

AUDIT COMMITTEE	AGENDA ITEM No. 6
4 NOVEMBER 2013	PUBLIC REPORT

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

R E C O M M E N D A T I O N S	
FROM : Executive Director Strategic Resources	Deadline date : 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 subsequent updates at their meetings of 5th November 2012 and 4th February 2013. This report is in line with the approach agreed, and is in accordance with the Committees' Terms of Reference:

- 2.2.1.12 To review any issue referred to it by the Chief Executive or a Director, or any Council body; and
- 2.2.1.16. 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 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 Strategic Finance 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.*

4.3 The first six monthly report, outlining the information requested, was discussed at the meeting of 5th November 2012. A further update was considered at the meeting of 4th February 2013. This report continues this 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 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.

	Consultancy £m	Interim £m	Total £m
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	3.5	0.8	4.3
2013-14 (6 month period to end September 2013)	1.6	0.7	2.3

4.6 It should be noted that the exact pattern of spend depends entirely on what projects are underway in the council.

4.7 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. 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, 8th November 2011;
- Report to Sustainable Growth Scrutiny Committee, 6th March 2012; and
- Reports to Cabinet and Audit Committee 26th March 2012.
- Report to Audit Committee of 5th November 2012
- Report to Audit Committee of 4th February 2013
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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	To carry out feasibility studies on the wind and solar project	306,084	
Association of Electoral Administrators	Consultancy services - Electoral Review	13,304	
BDP (Building Design Partnership)	Option Study for re-use of the non-civic areas of the Town Hall	19,750	
Jane Held Consulting Ltd	Consultancy to chair the improvement board	1,943	
Kealey-HR	HR Arrangements until 31 December 2013 - provision of HR Director and Head of HR		53,500
P McCourt Services Limited	To assist with Monitoring Officer functions and provide senior legal assistance	8,400	
Rider Levett Bucknall UK Ltd	Rider Levett Bucknall to provide technical advisor and project manager services for the schools capital programme	106,282	
Serco Ltd	Adult Social Care Procurement Support	1,083,364	625,730
	Adult Social Care Transformation Programme		
	Agency Social Workers		
	Childrens Services Procurement Support		
	Community Stadium		
	Consultancy time to deliver the central utility data project		
	Fletton Quays		
	ICT Managed Service		
	Interim Manager Head of Inclusion		
	Interim Manager LD Commissioning		
	Superfast Broadband project		
	Waste 2020 Programme		
	Westcombe Industries Interim Management		
	work on the Single Delivery Plan		
TMI Systems Ltd	Contract for ICT Client and Project Management	1,260	
URS Scott Wilson Ltd	Junction 17-2 Improvement Scheme. Design, surveys reports to be undertaken by URS	79,298	
Veredus	Director of Adult Social Services		37,448
Grand Total		1,619,685	716,677

Spend by department

This table breaks down the consultancy and interim spend for 2013-14 outlined in section 4.5 by department:

	Consultancy	Interim	Total
Chief Executives	425,316	141,936	567,251
Childrens Services	405,220	110,604	515,824
Adult Social Care	64,963	414,410	479,373
Operations	142,312	0	142,312
Strategic Resources	581,875	49,728	631,602
Total	1,619,685	716,677	2,336,362

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 September 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 Finance (Adult social Care)
- Interim MD Westcombe industries
- ICT and information governance (*2)
- Growth agenda Projects, including station quarter, Fletton Quays, Financial products (*3)