

<b>AUDIT COMMITTEE</b>	AGENDA ITEM No. 5
<b>9 NOVEMBER 2015</b>	<b>PUBLIC REPORT</b>

Cabinet Member(s) responsible:	Cllr David Seaton, Cabinet Member for Resources	
Contact Officer(s):	John Harrison, Corporate Director Resources Steven Pilsworth, Service Director, Financial Resources	Tel. 452520 Tel. 384564

## USE OF CONSULTANTS – UPDATE REPORT

RECOMMENDATIONS	
<b>FROM</b> : Corporate Director Resources	<b>Deadline date</b> : N/A
<p>1. That Audit Committee consider the update report on the use of Consultants for the period 1 October 2014 – 30 September 2015.</p>	

### 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. This report is in line with the approach agreed and subsequent updates, 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?	<b>NO</b>	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 this role at their meeting of 26 March 2012.
- 4.3 A further report, outlining the information requested, was discussed at the meeting of 5 November 2012. Further updates have been considered at the meetings of 4 February 2013, 4

November 2013, and again on November 3 2014. This report continues the 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 six full years, plus in current year to date, for both consultancy and interim spend is shown below. The trend over that period is for a reduction in spend.

	<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	3.5	0.8	4.3
2013-14	3.3	1.2	4.5
2014-15			
April 14 – September 14*	1.1	0.5	1.7
October 14 – March 15	0.8	0.6	1.4
2015-16 (6 month period to end September 2015)	0.5	0.5	1.0

\* Breakdown provided to Audit Committee 3 November 2014

4.6 Consultancy spend continued to reduce in 2014-15. Interim spend was similar to 2014-15, mainly due to the continued need to support improvement and transformation projects in Adults and Childrens services although differing interim roles were undertaken between years. There was interim spend within Resources, to support the challenging budget process last year and one off projects requiring financial support.

4.7 It should be noted that the exact pattern of spend depends entirely on what projects are underway in the Council. These projects may be one-off, but given the scale of some projects they may continue across more than one year. Spend on consultants occurs across both the revenue and capital budgets of the Council, some of which is externally grant funded.

4.8 The policy agreed by Cabinet and Audit Committee to manage use of consultants, including the need for a business case to be produced, remains in place. The Corporate Management Team have reviewed all arrangements as part of the 2015/16 budget process, and considered the necessary exit strategies to reduce reliance on interims. The action taken has reduced the need for interims in place as at 30 September 2015 compared with the previous year.

4.9 A list of companies used for the period 1 October 2014 to 30 September 2015 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. Appendix 2 includes the breakdown of spend by department for the same period, and Appendix 3 includes those interims in role for more than one year as at 30 September 2015.

## 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, 8 November 2011;
- Report to Sustainable Growth Scrutiny Committee, 6 March 2012;
- Reports to Cabinet and Audit Committee 26 March 2012;
- Report to Audit Committee of 5 November 2012;
- Report to Audit Committee of 4 February 2013;
- Report to Audit Committee of 4 November 2013; and
- Report to Audit Committee of 3 November 2014 and supplementary report to Audit Committee of 2 February 2015.

## **11 APPENDICES**

- Appendix 1 - list of companies used during the period 1 October 2014 and 30 September 2015 with project breakdown;
- Appendix 2 - Spend by department; and
- Appendix 3 – consultants/interims in place for more than one year as at 30 September 2015.

**Appendix 1 - List of companies with project descriptions**  
**Period of 1 October 2014 – 31 March 2015 (2014/15) being spend since the last Audit Committee report**

