

**NORTH LINCOLNSHIRE COUNCIL**

**POLICY AND FINANCE  
CABINET MEMBER**

**CONSULTANCY USAGE: QUARTER 4 2014/2015**

**1. OBJECT AND KEY POINTS IN THIS REPORT**

- 1.1 Cabinet has introduced a protocol for the use of consultants as part of a package of cost management measures.
- 1.2 The protocol requires services to report their use of consultants on a quarterly basis.
- 1.3 This report for Quarter 4 2014/15 has been produced by the council's procurement team in conjunction with directorates.
  - The council spent £223,139 on consultancy services in Quarter 4 of 2014/15.
  - Consultancy to support strategic projects – BSF, UTC and Waste accounted for 72% of spend in Quarter 4.
  - Overall the council spent £710,070 on consultancy in 2014/15. This is a reduction of £223,196 compared with 2013/14.
  - Overall services have reported that their use of consultants has been effective

**2. BACKGROUND INFORMATION**

- 2.1 The protocol for managing consultancy was introduced as part of a package of cost management measures in 2011. The protocol requires services to report their use of consultants on a quarterly basis. This reporting requirement was formally adopted as part of the council's updated contract procedure rules in May 2012.
- 2.2. It is widely recognised that the provision of specialist expert advice is essential for the successful delivery of strategic projects. Value for money is obtained where complex and potentially high-cost technical, contractual and commercial risks are managed effectively.
- 2.3 Examples of strategic projects requiring specialist advice include:

**Building Schools for the Future (BSF)**

- £80m investment in local schools to enhance educational attainment and the learning environment
- Seven North Lincolnshire schools rebuilt/refurbished
- Substantially funded by central government

### **University Technical College (UTC)**

- c. £10m investment in a new academy for 14 – 18 year olds
- Partnership based project involving local education/skills providers and leading employers
- Fully funded by central government

### **Waste Treatment**

- c. £20m - £40m project to secure a best value and environmentally sound solution for the treatment of 47,000 tonnes of municipal waste produced annually

### **Capital Programme**

- c. £30m – £40m programme of infrastructure and transformational projects that help to deliver the council's priorities, including road repairs and school improvements

2.4 For the purpose of this report “consultancy” is used as a broad term to describe the provision of highly specialised subject matter expertise which the council does not possess in-house or where an independent opinion is required. Examples include specialist environmental surveys, technical analysis and advice on essential legal requirements such as Construction Design and Management (CDM) regulation compliance.

2.5 This report sets out a summary of consultancy usage for Quarter 4, 2014/15. During Quarter 4 the council spent £223,139 on consultancy services. Detailed findings are presented at Appendix A.

2.6 The council spent £161,294 on consultancy to support strategic projects in Quarter 4, which accounts for 72% of the total spend. Analysis of expenditure with previous periods and years is set out below:

**Table 1 - Comparison by Year**

<b>Year</b>	<b>Total Spend</b>
<b>2014-15</b>	£0.71m
<b>2013-14</b>	£0.93m
<b>2012-13</b>	£0.64m
<b>2011-12</b>	£1.29m
<b>2010-11</b>	£2.3m
<b>2009-10</b>	£2.8m

**Table 2 – Spend as a Percentage of Capital Programme**

<b>Year</b>	<b>Total Consultancy Spend</b>	<b>Total Capital Programme</b>	<b>% of Capital Spend</b>
2014/15	£0.71m	£83.9m	0.84%
2013/14	£0.93m	£48.4m	1.9%
2012/13	£0.64m	£29.1m	2.2%

**Table 3 - Comparison by Category (Quarter 4)**

Consultancy Spend by Category:	Quarter 4 2014/15
Construction Related	£174,814
Other Technical	£33,941
Other	£14,384
<b>TOTAL</b>	<b>£223,139</b>

**Table 4 - Comparison by Period/Year (Quarter 4)**

	Quarter 4 13/14	Quarter 4 14/15	Difference
<b>Strategic Projects Spend</b>	£69,212	£161,294	<b>+£92,082</b>
<b>Total Consultancy Spend</b>	£123,926	£223,139	<b>+£99,213</b>

**Table 5 - Spend by Strategic Projects (2014/15):**

Project	Qtr 1 2014/15	Qtr 2 2014/15	Qtr 3 2014/15	Qtr 4 2014/15	Total Spend 2014/15
BSF	£49,523	£4,938	£25,350	£35,215	£115,026
Waste	£6,551	£151,870	£53,690	£117,552	£329,663
UTC	£28,000	£36,765	£22,624	£6,171	£93,560
ONGO	0	0	0	£2,356	£2,356
<b>Total</b>	<b>£84,074</b>	<b>£193,573</b>	<b>£101,664</b>	<b>£161,294</b>	<b>£540,605</b>

