

NORTH LINCOLNSHIRE COUNCIL

POLICY AND FINANCE CABINET MEMBER

PROFESSIONAL SERVICES USAGE: QUARTER 3 2015/16

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 Cabinet has introduced a protocol for the use of professional services as part of a package of cost management measures.
- 1.2 The protocol requires services to report their use of professional services on a quarterly basis.
- 1.3 This report for Quarter 3 2015/16 has been produced by the council's procurement team in conjunction with directorates.
 - The council spent £175,279 on professional services in Quarter 3 of 2015/16. This represents a total expenditure to date of £378,061 a decrease of £108,871 in overall expenditure compared to the same period in 2014/15
 - Professional services to support major projects – BSF and Waste accounted for 10% of spend in Quarter 3. Other construction and technical related expenditure accounted for 80%. Other expenditure accounted for 10%
 - Overall services have reported that their use of professional services has been effective

2. BACKGROUND INFORMATION

- 2.1 The protocol for managing professional services was introduced as part of a package of cost management measures in 2011. The protocol requires services to report their use of professional services 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 major projects and effective management of potentially high cost risk exposure. 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

- 2.3 For the purpose of this report the term “professional services” is used to describe the procurement 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.
- 2.4 Expenditure on professional services to support the delivery of the highways programme has been added to the report as a new inclusion to reflect a change in the commissioning model for this requirement. Historically the highways programme was delivered through a strategic partnership – Highways Alliance. The alliance was replaced with modern frameworks for both construction and highways delivery and professional services. Specialist advice for highways schemes is now directly commissioned by the council via the framework and accordingly has been included for reporting purposes with effect from Quarter 1 of 2015/16.
- 2.5 This report sets out a summary of professional services usage for Quarter 3 in 2015/16. During Quarter 3, the council spent £175,279 on professional services. A breakdown of these costs can be found in Appendix A.
- 2.6 The council spent £16,296 on professional services to support major projects in Quarter 3, which accounted for 10% of the total spent. This represents a decrease of £344,428 compared to the same period in 2014/15. The tables below detail Quarter 3 expenditure compared to the same period in the previous financial year. In addition, they set projected spend for Quarter 4.

Table 1 - Comparison by Category (Quarter 3)

Professional Services Spend by Category:	Quarter 3 2015/16
Policy & Resources	£4,500
Construction/Highways Related	£153,179
Other Technical	Nil
People	£17,600
TOTAL	£175,279

Table 2 - Comparison by Period/Year (Quarter 3)

	Quarter 3 14/15	Quarter 3 15/16	Difference
Major Projects Spend	£101,664	£16,296	- £85,368
Total Spend	£145,408	£175,279	£20,871
Total Spend Year-to-Date	£486,932	£378,061	-£108,871

Table 3 - Spend by Major Project (2015/16):

Project	Qtr 1 2015/16	Qtr 2 2015/16	Qtr 3 2015/16	Qtr 4 2015/16	Total Spend 2015/16
BSF	Nil	Nil	Nil	-	-
Waste	£74	Nil	£10,125	-	£10,199
UTC	£9,256	£9,257	£6,171	-	£24,684
Total	£9,330	£9,257	£16,296	-	£34,883

Table 4 - Spend by Directorate (2015/16):

Directorate	Qtr 1 2015/16	Qtr 2 2015/16	Qtr 3 2015/16	Qtr 4 2015/16	Total Financial year to-date
Policy & Resources	Nil	£50,000	£4,500	-	£54,500
People	Nil	Nil	£17,600	-	£17,600
Places+ Waste	£90,279	£62,503	£153,179	-	£305,961
Public Health	Nil	Nil	Nil	-	-
BSF	Nil	Nil	Nil	-	-
Total	£90,279	£112,503	£175,279	-	£378,061

Table 5 - Spend by Internal / External Funding Provision (2015/16):

Project/ Directorate breakdown	Qtr 1 2015/16	Internal	External	Qtr 2 2015/16	Internal	External	Qtr 3 2015/16	Internal	External	Total spend to- date
Policy & Resources	Nil	-	-	£50,000	-	£50,000	Nil	£4,500	-	£54,500
BSF	Nil	-	-	Nil	-	-	Nil	-	-	Nil
5Waste	£74	£74	-	Nil	-	-	£10,125	£10,125	-	£10,199
UTC	£9,256	-	£9,256	£9,257	-	£9,257	£6,171	-	£6,171	£24,684
Places	£80,949	£80,949	-	£53,246	£53,246	-	£136,883	£136,883	-	£271,078
People	Nil	-	-	Nil	-	-	£17,600	£17,600	-	£17,600
Total	£90,279	£81,023	9,256	£112,503	£53,246	£59,257	£170,779	£169,108	£6,171	£378,061

Table 6 - Projected Spend for Quarter 4 (2015/16):

Directorate	Projected Spend Qtr 4 2015/16
Policy & Resources	Nil
Places/Strategic Projects	£235,560
Public Health	Nil
People	Nil
Total	£235,560

Major Projects	Projected Spend Qtr 4 2015/16
BSF	£22,250
Waste	£23,310
UTC	Nil
Other	£190,000
Total	£235,560

- 2.7 Services engaging professional services reported that overall they have been satisfied with performance and effectiveness. Details are set out in Appendix A.
- 2.8 A number of the professional services 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 professional services specialists 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 3 2015/16 are noted.

