

<b>AUDIT COMMITTEE</b>	AGENDA ITEM No. 6
<b>4 FEBRUARY 2013</b>	<b>PUBLIC REPORT</b>

Cabinet Member(s) responsible:	Cllr David Seaton, Portfolio Holder for Resources	
Contact Officer(s):	John Harrison, Executive Director Strategic Resources Steven Pilsworth, Head of Strategic Finance	Tel. 452520 Tel. 384564

## USE OF CONSULTANTS – UPDATE REPORT

RECOMMENDATIONS	
<b>FROM</b> : Executive Director Strategic Resources	<b>Deadline date</b> : N/A
1. That Audit Committee consider the update report on the use of Consultants	

### 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, and received a subsequent update at their meeting of 5<sup>th</sup> November. This report is in line with the approach agreed, and is in accordance with the Committees' Terms of Reference:

- 2.2.13 To review any issue referred to it by the Chief Executive or a Director, or any Council body; and
- 2.2.17 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
---	-----------	---	-----

### 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 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.

- 4.3 The report from the Consultancy Review Group was issued in March 2011 and contained thirty three recommendations: twenty seven of these recommendations were endorsed by Cabinet in June 2011. In broad terms, the recommendations related to policy and process changes. It was agreed that many of recommendations regarding good practice should be incorporated into a policy guiding the use of consultants and interims.
- 4.4 Progress in implementing the recommendations, including a draft of the policy, was considered by Sustainable Growth Scrutiny Committee at their meeting on 8 November 2011. The Committee made a number of comments regarding the draft policy, and requested that an updated draft was brought back to their meeting of 6 March 2012 for consideration. Following this the Policy was approved by Cabinet on 26 March.
- 4.5 The policy has been rolled out across the Council, and reference included in all guidance on procuring consultants. The recent training on contract regulations has included update training on the policy.
- 4.6 Scrutiny also recommended that on-going monitoring of the use of consultants should fall to Audit Committee. Audit Committee considered an update report on 26 March, including this role. The following was agreed:

The Committee agreed the adoption of their role in monitoring the arrangements for the use of consultants at Peterborough City Council;

It was agreed that the Head of Corporate Services would:

- Produce a six monthly report to Audit Committee on the use of consultants by Peterborough City Council; and
- Would include detail on which departments had used consultants.

- 4.7 It was also requested that information relating to the types of projects were included. Members also suggested that a template on reporting the use of consultants should be developed without the need to conduct a full review each time to Audit Committee.
- 4.8 The first six monthly report, outlining the information requested, was discussed at the meeting of 5 November.. The following information was requested for the next update:
- Information on consultants and interims that had been in post at PCC for over a year; and
  - Further information regarding what services each of the consultancy companies had provided

#### 4.8 **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.

- 4.9 The spend for the last three years for both consultancy and interim spend is shown below, outlining a decline over those three years, and a continuing decline in this year.

	<b>Consultancy £m</b>	<b>Interim £m</b>	<b>Total £m</b>
2009-10	7.1	1.4	8.5
2010-11	5.3	1.1	6.4
2011-12	4.7	0.7	5.4
2012-13 (9 month period to end December 2012)	2.2	0.6	2.8

- 4.10 It should be noted that the exact pattern of spend depends entirely on what projects are underway in the council.
- 4.11 A list of companies used in the current financial year 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.

## **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.

## **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, 8th November 2011;
- Report to Sustainable Growth Scrutiny Committee, 6th March 2012; and
- Reports to Cabinet and Audit Committee 26 March 2012.
- Report to Audit Committee of 5 November

## **11 APPENDICES**

- Appendix 1 - list of companies used in the last year with project breakdown; and
- Appendix 2 - Spend by department
- Appendix 3 – consultants/interims in place for more than one year.

