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| AUDIT COMMITTEE | AGENDA ITEM No. 6 |
| 16 SEPTEMBER 2019 | PUBLIC REPORT |

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| Cabinet Member(s) responsible: | Cllr David Seaton, Cabinet Member for Finance | |
| Contact Officer(s): | Peter Carpenter, Acting Corporate Director Resources | Tel. 452520 |

USE OF CONSULTANTS – UPDATE REPORT

| R E C O M M E N D A T I O N S | |
|---|----------------------------|
| FROM : Corporate Director Resources | Deadline date : N/A |
| <p>1. That Audit Committee consider the update report on the use of Consultants for the financial year 2019/20.</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:

- 2.2.1.11 To review any issue referred to it by the Chief Executive or a Director, or any Council body; and
- 2.2.1.15 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 |
|---|-----------|---|-----|

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 subsequent meetings, continuing 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 ten full years, plus in current year to date is shown below.

| | Total £m |
|--------------------------|---------------------|
| 2009-10 | 8.5 |
| 2010-11 | 6.4 |
| 2011-12 | 5.4 |
| 2012-13 | 4.3 |
| 2013-14 | 4.5 |
| 2014-15 | 3.1 |
| 2015-16 | 2.5 |
| 2016-17 | 3.0 |
| 2017-18 | 2.4 |
| 2018-19 | 2.7 |
| 2019-20 (first 4 months) | 1.0 |

4.6 The spend in the first 4 months of 2019-20 reported was 1.0m, suggesting a potential annual spend of 3.0m on a straight line basis. However the £1m figure to July includes £361k spent with 4OC (which has now stopped) and £247k spent with Grant Thornton, on the council's financial improvement programme. The total projected spend with Grant Thornton is currently £1.1m. Adjusting the forecast for these two suppliers would put the full year estimate at £2.7m.

4.7 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 has continued to keep spend under review as part of the budget monitoring process.

4.8 A list of companies used for the period 1 April 2019 to 31 March 2019 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.

Agency

4.9 The Council also employs Agency staff through a number of Contracts. The spend for the past 3 financial years on Agency has been:

- 2016/17 - £6.3m
- 2017/18 - £6.5m
- 2018/19 - £8.8m
- 2019/20 - £1.9m for first four months

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; and
- 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
- Report to Audit Committee of 3 November 2014 and supplementary report to Audit Committee of 2 February 2015
- Report to Audit Committee of 9 November 2015
- Report to Audit Committee of 22 November 2016
- Report to Audit Committee of 19 November 2018
- Report to Audit Committee of 11 February 2019
- Report to Audit Committee of 15 July 2019

11 APPENDICES

Appendix 1 - list of companies used during the period 1 April 2019 and 31 July 2019 with summary

2019/20

Appendix 1 - List of companies with Summary

| 2019/20 | | |
|--|--|------------|
| Supplier Name | Initiative | Amount |
| 4OC Ltd | People & Communities Savings programme; Adults Positive Challenge | 361,184.75 |
| Airey Consultancy Services Ltd | Council Tax reduction scheme | 6,600.00 |
| Allen Lane | HRA accountant | 22,023.51 |
| CapacityGrid | Empty Homes Review | 6,416.67 |
| CEB Global Ltd | Finance Improvement & delivery of MTFS savings agenda | 15,542.47 |
| Eddisons Commercial Ltd t/a Barker Storey Matthews | Fee in relation to the new letting at 31 Herlington Centre, Peterborough | 1,470.00 |
| Fiona Spinks | GDPR work | 13,777.50 |
| Grant Thornton UK LLP | Financial Intervention work | 246,824.00 |
| Inform CPI Ltd | RV finder | 5,500.00 |
| J C Associates | Complaint investigation | 2,383.15 |
| Lisa Bunyan | Integrated Communities Strategy | 5,473.30 |
| Mark Stephen Land Management | Soil Testing | 750.00 |
| NPS Peterborough Ltd | Provision of Property support & PFI Contract Management | 19,168.66 |
| Omnico Group UK Limited | IT project support | 1,487.50 |
| Penna Plc | Interim Development Director | 42,400.26 |

| | | |
|---|---|---------------------|
| PT Consultancy | EU Settlement scheme support & monitoring | 4,000.00 |
| Reed Specialist Recruitment Limited | Development of BID proposal 34.5k; Programme Management 64.5k | 98,959.68 |
| RINA Consulting Ltd | Support related to Empower Loan facility | 3,700.00 |
| RJW Associates Ltd | Peterborough Safeguarding Board | 5,750.00 |
| Serco Ltd | ICT Stabilisation Strategy 88k; Customer Service transformation 6k | 93,828.86 |
| Structural Design (Alveley) Ltd | Highlees school solar PV instal | 425.00 |
| Terrier Management Services | Complaint investigation | 1,056.10 |
| The Planning Inspectorate | Examination in Public of the Peterborough Local Plan | 2,969.07 |
| TLT LLP | Legal support regarding accreditation and liability for Climate Change Levy | 10,542.00 |
| Valuation Office Agency | Viability advice regarding planning application | 3,500.00 |
| Vivacity Culture and Leisure | Contribution to 18/19 Penna consultant fees 32k; City of culture consultation | 32,603.17 |
| WESTCO TRADING LIMITED | Strategic Communications Support | 12,487.50 |
| 2019/20 Total for April 2019-July 2019 | | 1,020,823.15 |

