



Report of the Director of Resources and Assistant Chief Executive (Corporate Governance)

Executive Board

Date: 19th May 2010

Subject: Scrutiny Board (Central & Corporate) – Consultant Engagement

Electoral Wards Affected:

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In

(Details contained in the report)

1. Purpose of this Report

- 1.1 In March 2010 Scrutiny Board (Central & Corporate) published a report on Consultant Engagement. The Council's Constitution requires that findings of Scrutiny Boards be put to the Executive Board together with the views of the appropriate Directorate following consultation with the respective Executive Member.
- 1.2 The purpose of this report is to outline to Executive Board the recommendations made by the Scrutiny Board and the responses of the Director of Resources and Assistant Chief Executive (Corporate Governance).

2. Background Information

- 2.1 As the attached report identifies, in 2008/09 the City Council spent £5,6m on procuring the services of external consultants, although this was a reduction on the previous financial year, The Council uses the services of external consultants to deliver professional expertise, support and advice for a variety of purposes. A major use of consultants has been in the delivery of major capital projects, and this accounted for nearly £2,5m in 2008/09. They have also been utilised to provide specialist professional technical, financial and legal expertise in the development, negotiation and delivery of major PFI contracts, and in 2008/09, the use of consultants connected to the delivery of PFI schemes amounted to nearly £2m,. A further use of consultants has been to provide specialist services and to undertake

specific assignments, such as undertaking research projects and providing specialist advice on major transactions and operations. In some instances, these major transactions, including the expenditure on consultants, are funded from grants or other associated external income.

- 2.2 Whilst, the Council generally strives to carry out project work internally whenever feasible, the services of consultants are often required because they can provide specialist technical expertise that is not available in-house or are used to supplement available internal capacity. In some cases, the use of external, independent professionals is a stipulated requirement.

3. Main Issues

The Directorate's comments to each of the recommendations are as follows:-

Recommendation 1 – That the Director of Resources and Assistant Chief Executive (Corporate Governance) develops a standard definition of what consultants are and what work they undertake. This definition should be adopted by all departments.

The Director of Resources and Assistant Chief Executive (Corporate Governance) agrees with Recommendation 1 and will provide a standard or range of standard definitions of a consultant. In determining a definition, consideration will be given to the different functions “consultants” carry out including the use of “interim, agency and specialist resources.”

Recommendation 2 – That the Director of Resources issues guidance to all departments on the correct expenditure code to use for Consultants.

The Director agrees with Recommendation 2.

Recommendation 3 – That the Director of Resources instructs Directorates to review expenditure on consultants to assess the extent to which they are used.

The Director agrees with Recommendation 3.

Recommendation 4 – That the Director of Resources and Assistant Chief Executive (Corporate Governance) incorporates within Contract Procedure Rules clear guidance regarding the use and appointment of consultants.

The Director of Resources and Assistant Chief Executive (Corporate Governance) agrees with Recommendation 4.

Recommendation 5 – That a database to record all details of consultants, including ratings, to be shared between departments and potentially with other authorities is set up.

The Director of Resources and Assistant Chief Executive (Corporate Governance) agrees with Recommendation 5.

4. Recommendation

- 4.1 That the Executive Board note the responses from the Director of Resources and Assistant Chief Executive (Corporate Governance) as outlined in this report.

Background papers

Scrutiny Inquiry Final report: Inquiry into Consultant Engagement March 2010.