List of companies used this year, with project descriptions

This table lists all companies used in the current financial year, along with a description of the projects supported, and a breakdown of consultancy and interim spend

Supplier Name	Project Description	Consultancy £	Interim £
AECOM Ltd	Feasibility studies on the wind and solar project	271,934	
AMTEC Consulting Plc	Westcombe Industries Interim Management Fletton Quays Waste 2020 Programme Station Quarter Interim Head of Business Transformation Adult Social Care Transformation Programme Community Stadium Childrens Services Procurement Support Financial Products Business Case ICT Managed Service Electronic Document Record Management Work on the Single Delivery Plan	1,098,107	87,071
Andrew Belson Arboricultural Con.	TPO Review	4,365	
Athene Communications	Interim Head of Communications support for the Greater Peterborough Partnership	3,980	28,587
Beverley Clarke Consulting Ltd	Childrens Improvement Programme	7,158	
Blue Blanket Ltd	ICMS Liquidlogic Implementation	2,950	
Bob Dawson Consultancy	Development of Health and Wellbeing Strategy for Peterborough	4,332	
Civica UK Limited	Database support for implementation of national food hygiene rating scheme	10	
Debbie Owen Consulting Limited	Debbie Owen- consultant for Improvement Programme	7,707	
Drivers Jonas Deloitte	Development and Retail Planning Advice - Great Haddon Urban Extension	1,361	
Eva Learner Ltd	To provide support and practice learning to referral and assessment team managers.	14,000	
G V A Grimley	To undertake an appraisal of the retail impact assessment for the Brotherhood	1,750	

	Retail Park		
Haskoning UK Ltd	Specialist support to develop the Future Cities Demonstrator bid for Peterborough	33,000	
Redacted	Managerial Service provided at Bretton Childrens Centre		2,400
Jane Held Consulting Ltd	Chair the improvement board	6,070	
JSA	Children Services	44,583	
Kealey-HR	For service/staff provided to the HR department		76,500
Lyster, Grillet & Harding	works for Phase II of the hampton College build project	5,850	
MCBN Management Consultants Ltd	Interim Director of Children's Services		168,768
Opportunity Peterborough	Specialist support to develop the Future Cities Demonstrator bid for Peterborough	9,955	
Outlook Consulting	Childrens Services Improvement Team	3,074	
Peter Brett Associates	M&E works to the Phase II build project at Hampton College		
	Provision of specialist services in order to adopt a Community infrastructure levy (CIL)	10,396	
Potential UK Ltd	Interim Adoption & Fostering Service Manager		31,430
Rider Levett Bucknall UK Ltd	Technical advisory and project manager services for the OBA, Stanground and City of Peterborough Academy project.	252,833	
Serco Ltd	Agency Social Workers	425,428	20,373
	Superfast Broadband project		
	Adult Social Care Assistant Director		
	For rapid release work delivered by Integrated Urban Water Consultant		
	School Improvement Review		
	Interim Manager Head of Inclusion		
	Interim Manager LD Commissioning		
	support to GPP		
	Soil Consultant to monitor 3 Minerals and Waste site restoration		
Sue Fowler Consultancy	To provide formal assessments of prospective carers for the Link Carer Scheme	2,012	
TMI Systems Ltd	ICT Client and Project Management	7,560	
Veredus	Director of Adult Social Services cover		184,668
Redacted	To undertake a review of the LA GRT and MENA Services.	1,425	
<b>TOTAL</b>		<b>2,219,838</b>	<b>599,796</b>

**Spend by department**

This table breaks down the consultancy and interim spend for 2012-13 outlined in section 4.9 by department

	<b>Consultancy</b>	<b>Interim</b>
Adult Social Care	£168,299	£205,041
Chief Executives	£296,220	£116,709
Childrens Services	£794,444	£202,597
Operations	£52,762	£0
Strategic Resources	£908,112	£75,449
<b>Total</b>	<b>£2,219,838</b>	<b>£599,796</b>

**Consultants/Interims utilised for more than a year as at end of January 2013**

The following appendix lists roles that were being utilised at the end of January 2013, and were being utilised in some form 12 months earlier. Note that not all individuals will have been employed continuously in that period, some will have worked for ad hoc periods as necessary, and/or operate on a part time basis.

- Interim Head of HR
- Interim Head of Business Transformation (permanent post holder now in place, handover taking place late January/early February)
- Waste 2020 project (note – level of resource reduced significantly since project received Cabinet Member Decision)
  - Project Manager
  - Project Support
  - Financial adviser
- Interim Director of Adult social Care
- Interim Head of Finance (Adult social Care)
- Interim MD Westcombe industries
- ICT and information governance (\*2)
- Growth agenda Projects, including station quarter, Fletton Quays, Financial products (\*3)

This page is intentionally left blank