

CABINET	AGENDA ITEM No. 4
13 JUNE 2011	PUBLIC REPORT

Cabinet Member(s) responsible:	Councillor Seaton	
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USE OF CONSULTANTS

R E C O M M E N D A T I O N S	
FROM: Sustainable Growth Scrutiny Committee	Deadline date : <i>None</i>
The Cabinet considers whether it accepts the 33 recommendations of the Sustainable Growth Scrutiny Committee set out in the minutes of their meeting of 23 March.	

1. ORIGIN OF REPORT

- 1.1 At a meeting of the Environment Capital Scrutiny Committee on 14 January 2010 it was agreed that the Sustainable Growth Scrutiny Committee should call for a report on the cost and effectiveness of the Council's use of consultants and to make recommendations on the future use of consultants by the Council to inform the development of budgets in future years.
- 1.2 On the 15 March 2010, the Cabinet Member for Resources delivered a report on the use of consultants to the Sustainable Growth Scrutiny Committee and following discussion of that report the Committee established a group to review the Council's use of consultants and report back on its findings and recommendations.
- 1.3 The report of the review group on the use of consultants was considered by the Sustainable Growth Scrutiny Committee on 23 March 2011 and it refers 33 recommendations to this Cabinet for consideration

2. PURPOSE AND REASON FOR REPORT

- 2.1 The purpose of this report is for Cabinet to consider whether it can endorse the 33 recommendations as set out in the minutes of the Sustainable Growth Scrutiny Committee of 23 March 2011 (Appendix 2) arising out of the report of the scrutiny review group (Appendix 3).
- 2.2 This report is for Cabinet to consider in accordance with its delegated functions 3.2.1, to take responsibility for the delivery of executive functions and lead overall improvement programmes to deliver excellent services; and 3.2.9, to determine any changes of policy proposed by the Scrutiny Committees.

3. USE OF CONSULTANTS

- 3.1 The use of consultants is an issue which attracts attention as it raises issues about why the Council is not seeking to use skills from within its own employees to provide services, whether public funds are being used to best effect and how officers are monitoring the value of what the consultants produce.

- 3.2 The review group set out to understand why the Council uses consultants, to consider whether there were benefits gained from a previous review of consultants in 2006 and to understand whether the Council was achieving value for money by using consultants.
- 3.3 The findings and 31 recommendations of the review group are set out in the report at appendix 3, each recommendation following a summary of their investigations and the findings made.
- 3.4 These recommendations were endorsed by the Sustainable Growth Scrutiny Committee at their meeting on 23 March and a further 2 recommendations were added. In summary these two additional recommendations were to undertake further investigations into moving away from the use of framework agreements and for the Council to consider the impact of requiring all contractors to report on the details of any sub-contracting arrangements.
- 3.5 The recommendations fall broadly into two categories: those requiring process change and those requiring policy change.

Process changes

- 3.6 Many of the recommendations regarding process changes are already in progress within the Council. Recommendations to place all projects onto the Verto system which provides a review of all projects undertaken by the Council and giving members access to the system are already underway. Similarly changes to the process for engaging consultants has already been rolled out to staff.
- 3.7 Many of the changes recommended to systems and processes have already been recognised by officers as beneficial and have been implemented.
- 3.8 Details of the recommendations and a list of those which involve changes to process are set out in the summary of recommendations at Appendix 1.

Policy changes

- 3.8 These form the vast majority of the recommendations and impact more upon the delegated authority of the Cabinet and the formation of policy within the remit of the Cabinet.
- 3.9 Some of these policy recommendations, such as amending contract and financial regulations to allow preference to be given to internal skills (recommendation 5), or ensuring that where grant funding is used to pay for consultants this is more readily identified (recommendation 20), are not significant but still reflect a change in current policy. Others, such as whether to introduce a written policy which will effectively limit the circumstances under which consultants can be engaged, particularly those at a senior managerial level may be considered to have significantly greater impact (recommendations 7, 15, 18, 21, & 23).
- 3.10 The additional recommendations which arose out of the Scrutiny Committee meeting on the 23 March might be considered to have significant policy and/or cost impact if implemented and as such ask that the cabinet investigate these proposals further before implementing a change to policy.
- 3.11 Cabinet will identify that some of the policy recommendations arose from the decision some years ago to engage consultants to lead a large scale business transformation programme within the Council. In particular some recommendations relate specifically to the professional services partnership arrangements and the contractual arrangements that the Council has in place with Amtec. The two additional recommendations may also be seen to relate indirectly to this issue as Amtec was engaged under a framework agreement and has employed sub-contractors to fulfil the contract.. Given that the Cabinet's stated direction continues to be

towards growth, business engagement and service transformation it is likely that these recommendations may be the most significant for the Cabinet.

- 3.12 A summary of those recommendations which indicate a change to policy are set out at in the summary of recommendations at Appendix 1.

4. REASONS FOR RECOMMENDATIONS

- 4.1 The recommendations are intended to ensure the Council achieves best value in the instruction of consultants.

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 The review group took the approach that it would consider why the Council needed to instruct consultants at all. It questioned every aspect of the decisions made by officers when engaging consultants. On the whole it concluded that the use of consultants was necessary and could in some cases be the most efficient and cost effective means of working.
- 5.2 The majority of these proposals therefore assume that the use of consultants will continue but suggest improvements for monitoring of their use.

6. IMPLICATIONS

- 6.1 Under the Council's Constitution the Scrutiny Committees have to power to appoint task and finish groups (referred to in this report as a review group) for the purpose of reviewing the operation of policy within the Council. Any report produced by the task and finish group can be referred to the cabinet with a recommendation to develop the policy of the council in accordance with the report.
- 6.2 The Cabinet are responsible for the delivery of service and set the policy regarding this. It is therefore for the cabinet to decide whether it wishes to implement the recommendations of the Scrutiny Committee.
- 6.3 There are no budget implications considered to arise out of these recommendations although consideration should be given to the cost of using officer time to implement these recommendations.
- 6.4 There are no equality matters arising out of these recommendations.

7. BACKGROUND DOCUMENTS

None other than those listed in the report at Appendix 2.

8. APPENDICES

Appendix 1 – Summary of Recommendations
Appendix 2 - Minutes of the Sustainable Growth Scrutiny Committee of 23 March 2011
Appendix 3 – Review of the Use of Consultants Report.

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