

AUDIT COMMITTEE	AGENDA ITEM No. 8
27 JANUARY 2020	PUBLIC REPORT

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
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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 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 9 months)	3.0

4.6 The spend in the first 9 months of 2019-20 was £3.0m. The largest item within this figure is £1.65m spent with Grant Thornton on the council's financial improvement programme. The total projected spend with Grant Thornton is now £2.05m. The full year estimate for consultants costs has increased to £3.7m compared to the estimated full year figure of £2.7m reported to the last meeting. This is mainly as a result of commissioning an additional £950k of work from Grant Thornton, the scope of which increased to cover additional work on the Medium Term Financial Strategy, review of HR function and controls, and commercial contract reviews.

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 December 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 - £4.3m for first nine 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;
- Reports to Cabinet and Audit Committee 26 March 2012;
- Reports to Audit Committee of 5 November 2012; 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
- Reports to Audit Committee of 19 November 2018; 11 February 2019
- Reports to Audit Committee of 15 July 2019; 16 September 2019; 18 November 2019

11 APPENDICES

- Appendix 1 - list of companies used during the period 1 April 2019 to 31 December 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	386,242.75
Airey Consultancy Services Ltd	Council Tax reduction scheme	6,600.00
Allen Lane	Housing Accountant	72,618.06
CapacityGrid	Empty Homes Review	52,237.58
CEB Global Ltd	Finance Improvement & delivery of MTFS savings agenda	15,542.47
Crisp, Mr Brian	Complaint investigation	1,255.40
Eddisons Commercial Ltd t/a Barker Storey Matthews	Fee in relation to lettings support	6,220.00
Fiona Spinks	GDPR work	26,086.50
Gartner U.K. Limited	Finance Improvement Support	47,895.00
Grant Thornton UK LLP	Financial Intervention work in relations to the MTFS; Financial Improvement Programme,	1,651,450.00
Inform CPI Ltd	RV Finder	23,685.00
J C Associates	Complaint investigation	2,383.15
Lisa Bunyan	Integrated Communities Strategy	19,808.10
Liz Holmes Consultancy	Phonics training (schools standards)	667.00
NPS Peterborough Ltd	Provision of Property support	46,441.36
Omnico Group UK Limited	IT project support	2,975.00
Paul Stainton Media Ltd	Media training - production of case study videos	6,000.00
Penna Plc	Interim Development Director	85,787.76
Perfect Motion	Great Eastern Run	1,250.00
PT Consultancy	EU Settlement scheme support & monitoring	5,400.00
Ray Worsley Education Consultancy	HR Employment related support	2,902.35
Reed Specialist Recruitment Limited	Programme Management Office Support 133k; Development of BID proposal 69k; Homeless 50 project 62k	264,191.83
RINA Consulting Ltd	Support related to Empower Loan facility	3,700.00

RJW Associates Ltd	Peterborough Safeguarding Board	23,000.00
Serco Ltd	ICT Stabilisation Strategy 74k; Customer Service transformation 6k	79,844.93
Skanska	Asset management - target cost audit (Bourges Boulevard & Long Causeway)	3,831.85
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
Vero HR Ltd	HR support	2,362.93
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	78,272.50
2019/20 Total for April 2019-Dec 2019		2,969,321.86

