

SUSTAINABLE GROWTH SCRUTINY COMMITTEE	Agenda Item No. 7
8 NOVEMBER 2011	Public Report

Report of the Executive Director of Strategic Resources

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USE OF CONSULTANTS – RECOMMENDATIONS MONITORING REPORT

1. PURPOSE

- 1.1 This is a progress report on the recommendations of the Consultancy Review endorsed by Cabinet in June 2011.

2. RECOMMENDATIONS

- 2.1 Note the progress made on implementing the Consultancy Review recommendations (see Appendix 1).

3. LINKS TO THE SUSTAINABLE COMMUNITY STRATEGY

- 3.1 This report links to the Single Delivery Plan and its commitment to the following:

- Using our resources more efficiently, effectively and innovatively

4. BACKGROUND

- 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.

The scope of the review focused on the following objectives:

- To examine the cost of consultants and whether that provides value for money.
- To review the processes for engaging and monitoring the work of consultants.
- To look at the relationship between consultants and staff of the council.
- To examine the likely future use of consultants by the council.

The approach taken by the Review Group consisted of three phases:

- Desk-top research to gather relevant publications, papers and documents to establish Terms of Reference and request the detailed information needed from officers to conduct the review against the established methodology.
- Interview Council officers and other key people and integrate interview findings into the final report.
- Interview a number of additional key witnesses with particular focus on written questions around the use of consultants, interim managers and skills transfer.

The report from the Consultancy Review Group was issued in March 2011 and contained 33 recommendations: 27 of these recommendations were endorsed by Cabinet in June 2011.

In broad terms, the recommendations related to policy and process changes. The recommendations are listed in Appendix 1 along with a progress update on each one. A few

key statements from the report are highlighted below for the purposes of context setting:

“The review group was made aware of several awards which the council had received as a result of the approach it had taken to its business transformation programme through the Amtec contract and noted that this partnership continued to achieve success. The review group also heard from several officers about the positive benefits for council employees working alongside those consultants....”

“The group also noted the considerable advantages in employing consultants who bring additional skills and knowledge not available in house, allow for flexibility within the workforce by permitting officers to terminate contracts swiftly for non performance and do not carry the risk of redundancy costs or unfair dismissal claims”

“The council has very carefully monitored the return on its investment in consultancy services. The overall return on investment on consultancy spend has continued to increase with savings doubling in the last financial year.

The overall transformation programme has been delivering savings since 2006. The cumulative repeatable savings (excluding one-off savings delivered in each year) achieved over this period are:

<i>Year</i>	<i>Cumulative Total Savings</i>
2007/2008	£5.779m
2008/2009	£12.987m
2009/2010	£21.649m
2010/2011	£27.735m
2011/2012	£29.158m (excluding 2011/12 savings target)

The cumulative savings figures shown above are all recurring savings. That means we do not now need to take additional cost to achieve them in future years so the return on investment improves significantly every year.”

Alongside these comments, the Review Group made the recommendations referred to above. A common theme in the Consultancy Review recommendations is the need to consider available internal resources before external resources are deployed. In most instances where external resources are appointed, they work alongside internal resources in order to facilitate the sharing of skills and knowledge. A few recent examples of this approach are highlighted below:

Manor Drive Managed Service:

A combined team of internal and external resources was used to undertake the successful procurement of a partner to deliver Manor Drive/Strategic Resources back office services such as transactional services, business support, business transformation, operational procurement and strategic property. Led by internal resources, the team contains the capacity, skills and knowledge to oversee the transfer of Manor Drive into an externally managed service..

Adult Social Care:

Following the decision to transfer Adult Social Care to the Council, a team of external resources was established to manage and deliver the transfer of services. The external resource consist mainly of individuals with experience of Adult Social Care, who will work alongside Council staff including HR and legal expertise. Again, the team brings specific capacity, skills and experience with Adult Social Care services, as well as the ability to focus on the delivery of cashable savings targets outlined in the Medium Term Financial Plan.

Children’s Services:

Children’s Services have brought in a team of external sector-led resources to assist in the delivery of the OFSTED improvement plan. The external team has substantial experience and skills in delivering improvement plans in other local authorities, with a particular focus on safeguarding. Again, the external team is working along the principles of supporting and

strengthening internal resources to deliver front-line services.

5. KEY ISSUES

- 5.1 The Committee should note the progress achieved on the recommendations and provide any comments, as appropriate.

6. IMPLICATIONS

- 6.1 Where appropriate, Appendix 1 outlines implications for areas such as Human Resources, Procurement and Finance.

This report does not have implications for specific wards.

7. CONSULTATION

- 7.1 The following were consulted in the preparation of this report:

- Head of Corporate Services
- Head of HR
- Cabinet Member for Resources

8. NEXT STEPS

- 8.1 The Committee is requested to advise on how often they would like to see further updates on progress with this item.

9. BACKGROUND DOCUMENTS

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

- 9.1 Consultancy Review Report, March 2011

10. APPENDICES

- 10.1 Appendix 1 – Consultancy Review Recommendations: Progress Report
Appendix 2 – Consultancy and Interim Policy
Appendix 3a-3c – Data for Q4 2010-11 and Q1 2011-12

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