMITTEE	AGENDA ITEM No. 12
15 July 2019	PUBLIC REPORT

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

USE OF CONSULTANTS – UPDATE REPORT

R E C O M M E N D A T I O N S	
FROM : Corporate Director Resources	Deadline date : N/A
1. That Audit Committee consider the update report on the use of Consultants for the financial year 2018/19.	

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?	NO	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. Reports on 19 November 2018 and 11 February 2019 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.

	Total £m
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	2.7

4.6 The spend in the first 9 months of 2018-19 reported to audit committee on 11 February 2019 was 1.6m, suggesting 2.1m might be anticipated for the whole of 2018-19, continuing a reducing trend. However the full year figure of £2.7m shows an increase of £0.3m on 2017/18, with £0.6m more being spent in the final quarter than the trend. This increase is mainly attributed to 3 suppliers, Reed, Serco and 4OC, and includes work on Adult Social Care and People & Communities savings programme, Latco mobilisation and the Homeless reduction project.

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 continued to keep spend under review as part of the budget monitoring process.

4.8 A list of companies used for the period 1 April 2018 to 31 March 2019 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 3 financial years on Agency has been:

- 2016/17 - £6.3m
- 2017/18 - £6.5m
- 2018/19 - £8.8m

4.10 The agency spend referred to above is the net cost to the Council's general fund. The total 18/19 gross spend including schools and other areas (e.g. where costs have been incurred on behalf of the combined authority and re-imbursed) is around £12m.

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
- Report to Audit Committee of 11 February 2019

11 APPENDICES

- Appendix 1 - list of companies used during the period 1 April 2018 and 31 March 2019 with summary

2018/19

Appendix 1 - List of companies with Summary

2018/19		
Supplier Name	Initiative	Amount
4OC Ltd	Project Support - savings programme & LATCo set up	603,333
Airey Consultancy Services Ltd	Council Tax reduction scheme	6,600
AXA PPP Healthcare OHS Ltd	Occupational Health Advice	4,760
Barker Storey Matthews	Property Advice - Town Hall / University	11,414
Bevan Brittan LLP	LATCO development advice	6,023
Cambridgeshire County Council	CCC Staff costs - shared Services (ICT)	36,144
Capacity Matters Ltd	(Advice to commissioning team)	1,490
CapacityGrid	Empty Homes review	34,924
Carter Jonas LLP	Development Control advice	5,750
CEB Global Limited	Finance Improvement & delivery of MTFs savings agenda	30,958
Civica UK Limited	ICT Consultancy	1,025
Corazon Health Limited	Occupational Health Advice	240
Cranford Solutions Ltd	ICT support - interim	73,000
Deloitte LLP	Financial Assessment advice	12,000
Eastern Shires Purchasing Organisation	Environmental Services purchasing support	7,974

Fiona Spinks	GDPR work	32,197
G V A Grimley	Property valuation advice	3,300
Gerald Eve LLP	Finance project advice	12,500
Grant Thornton UK LLP	LATCO development advice	15,098
Heales Health Services Ltd	Occupational Health Advice	12,162
Hegarty LLP	Advice - The Manor	250
Inform CPI Ltd	ICT Consultancy	44,804
J C Associates	Complaints support	4,943
Kealey-HR	HR Support / LATCO advice	42,949
Lind Associates	SEN (Ian Palmer consultancy)	72,407
Lisa Bunyan	Integrated communities programme management	12,044
Mark Stephen Land Management	Development Control Advice	750
Mills & Reeve	Finance Advice	3,489
North Kesteven District Council	Planning & Housing Policy Support	47,000
NPS Peterborough Ltd	Bridge Street Shops Project / Roof mounted Solar PV Project / Property Project Delivery	136,008
Penna Plc	LATCO; Vivacity support; Interim Development Director	378,606
PKF Littlejohn LLP	Procurement Advice	33,170
Prior Associates (Soham) Ltd	Resilience & Risk advice	675
PS3 Safeguarding Limited	PCSB work	1,000

PSI(UK)Ltd	SEND consultancy (Liz Malcolm)	17,050
Reed Specialist Recruitment Limited	Fletton Quays project / PMO / Homeless 50 Project / ASC Resource plan	481,056
RINA Consulting Ltd	Energy advice	14,850
RJW Associates Ltd	PCSB work	24,700
Sales Nova Limited	LATCO mobilisation support	79,287
Serco Ltd	Project Management and Support	263,724
The Planning Inspectorate	Examination of Local Plan	61,413
WESTCO TRADING LIMITED	Communications Support (Stuart Tarbuck)	98,550
2018/19 Total		2,729,615