

Review of the Use of Consultants

Appendix 1

Recommendations for Cabinet from Sustainable Growth Scrutiny Committee meeting held on 23 March 2011

RECOMMENDATION	CABINET RESPONSE
That the Cabinet be recommended that:	
(i) All projects involving consultants should be recorded through Verto. This recommendation is subject to officers considering whether there should be a financial threshold to this requirement to ensure appropriate use of Verto.	
(ii) All members should be provided with access to Verto in order to improve transparency regarding consultancy spend. This will also assist to resolve any uncertainty which may exist around the commissioning of consultants.	
(iii) The Commercial and Procurement Unit (CPU) should provide an update report to the Scrutiny Committee in Autumn 2011 regarding (1) the progress made with Qlikview reporting and the outcome of discussions with Serco (2) financial data, by department, for Q4 2010-11 and Q1 2011-12 (3) whether the use of consultants is captured across the council through consistent use of Verto (4) the level of member enquiry of Verto (5) how the spend on consultants is being recorded and monitored, and (6) confirming that there is accurate recording of savings and losses against each individual consultant or consultancy project.	
(iv) A policy on the use of consultants ought to be written for the benefit of officers to ensure consistent application in the use of consultants across the council.	
(v) The council should amend contract regulations and financial regulations to set out criteria officers should consider before deciding to employ consultants. This ought to include consideration of any internal skills within the council.	

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<p>(vi) The council should compile a central register of transferable professional skills available within the council which should be audited on a regular basis by the HR team.</p>	
<p>(vii) The council should amend the Employment Committee terms of reference to include contractors and consultants whose accumulative remuneration rate over a project lifecycle would take them into the same salary grade as a head of service. Contractors and consultants at this level ought to be approved by Employment Committee before appointment whenever possible or reviewed at least at six monthly intervals to ensure that their continued engagement is appropriate.</p>	
<p>(viii) The council should review its further business transformation needs and assess whether the procurement of project and performance management skills will be required when the Professional Services Partnership (Amtec) contract next comes up for renewal.</p>	
<p>(ix) The Verto system have a reporting function which allows it to report on minor projects involving the use of consultants (under £20k in value) to the cabinet member for resources.</p>	
<p>(x) For major projects (over £20k in value)</p> <ul style="list-style-type: none"> a) the cabinet member for resources ought to be requested to add approval to the Verto system for projects involving the use of consultants; and b) representative bodies including the Joint Consultative Forum, CMT and the Audit Committee are able to request regular reports from Verto on the use of consultants 	

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(xi) Skills transfer is a written contractual requirement for appropriate professional skill contracts, particularly project and programme management, to enable officers to develop expertise which will directly benefit the council.	
(xii) A relevant scrutiny panel (or a suitably staffed sub-committee of one formed of members preferably with audit and/or accountancy experience) should take sample projects to put under review for test of business case and efficiency.	
(xiii) Where the council engage consultants under long term contracts there should be a requirement for managers to approach the consultant at fixed periods in the contract about filling a permanent role within the council.	
(xiv) There should be improved scrutiny of the PSP contract if it is renewed in 2012. The relevant scrutiny committee should be consulted prior to any decision being made to engage specific contractors.	
(xv) All consultants engaged at managerial level should be required to update Verto as a condition of payment.	
(xvi) Should the council produce a policy around the use of consultants (see recommendation iv), this should contain the criteria for engaging and monitoring consultants.	
(xvii) Managers should negotiate fixed-price or incentive-based contracts where possible.	
(xviii) The council should whenever possible seek to fill senior management posts with a permanent employee where it is beneficial for the council and consider all other available options, (e.g. internal employees acting up) before seeking to recruit a consultant to a managerial position.	

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(xix) A report should be made to the Scrutiny Committee surrounding the errors found in Qlikview and what measures have been put in place to prevent such errors in future.	
(xx) Where possible, the council should seek to quantify the level of grant funding which supports the use of consultants within the council. This may be possible through a reporting function within Verto.	
(xxi) Where appropriate HR should be involved in the recruitment process for consultants occupying managerial positions so that advice can be given on suitable candidates and in house expertise, skills or knowledge.	
(xxii) The CPU should be allowed access to the information gathered by HR around internal skills and knowledge so that internal skills might be accessed before reliance is placed upon consultants.	
(xxiii) Managers should submit a report to the chief executive upon the proposed appointment of any consultant in an interim managerial role explaining why a consultant is to be preferred over an internal candidate. This is to ensure that officers are mindful of succession planning.	
(xxiv) A further update on the progress of the creation of a centralised list of consultants should be produced and a report made to the appropriate scrutiny committee in Autumn 2011.	
(xxv) The roll out of the HR Review should be expedited to ensure that all areas of the council have been assessed by Spring 2011.	

RECOMMENDATION	CABINET RESPONSE
<p>(xxvi) Progress with the PDR process should be closely monitored to ensure that managers do not take a cascade approach as was the case with the previous APD system. This system prevented front line staff from receiving timely feedback or the opportunity to identify development opportunities and act upon career aspirations.</p>	
<p>(xxvii) The HR Review agenda should be amended to enable the chief executive and directors to identify where consultants are fulfilling positions. This information should be used to create a succession plan for ensuring that this is the most appropriate solution, or if not, to identify who could be developed to fulfil that role in future.</p>	
<p>(xxviii) A skills audit should be completed through a series of workshops with top performers. Included in the audit should be details of the specific projects that staff have worked on, similar to a CV. That would help to identify those with the potential to be of 'consultant' level.</p>	
<p>(xxix) The contract management system should be made available for scrutiny by members, or reviewed by way of regular reports to a scrutiny committee.</p>	
<p>(xxx) If a manager is shown to be disproportionately using agency staff for longer than three months then a business case should be made and entered on Verto.</p>	
<p>(xxxi) The HR team should report to the Sustainable Growth Scrutiny Committee in late Summer 2011 on progress or completion in the area of succession planning. If this requirement can be fulfilled by moving towards liP "Silver" status the report should also contain an evaluation of whether it is financially feasible for the council to progress towards this.</p>	

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(xxxii) That the council investigates whether to move away from OGC Solutions as a method of contracting.	
(xxxiii) That the council conducts a cost benefit review analysis on whether details of sub-contracting arrangements should be included in all contracts.	