

APPENDIX 1: CONSULTANCY REVIEW RECOMMENDATIONS - PROGRESS REPORT

	Recommendation	Progress Update	Timescales	Owner
1	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.	Implemented for all projects using consultancy over £5,000 in cost. Each project is required to produce a business case that is submitted to the Executive Director Strategic Resources for approval.	Completed	Ramnit Bassi
2	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.	We are in the process of establishing Member access to Verto and we will be hosting a training session for Members on using Verto during Q4 2011-12.	December 2011 - March 2012	Ramnit Bassi
3	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.	<p>1) The Qlikview reporting technology has been checked and no inconsistencies were found which would serve to explain why the Committee received differing data sets. Due to the nature of the data in question, valid differences might arise between reports for the same period, which were produced at different times. There is no evidence of a technical problem with the Oracle or QlikView reports used to supply the information to the Committee. However, we recognise that the differences confuse analysis and that the Committee requires a report which has no such issues. To avoid this problem arising in future, we suggest that we move to a cash based view rather than including the accrual concept in the reports. This will ensure that data is consistent at all times since it would represent money actually spent in the period / outturn by supplier. New reports have been supplied to the CPU on this basis.</p> <p>2) This is provided in Appendix 3.</p> <p>3) This is addressed in Recommendation 1.</p> <p>4) This is addressed in Recommendation 2.</p> <p>5) We are undertaking some development work in Verto to improve recording of spend on consultants. Essentially, this development work will create an interface between Verto and Oracle which means that purchase orders will be linked and we will have accurate, automated, data on consultancy spend.</p> <p>6) Where consultancy projects are delivering cashable savings, this is recorded on Verto. However, there are other projects which are not focused on the delivery of savings, but on the along with their benefits, are also recorded on Verto.</p>	December 2011	Steven Pilsworth
4	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.	Policy drafted and attached as Appendix 2. This will be launched following this Committee	Completed	Ramnit Bassi

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5	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.	Meeting held with Cllr North to clarify expectations. In practice, senior managers consult each other regarding internal resources and availability to take on work/opportunities for secondments. E.g. the establishment of the Business Transformation team is an illustration of this approach as the majority of internal officers were secondees from other departments. This cross-fertilisation of ideas amongst senior managers is common practice and evident in scenarios such as the Heads of Service network meetings. A proposed matrix of professional skills is being considered by HR.	December 2011	Colin Wilson
6	The council should review its further business transformation needs and assess whether the procurement of project and performance management skills will be required when consultancy contracts next comes up for renewal.	This will be reviewed in August 2012 when contract is due to end.	August 2012	John Harrison/Steven Pilsworth
7	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.	Verto report in development and on track to be sent to the Cabinet Member for Resources.	November 2011	Ramnit Bassi
8	For major projects (over £50k in value (original recommendation was £20k)):			
8a	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	Business cases containing consultancy costs of £50k+ are sent to the Cabinet Member for Resources for approval.	Completed	Ramnit Bassi
8b	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	We are happy to provide reports to these bodies, as and when requested, and this has been formally communicated to Diane Baker, Head of Governance. In response, Audit Committee has requested an update in February 2012 (Steven Pilsworth to present report).	Completed	Steven Pilsworth
9	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.	This recommendation is addressed via the response to Recommendation 4. In addition, it should be noted that departments employing a consultant/interim need to take responsibility for skills transfer and identify who skills are transferring to.	Completed	Ramnit Bassi
10	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.	We are happy to provide reports to these bodies, as and when requested, and this has been formally communicated to Diane Baker, Head of Governance. In addition, business cases and projects are tested internally by the Savings and Innovations Board and Project Governance Board	Completed	Ramnit Bassi
11	Where the council engages consultants under long term contracts there should be, only in appropriate circumstances, a requirement for managers to approach the consultant at fixed periods in the contract about filling a permanent role within the council.	This recommendation is addressed via the response to Recommendation 4. In addition, it should be noted that taking on a consultant in a fixed-term capacity could incur a finder's fee charge.	Completed	Ramnit Bassi
12	There should be improved scrutiny of the consultancy contract if it is renewed in 2012. The relevant scrutiny committee should be consulted prior to any decision being made to engage specific contractors.	This will be reviewed in August 2012 when contract is due to end.	August 2012	John Harrison/Steven Pilsworth
13	All consultants engaged at managerial level should be required to update Verto as a condition of payment.	Implemented.	Completed	Ramnit Bassi
14	Managers should negotiate fixed-price or incentive-based contracts where possible.	This recommendation is addressed via the response to Recommendation 4.	Completed	Ramnit Bassi
15	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.	This recommendation is addressed via the response to Recommendation 4.	Completed	Ramnit Bassi