**Table 6 - Spend by Directorate (2014/15):**

Directorate	Qtr 1 2014/15	Qtr 2 2014/15	Qtr 3 2014/15	Qtr 4 2014/15	Total Financial year to-date
Policy & Resources	Nil	Nil	Nil	£4,500	£4,500
People	Nil	Nil	Nil	Nil	Nil
Places	£40,419	£23,458	£43,744	£57,345	£164,966
Public Health	Nil	Nil	Nil	Nil	Nil
Strategic Projects	£84,074	£193,573	£101,664	£161,294	£540,605
<b>Total</b>	<b>£124,493</b>	<b>£217,030</b>	<b>£145,408</b>	<b>£223,139</b>	<b>£710,070</b>

**Table 7 - Spend by Internal / External Funding Provision (2014/15):**

Project/ Directorate breakdown	Qtr 1 2014/15	Internal	External	Qtr 2 2014/15	Internal	External	Qtr 3 2014/15	Internal	External
Policy & Resources	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
BSF	£49,523	£6,500	£43,023	£4,938	Nil	£4,938	£25,350	Nil	£25,350
Waste	£6,551	£6,551	Nil	£151,870	£151,870	Nil	£53,690	£53,690	Nil
ONGO	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Places	£40,419	£40,360	£59	£23,458	£23,343	£115	£43,744	£21,737	22,0007
People	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
UTC	£28,000	Nil	£28,000	£36,765	£5,881	£30,884	£22,624	£22,624	Nil
<b>Total</b>	<b>£124,493</b>	<b>£53,411</b>	<b>£71,082</b>	<b>£217,031</b>	<b>£181,094</b>	<b>£35,937</b>	<b>£145,408</b>	<b>£98,051</b>	<b>£47,357</b>

**Table 7 (Continued – Qtr 4)**

Project/ Directorate breakdown	Qtr 4 2014/15	Internal	External	Total 2014/15	Internal	External
Policy & Resources	£4,500	£4,500	Nil	£4,500	£4,500	Nil
BSF	£35,216	Nil	£35,216	£115,027	£6,500	£108,527
Waste	£117,552	£117,552	Nil	£329,663	£329,663	Nil
ONGO	£2,356	£2,356	Nil	£2,356	£2,356	Nil
Places	£57,345	£44,684	£12,661	£164,966	£130,124	£34,842
People	Nil	Nil	Nil	Nil	Nil	Nil
UTC	£6,171	£6,171	Nil	£	£37,032	£58,884
<b>Total</b>	<b>£223,140</b>	<b>£175,263</b>	<b>£47,877</b>	<b>£710,072</b>	<b>£507,819</b>	<b>£202,253</b>

**Table 8 - Projected Spend for Quarter 1 (2015/16):**

Directorate	Projected Spend Qtr 1 2015/16	Strategic Projects	Projected Spend Qtr 1 2015/16
Policy & Resources	Nil	BSF	£6,750
Places	£14,897	Waste	£4,000
Public Health	Nil	Wider Midland Road	£4,000
People	Nil	UTC	£9,300
<b>Total</b>	<b>£14,897</b>	<b>Total</b>	<b>£24,050</b>

2.7 Services engaging consultants reported that overall they have been satisfied with performance and effectiveness. Details are set out in Appendix A.

2.8 A number of the consultant engagements relate to the provision of specialist construction design services, specifically structural engineering design. The council has recently appointed an in house structural engineer. This will reduce the future external support required.

### 3. OPTIONS FOR CONSIDERATION

3.1 As this is an information report there are no options to be considered.

### 4. ANALYSIS OF OPTIONS

4.1 See 3.1 above

### 5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

#### 5.1 Financial

Effective and transparent engagement of consultants and the monitoring of their performance will help to improve the value the council obtains from the commissions. The continued management of expenditure will support the council's financial plans going forward.

#### 5.2 Staffing None

5.3 Property & IT  
None

**6. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)**  
N/A

**7. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTEREST DECLARED**

7.1 This report has been prepared following extensive consultation with services.

7.2 No conflicts of interest have been identified.

**8. RECOMMENDATIONS**

8.1 That the findings set out in this report for Quarter 4 2014/15 are noted.

**DIRECTOR OF POLICY & RESOURCES**

Civic Centre  
Ashby Road  
SCUNTHORPE  
North Lincolnshire  
DN16 1AB

Author: H Scott/Nigel Manders/Jason R T Whaler

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**Background Papers used in the preparation of this report:**

