

## **APPENDIX 2: CONSULTANCY AND INTERIM POLICY**

### **1. Aim**

The aim of this policy is to provide Peterborough City Council managers with guidance on the engagement of external consultants or interims.

The Council aims to ensure that value for money is received from consultants/interims and internal resources are used where they are available.

This policy does not apply to the engagement of temporary agency staff.

### **2. Definitions**

The Sustainable Growth Scrutiny Committee's Consultancy Review report (March 2011) outlined the following definitions for consultant and interim:

#### Consultant

*Consultants are external third parties, with expertise that is typically not available internally. Clients employ consultants for short-term projects, and usually specify an end point to their involvement in a project.*

#### Interim

*Interims fill permanent vacancies or temporary increases in operational workload. Interims are therefore contractors used as day-to-day operational resources to maintain departmental function, and are managed by client staff.*

### **3. Objectives**

The overall objectives of this policy are to:

- Ensure consistent application in the use of consultants/interims across the Council
- Ensure correct procedures are followed when sourcing a consultant/interim.
- Minimise the use of consultants/interims to reduce overall spend.

### **4. Policy Statement**

The Consultancy Review report made a number of recommendations upon its publication in March 2011. These are set out below:

- Prior to entering into any contract a consultant must be asked to confirm that he does not have conflicts of interest in carrying out the contract. It will be a requirement of the contract that any conflicts of interest which arise during the course of the contract (including those of any sub-contractor engaged) will be

notified to an officer of the Council. Examples of conflicts of interest are included at Schedule 1 to this policy.

- Skills transfer is a written contractual requirement for appropriate professional skill contracts, particularly project and programme management, to enable officers to develop expertise which will directly benefit the council.
- Where the Council engages consultants on a long-term contract, there should be, only in appropriate circumstances, a requirement for managers to approach the consultant, at fixed periods in the contract, about filling a permanent role within the Council.
- Managers should negotiate, where appropriate, fixed-price or incentive-based contracts. It is noted that incentive-based contracts contain an element of high risk: therefore, guidance and agreement should be sought from the Commercial and Procurement Unit before managers embark on this course.
- The Council should, wherever possible, seek to fill senior management posts with a permanent employee where it is beneficial for the Council and consider all other available options (e.g. internal employees acting up) before seeking to recruit a consultant to a managerial position.
- Where appropriate, HR should be involved in the recruitment process for interims occupying managerial positions so that advice can be given on suitable candidates and in-house expertise, skills or knowledge.

# CONSULTANCY OR INTERIM POLICY - PROCEDURE

## 1. Process for Engaging Consultants or Interims

- A business case must be written on Verto (the Council's project management system) outlining the need for a consultant/interim, the benefits and the cost. Business cases need to be approved within the department and those exceeding £5,000 in cost require approval from the Director of Strategic Resources. If you have any queries about this process, please contact Ramnit Bassi on (01733) 452388 or [ramnit.bassi@peterborough.gov.uk](mailto:ramnit.bassi@peterborough.gov.uk)
- If the cost of the consultant/interim exceeds £5,000, then Council procurement regulations also apply. These are explained on Insite and can be accessed via the following link:

<http://insite/Information%20Library2/InfoLibraryPages/CategoryDetails.aspx?CategoryId=173>

- The ordering process is also explained on Insite and can be accessed via the following link:

<http://insite/Information%20Library2/InfoLibraryPages/CategoryDetails.aspx?CategoryId=631>

## 2. Reporting and Monitoring

- A monthly report on consultancy/interim usage will be submitted to the Director of Resources and the Cabinet Member for Resources for their information and scrutiny.
- Regular reports will also be produced for the Sustainable Growth Scrutiny Committee.

## 3. Support for Managers

- Managers will be encouraged to source internal skills, expertise and resources before preparing a business case for consultancy/interim resources.
- HR will provide the necessary advice and support to test internal capacity before a decision is made to procure external assistance.

## **SCHEDULE 1**

### **CONFLICTS OF INTEREST**

The following are matters which could potentially give rise to a conflict of the consultant's interest with the Council's interest. This list is not exhaustive but it might assist in identifying whether any potential conflict of interest arises:

- The consultant's financial interests are affected by the outcome of the contract (this does not include the salary paid to the consultant).
- The consultant is a member of a body or holds a position of responsibility in a body whose interests may conflict with those of the Council.
- The consultant is personally known to the officer or member awarding the contract (this is not necessarily fatal to the contract if the contract has been obtained through fair competition but ought to be declared in any event).
- The consultant owns shares or has an interest in any company which is affected by the outcome of the contract.