Supplier	Project / Initiative	Consultant	Interim	Grand Total
Association of Electoral Administrators	Consultancy services - Electoral Review (Fin.Year 2013-14).	5,077		5,077
<b>Association of Electoral Administrators Total</b>		<b>5,077</b>		<b>5,077</b>
Cambridgeshire County Council	SACRE and Religious Education course programme development 2014 - 2015.		6,800	6,800
<b>Cambridgeshire County Council Total</b>			<b>6,800</b>	<b>6,800</b>
CIPFA Business Ltd	Interim Finance Manager – Business Planning and Reporting		2,120	2,120
<b>CIPFA Business Ltd Total</b>			<b>2,120</b>	<b>2,120</b>
David Hawman	Information Analysis & Data support to Performance & Information team		5,400	5,400
<b>David Hawman Total</b>			<b>5,400</b>	<b>5,400</b>
Green Park Interim and Exec Ltd	Interim Head of Legal Services		14,300	14,300
<b>Green Park Interim and Exec Ltd Total</b>			<b>14,300</b>	<b>14,300</b>
Hoare Lea	Peterborough Football Club - Moys End Stand and Skills Centre	11,000		11,000
<b>Hoare Lea Total</b>		<b>11,000</b>		<b>11,000</b>
Kealey-HR	HR Support and union liaison		13,563	13,563
<b>Kealey-HR Total</b>			<b>13,563</b>	<b>13,563</b>
Olsen Partnership Limited	Re branding	2,350		2,350
<b>Olsen Partnership Limited Total</b>		<b>2,350</b>		<b>2,350</b>
P McCourt Services Limited	Interim Head of Legal and Governance		38,584	38,584
<b>P McCourt Services Limited Total</b>			<b>38,584</b>	<b>38,584</b>
Peter Brett Associates	Provision of specialist consultancy services in order to adopt a Community infrastructure levy (CIL)	5,899		5,899
<b>Peter Brett Associates Total</b>		<b>5,899</b>		<b>5,899</b>
Peterborough Environment City Trust	Zero CO2 Project	2,850		2,850
	Peterborough DNA programme and Future Cities Demonstrator		13,373	13,373
	Peterborough DNA Programme		2,500	2,500
<b>Peterborough Environment City Trust Total</b>		<b>18,723</b>		<b>18,723</b>

Supplier	Project / Initiative	Consultant	Interim	Grand Total
Rider Levett Bucknall UK Ltd	Project Management and Technical Advisor Services Ravensthorpe Primary	12,600		12,600
	Project manager and technical adviser - City of Peterborough free school build project	1,708		1,708
	Project Management and Technical Advisor Services Fulbridge Academy	11,500		11,500
<b>Rider Levett Bucknall UK Ltd Total</b>		<b>25,808</b>		<b>25,808</b>
Serco Ltd	Adult Social Care Procurement Support		37,236	37,236
	Adult Social Care Programme	81,191		81,191
	Adult Social Care Transformation Programme		124,689	124,689
	Care Bill implementation, including review of systems	60,894		60,894
	Childrens Social care improvement	38,931		38,931
	Creation of GIS re tree management	2,000		2,000
	EDRM	22,883		22,883
	Energy Conservation Works - Phase 1&2	10,013		10,013
	Fletton Quays and Growth	8,546		8,546
	Interim Housing Finance Lead		2,826	2,826
	Interim Manager Head of ASC finance		38,940	38,940
	Interim Manager Head of Family Support		35,069	35,069
	Interim Manager LD Commissioning		82,240	82,240
	Interim Renewable Energy Finance Manager		29,853	29,853
	Introduction of Electronic Core Monitoring across domiciliary care		16,853	16,853
	Pharmacy Needs Assessment	65,906		65,906
	Programme Manager (Customer Experience & ASC)	10,273		10,273
	Programme Manager Adult Social Care	30,046		30,046
	Project Manager (Assistive Technology)	83,043		83,043
	Public Health	5,992		5,992
Skills centre support	3,400		3,400	
Superfast Broadband Project	40,701		40,701	
Waste 2020 Programme	34,347		34,347	
Westcombe Industries Interim Management		21,756	21,756	

Supplier	Project / Initiative	Consultant	Interim	Grand Total
<b>Serco Ltd Total</b>		<b>533,233</b>	<b>354,393</b>	<b>887,626</b>
The Froglife Trust	Habitat Enhancement Project Proposal in relation to Fletton Parkway widening adjacent to Orton Pit SAC	6,663		6,663
<b>The Froglife Trust Total</b>		<b>6,663</b>		<b>6,663</b>
Tribal Education Ltd	General Performance Review - Professional Services	1,575		1,575
<b>Tribal Education Ltd Total</b>		<b>1,575</b>		<b>1,575</b>
URS Scott Wilson Ltd	Junction 17-2 Improvement Scheme	232,184		232,184
<b>URS Scott Wilson Ltd Total</b>		<b>232,184</b>		<b>232,184</b>
WESTCO TRADING LIMITED	Communication support		147,460	147,460
<b>WESTCO TRADING LIMITED Total</b>			<b>147,460</b>	<b>147,460</b>
<b>Grand Total</b>		<b>807,442</b>	<b>617,688</b>	<b>1,425,130</b>

Period of 1 April 2015 – 30 September 2015 (2015/16 to date)