Consultancy Usage Report Qtr 4 2013/14

Appendix A

Project Title	Reason for Engaging Consultant	Key Deliverables	Performance of Key Deliverables	Cost £
<b>Policy &amp; Resources</b>				
Business Rates Retention Scheme	Expertise / Experience	Business Rates Advice	Good	4,500
<b>People</b>				
<b>Public Health</b>				
<b>Places</b>				
Various	Expertise / Experience	Provide CDMC services as part of the project team: <ul style="list-style-type: none"> <li>High Street, Crowle - Convert Disused Building to Public Conveniences</li> <li>Various Properties - Demolition of Buildings</li> <li>Epworth Leisure Centre (New Skate Park)</li> <li>Castledyke Primary School - Increase Capacity of School</li> <li>Althorpe and Keadby Primary School - Increase Early Years Provision</li> <li>Humberside Airport - New Training Academy</li> <li>The Lilacs (De Lacy House site) - Rebuild</li> </ul>	Excellent	6,012
Various	Expertise / Experience	Provide structural services as part of the project team: <ul style="list-style-type: none"> <li>Epworth Leisure Centre – New Skate Park</li> <li>The Lilacs (De Lacy House site) - Rebuild</li> </ul>	Excellent	13,868.37
Welham Estates Public Inquiry	Expertise / Experience	Expert witness (Odour)	Excellent	870
Midland Road former landfill site	Expertise / Experience	Review FID Data Aug - Nov	Excellent	600
Epworth Leisure Centre - New Skate Park	Expertise / Experience	To provide advice on Drainage	Excellent	54
Castledyke Primary School - Increase Capacity of School	Expertise / Experience	To provide an archaeological desk based assessment	Good	922
The Lilacs (De Lacy House site) - Rebuild	Expertise / Experience	Provide Mechanical services as part of the project team	Satisfactory	3,431
Silica Park - New Childrens Home	Expertise / Experience	On Site Archaeology	Excellent	924
St Peter and St Paul Primary School - Increase Capacity	Expertise / Experience	Local Transport Plan	Excellent	2,226
The Pods	Expertise / Experience	Investigation of water leak in the lagoon.	Good	600
NEC Training	Expertise / Experience	Provide NEC training	Excellent	581.23
Checking of Submitted calculations to Building Control	Expertise / Experience	Check calculations within given time frames. Inhouse engineer did not have spare capacity.	Excellent	75
Punctuality Improvement Partnership	Expertise / Experience	Carry out Punctuality Surveys required by the DFT	Good	320.64

Project Title	Reason for Engaging Consultant	Key Deliverables	Performance of Key Deliverables	Cost £
Normanby Enterprise Park	Expertise / Experience	Consultant Engaged in the Reclamation of Normanby Enterprise Park/Conesby Quarry.	Good	11,774
Asset Valuations	Covering workload due to sickness absence and other priorities	Assist in providing statutory asset valuations	Good	2,500
Isle of Axholme and Hatfield Chase - Landscape Partnering Project	Expertise / Experience	Producing landscape character assessment	Excellent	2,560
Isle of Axholme and Hatfield Chase - Landscape Partnering Project	Expertise / Experience	Producing an audience development plan. As a requirement of Heritage Lottery funding	Satisfactory	1,260
Isle of Axholme and Hatfield Chase - Landscape Partnering Project	Expertise / Experience	Produce a design portfolio	Excellent	831
Isle of Axholme and Hatfield Chase - Landscape Partnering Project	Expertise / Experience	Produce a website	Excellent	4,245.10
Water's Edge	Expertise / Experience	Produce water level management plan in compliance with DEFRA grant	Good	2,800
Restoration of Bottesford Pond	Expertise / Experience	Archaeological Watching brief to fulfil a Planning condition	Excellent	890
<b>BSF</b>				
BSF	Expertise / Experience	Cost, Technical and project management Support	Good	32,606
BSF	Expertise / Experience	Mechanical technical advice and support (final payment - now resourced internally)	Good	2,609.50
<b>Waste</b>				
WTS/MRF Project	Expertise / Experience	Building Consultants Services - appointed and managed by Planning and Regeneration	Good	34,123.32
WTS/MRF Project	Expertise / Experience	Background noise monitoring and reporting	Good	3,950
WTS/MRF Project	Expertise / Experience	Ground investigation for Midland Road	Good	30,523.30
WTS/MRF Project	Expertise / Experience	Supporting Ground investigation for Midland Road	Good	6,600
Waste Project	Expertise / Experience	Financial support to tender evaluation and appointment of supplier	Good	6,751.38
Waste Project	Expertise / Experience	Technical support to tender evaluation and appointment of supplier	Good	32,471.10
Waste Project	Expertise / Experience	Legal support to tender evaluation and appointment of supplier	Good	3,132.50
<b>UTC</b>				
ONGO	Expertise / Experience	Updating financial appraisal and amending vision plan	Good	£2,355.85
UTC	Expertise / Experience	Cost, Technical and project management Support		£6,171.42
<b>Total:</b>				<b>£223,139.09</b>