DIRECTOR OF POLICY & RESOURCES

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Background Papers used in the preparation of this report:
Professional services Usage Report Quarter 3 2014/15

Appendix A

Project Title	Reason for Engaging	Key Deliverables	Performance of Key Deliverables	Cost £
Policy & Resources				
Video Conferencing	Expertise	Advice on implementing a new email platform/allied business solutions	Good	4,500
People				
Independent Chair of the Fair Access and Inclusion Panel	Independent Evaluation	Attend and chair as an independent person, the Fair Access and Inclusion	Excellent	17,600
Public Health				
Nil				
Places				
Axholme North Sports Centre	Expertise / Experience	To provide a Topographical report as part of the Framework	Good	595
Axholme North Sports Centre	Expertise / Experience	To provide a Traffic impact assessment	Good	3,129
Axholme North Sports Centre	Expertise / Experience	To provide Pool Specialist Design	Good	4,000
Winterton rangers site - Gym and Local Link	Expertise / Experience	To provide a Topographical Survey and traffic impact assessment	Good	3,639
20-21 Visual Arts Centre - Refurbishment20/21	Expertise / Experience	Principal Design Advisor under CDM 2015, as part of the new consultants framework	Good	694
Various Properties - Demolition of various Buildings	Expertise / Experience	Provide Environmental Desk Study	Good	10,314
Bloom Lane Plot 25 - Structural Report	Expertise / Experience	To provide a specialist structural survey	Good	1,400
Humberside Airport - New Training Academy (Hanger 11)	Expertise / Experience	To provide specialist legal services	Good	4,121
Humberside Airport - Hanger 9				
Various Properties - Outline Planning Permission for Vacant Sites	Expertise / Experience	To assist with the preparation of planning applications	Good	6,091
Various Properties - Outline Planning Permission Vacant Sites	Expertise / Experience	Flood Risk assessments for four land disposal sites	Good	4,000
Normanby Enterprise Park	Expertise / Experience	Reclamation of Normanby Enterprise Park and Conesby Quarry.	Excellent	8,736
Checking of Submitted calculations to Building Control	Expertise / Experience	Check calculations within given time frames.	Good	353
Highways				
Topo & Utilities Survey , CSH	Expertise / Experience	Survey of existing features	Good	2,356
Design of Flood wall	Expertise / Experience	Design of Flood wall	Good	1,175
South Ferriby Lifting Bridge	Expertise / Experience	Investigation of lifting issues	Good	6,084
Keadby Lock Bridge	Expertise / Experience	Investigation of damaged curtain	Good	5,804
Drainage Engineer Assistance	Expertise / Experience	Provide additional resources	Good	15,740
Design of Lake 1	Expertise / Experience	Produce full design of Lake	Good	2,500

Project Title	Reason for Engaging	Key Deliverables	Performance of Key Deliverables	Cost £
Independent Evaluation on the Options for Berkeley Circle	Provide Options Report	Produce Options Report	Good	4,134
PERMIT Scheme Analysis	Cost Benefit Analysis and Fee comparison	Produce Benefits Report	Good	16,195
Estate Road design work	Expertise / Experience	Design 4 small estate roads	Good	9,838
Follow on work from Berkeley Circle Option Report	Expertise / Experience	Assess a further option	Good	1,350
Completion of Melton Ross Bridge Tender Preparation through to Award	Expertise / Experience	Produce full design and tender for the Propping Contract	Good	14,873
Safety Audits	Expertise / Experience	Provide safety audit of A18 HUY roundabout	Good	2,108
Brigg Recreation Ground	Expertise / Experience	Carry out Survey and submit findings	Good	4,987
Winterton Comp. - Gym at Winterton Rangers Fc				
Berkeley Circle Full design	Expertise / Experience	Produce full design of Berkeley Circle Upgrade	Good	2,306
Design issues during construction – Caister Road & Barnetby Top	Expertise / Experience	Follow on design work arising out of construction activities	Good	360
UTC				
UTC	Expertise / Experience	Cost, Technical and project management support	Good	6,171
WTS				
WTS	Expertise / Experience	Drafting and issue of court proceedings, together with pre-issue advice and representation	Excellent	10,125
Total:				£175,279