Supplier	Project / Initiative	Consultant	Interim	Grand Total
AECOM I & E Ltd	Junction 17-2 Improvement Scheme - site supervision	143,136		143,136
<b>AECOM I &amp; E Ltd Total</b>		<b>143,136</b>		<b>143,136</b>
Chatham Associates Ltd	Interim Finance Manager role in Financial Services - support to the Serco PSSP contract and Energy initiative projects		15,300	15,300
<b>Chatham Associates Ltd Total</b>			<b>15,300</b>	<b>15,300</b>
CIPFA	PFI proposal	15,660		15,660
<b>CIPFA Total</b>		<b>15,660</b>		<b>15,660</b>
CIPFA Business Ltd	Interim Finance Manager – Business Planning and Reporting		47,170	47,170
<b>CIPFA Business Ltd Total</b>			<b>47,170</b>	<b>47,170</b>
David Hawman	Information Analysis & Data support to Performance & Information team		6,480	6,480
<b>David Hawman Total</b>			<b>6,480</b>	<b>6,480</b>
John Harris Consulting Limited	Consultancy services - Peterborough Self Improving Schools Network	2,100		2,100
<b>John Harris Consulting Limited Total</b>		<b>2,100</b>		<b>2,100</b>
Kealey-HR	HR Support and union liaison		6,781	6,781

Supplier	Project / Initiative	Consultant	Interim	Grand Total
<b>Kealey-HR Total</b>			<b>6,781</b>	<b>6,781</b>
P McCourt Services Limited	Interim Head of Legal and Governance		9,268	9,268
<b>P McCourt Services Limited Total</b>			<b>9,268</b>	<b>9,268</b>
Penna Plc	Interim Change Manager for BCF/Care Act		91,063	91,063
<b>Penna Plc Total</b>			<b>91,063</b>	<b>91,063</b>
Peterborough Environment City Trust	Peterborough DNA programme and Future Cities Demonstrator	13,329		13,329
<b>Peterborough Environment City Trust Total</b>		<b>13,329</b>		<b>13,329</b>
Serco Ltd	Adult Social Care Procurement Support		65,572	65,572
	Adult Social Care Programme	32,294		32,294
	Adult Social Care Transformation Programme		54,383	54,383
	BCF Lead Project Manager	45,279		45,279
	Care Act implementation	35,646		35,646
	Care Bill implementation, including review of systems	655		655
	Childrens Social care improvement	36,597		36,597
	Interim Commissioning Manager		33,288	33,288
	Interim Housing Finance Lead		172	172
	Interim Manager LD Commissioning		78,324	78,324
	Pharmacy Needs Assessment	24,075		24,075
	Programme Manager (Customer Experience & ASC)	72,930		72,930
	Waste 2020 Programme	40,072		40,072
<b>Serco Ltd Total</b>		<b>287,548</b>	<b>231,738</b>	<b>519,286</b>
The Froglife Trust	Habitat Enhancement Project Proposal in relation to Fletton Parkway widening adjacent to Orton Pit SAC	3,372		3,372
<b>The Froglife Trust Total</b>		<b>3,372</b>		<b>3,372</b>
URS Scott Wilson Ltd	Junction 17-2 Improvement Scheme	73,096		73,096
<b>URS Scott Wilson Ltd Total</b>		<b>73,096</b>		<b>73,096</b>
WESTCO TRADING LIMITED	Communication support		38,868	38,868
<b>WESTCO TRADING LIMITED Total</b>			<b>38,868</b>	<b>38,868</b>
<b>Grand Total</b>		<b>538,241</b>	<b>446,667</b>	<b>984,908</b>

## Appendix 2 - Spend by department

This table breaks down the consultancy and interim spend shown in appendix 1 outlined in section 4.5 by department:

Fin Yr	Department	Consultant	Interim	Grand Total
<b>2014/15</b>	Governance	5,077	71,847	76,923
	Growth and Regeneration	289,990		289,990
	People and Communities (ASC)	331,352	261,018	592,370
	People and Communities (CHS)	38,931	35,069	74,000
	Public Health	5,992		5,992
	Resources	136,101	249,755	385,855
<b>2014/15 Total</b>		<b>807,442</b>	<b>617,688</b>	<b>1,425,130</b>
<b>2015/16 (to date)</b>	Governance		22,529	22,529
	Growth and Regeneration	232,933	38,868	271,801
	People and Communities (ASC)	210,879	322,629	533,508
	People and Communities (CHS)	36,597		36,597
	Resources	57,832	62,642	120,473
<b>2015/16 Total</b>		<b>538,241</b>	<b>446,667</b>	<b>984,908</b>
<b>Grand Total</b>		<b>1,345,683</b>	<b>1,064,355</b>	<b>2,410,038</b>



### **Appendix 3 - Interims utilised for more than a year as at end of September 2015**

The following appendix lists roles that were being utilised at the end of September 2015, 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.

The Corporate Management Team have reviewed all arrangements as part of the 2015/16 budget process, and considered the necessary exit strategies to reduce reliance on interims.

- ICT and information governance
- Interim Manager LD Commissioning

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