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16	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.	This recommendation is addressed via the response to Recommendation 3.	Completed	Steven Pilsworth
17	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.	Implemented.	Completed	Ramnit Bassi
18	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	This recommendation is addressed via the response to Recommendation 4.	Completed	Ramnit Bassi
19	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.	This recommendation is addressed via the responses to Recommendations 4 and 5.	December 2011	Colin Wilson
20	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.	This is addressed via the requirement for a business case when there is a need to use consultancy resources. The business case explains why external resources are required and why internal resources are not available. On behalf of the Chief Executive, business cases are submitted for approval to the Executive Director Strategic Resources and the Cabinet Member for Resources.	Completed	Ramnit Bassi
21	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.	The smart form for consultancy requisition requests that consultant/interim names are included. This information is then used to generate the centralised list from Oracle. There needs to be ongoing communication of the message that consultancy/interim names should be included on the smart form.	Completed	Andy Cox
22	The roll out of the HR Review should be expedited to ensure that all areas of the council have been assessed by Spring 2012.	Concept to be presented to CMT.	March 2012	Mike Kealey
23	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.	Monitoring of PDRs confirms no road block to roll out. 68% complete (953 completed PDRs). This is a higher level of completion than the previous year. To discuss next steps with Chief Executive at next 1-to-1	Completed	Colin Wilson
24	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.	Base document templates for review including succession chart prepared ready for roll out Linked to Recommendation 22	Completed	Mike Kealey
25	The contract management system should be made available for scrutiny by members, or reviewed by way of regular reports to a scrutiny committee.	We are happy to provide information to the appropriate committee, as and when requested, and this message has been formally communicated to Diane Baker, Head of Governance.	Completed	Andy Cox

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26	That the council investigates whether to move away from OGC Solutions as a method of contracting.	<p>As part of the Council's Procurement Strategy, buying solutions frameworks (now administered by the Government Procurement Service) are considered as an optional procurement route alongside traditional tendering methods. The Strategy recommends that we consider procurement activity on a case-by-case basis in order to maximise efficiencies.</p> <p>There are many instances in which the Council has procured goods and services through frameworks such as ESPO, HCA, Midlands Highways Alliance, Government Procurement Service (OGC Buying Solutions) and Smarte East. As these frameworks have been confirmed as EU compliant, it reduces time and cost when procuring goods and services. The Council has used frameworks to procure contracts for services such as travel and accommodation, stationery, multi-functional devices, print and design, mail and government purchasing cards. Equally where appropriate, the Council uses both traditional methods of tendering through the Open and Restricted processes and more modern methods such as the Competitive Dialogue Procedure. Recent examples of the use of the restricted process include the Temporary and Agency Staff Contract, Cash Collection and Key Holding Contract and Drug and Alcohol Services Contract. The Competitive Dialogue Procedure has been used for the procurement of the 'Lot 3 Waste 2020' Contract with Enterprise Peterborough and the current procurement of the Manor Drive Managed Service Contract which has been recommended for award to Serco.</p> <p>A review of the use of publicly available frameworks is being included in the revision of the Council's contract regulations being undertaken by Legal Services.</p>	Completed	Andy Cox
27	That the council conducts a cost benefit review analysis on whether details of sub-contracting arrangements should be included in all contracts.	Where possible, information regarding subcontracting arrangements is requested at both PQQ and ITT stage. However, it should be noted that not all contractors are in a position to confirm their subcontracting arrangements at these stages of the process.	Completed	Andy Cox

Key:

Completed items