

NORTH LINCOLNSHIRE COUNCIL

POLICY AND RESOURCES CABINET MEMBER

CONSULTANCY USAGE: QUARTER 1 2013/2014

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. This reporting requirement was formally adopted as part of the council's updated contract procedure rules in May 2012.
- 1.3 This report for Quarter 1 2013/2014 has been produced by the council's procurement team in conjunction with directorates.
 - The council spent £139,159 on consultancy services in Quarter 1 of 2013/2014. This represents a £4,782 increase in expenditure compared to the same period in 2012/13
 - Consultancy to support major projects – BSF (c. £80m programme) and Waste (c. £200m project) accounted for c .27% of spend in Quarter 1. Other construction and technical related expenditure accounted for c. 32%
 - Overall services have reported that their use of consultants overall 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 Following the introduction of the protocol, the council benefited from a significant reduction in consultancy spend in the region of c. £708,288 in 2012/13.
- 2.3 This report sets out a summary of consultancy usage for Quarter 1 in 2013/2014. During Quarter 1 the council spent £139,159 on consultancy services. Detailed findings are presented at Appendix A.
- 2.4 This report also details projected consultancy spend for Quarter 2 as provided by directorates.
- 2.5 The council spent £38,043 on consultancy to support major projects in Quarter 1, which accounted for c.27%. This represents a reduction of £26k compared to the same period in 2012/13. The BSF programme is valued at c. £80m and the Waste project at c. £200m. The importance of obtaining high quality legal,

financial and technical advice for complex high value projects with a lifespan in the region of 25 years is axiomatic.

2.6 The tables below detail Quarter 1 expenditure compared to the same period in the previous financial year. In addition they set out a projected spend for Quarter 2 2013/14.

Table 1: Comparison by Category:

Consultancy Spend by Category:	Qtr 1
Construction Related	£44,116
Other Technical	£38,043
Other	£57,000
TOTAL	£139,159

Table 2: Comparison by period/year at Quarter 1:

	Qtr 1 12/13	Qtr 1 13/14	Difference
Major Projects Spend	£64,065	£38,043	-£26,021
Total Consultancy Spend	£134,377	£139,159	+£4,782

Table 3: Spend by Major Project (2013/14):

Project	Qtr 1 2013/14	Qtr 2 2013/14	Qtr 3 2013/14	Qtr 4 2013/14	Total Spend 2013/14
BSF	£32,658	-	-	-	£32,658
Waste	£5,385	-	-	-	£5,385
Total	£38,043	-	-	-	£38,043

Table 4: Spend by Directorate (2013/14):

Directorate	Qtr 1 2013/14	Qtr 2 2013/14	Qtr 3 2013/14	Qtr 4 2013/14	Total Financial year to-date
Policy & Resources	Nil	-	-	-	Nil
People	£57,000	-	-	-	£57,000
Places	£49,501	-	-	-	£49,501
Public Health	Nil	-	-	-	Nil
BSF	£32,658	-	-	-	£32,658
Total	£139,159	-	-	-	£139,159

Table 5: Projected Spend for Quarter 2 (2013/14):

Directorate	Projected Spend Qtr 2 2013/14
Policy & Resources	Nil
Places	£79,060
Public Health	Nil
People	Nil
Total	£79,060

Major Projects	Projected Spend Qtr 2 2013/14
BSF	£33,500
Waste	£332,270
- Legal	
- Financial	
- Technical	
Total	£365,770

- 2.7 Whilst there is no universally accepted definition of consultant, services have used the following guidance in preparing their returns:

“A consultant is a person (not an employee), agency or firm engaged for a limited period of time on a fee basis to carry out a specific task or tasks. A consultant provides subject matter expertise and/or experience to the Council either because it does not possess the skills or resources in-house or because an independent evaluation is required. A consultant does not include agency staff/interim employed to cover vacancies or peaks in workload etc”.

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

- 2.9 A number of the consultant engagements relate to the provision of specialist technical services, specifically structural engineering design related services in support of construction projects in progress at a range of council facilities. These account for £16,140.51 in Quarter 1. The council currently does not employ any in house structural engineers and therefore expert external support is engaged. However, the Places Directorate is currently in the process of seeking to recruit to two posts. If successful, this will reduce future external spending in this area.

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.

8. RECOMMENDATIONS

- 8.1 That the findings set out in this report for Quarter 1 2013/14 are noted.

DIRECTOR OF POLICY & RESOURCES

Civic Centre
Ashby Road
SCUNTHORPE
North Lincolnshire
DN16 1AB

Author: P Deeley/M Walker

Date: 3 July 2013

Background Papers used in the preparation of this report:

Consultant Usage Reports Qtr 4 2012/13

Appendix A

Project Title	Reason for Engaging Consultant	Key Deliverables	Performance of Key Deliverables	Cost £
Policy & Resources				
Nil				
People				
Social Enterprise Feasibility Project	Advisory Services	Preparation of Business Case	Good	£57,000
Public Health				
Nil				
Places				
Various	Provide Structural Engineering Design services as part of the project team	Provide Structural Engineering Design services as part of the project team to the following construction related projects: <ul style="list-style-type: none"> • Willoughby Road Primary School • The Pods • Priory Lane Junior School • Bowmandale Primary School • Alkborough Primary School • Althorpe and Keadby Primary School • Enderby Road Primary School 	Good	£13,332.85
Various	Architectural Services as part of the project team	Provide Architectural services as part of the project team to the following construction related projects: <ul style="list-style-type: none"> • Willoughby Road Primary School • Enderby Road Primary School • Lincoln Gardens Primary School 	Good	£7,004.65
Various	Provision of Health and Safety/CDM Services as part of Project Team	Provide Architectural services as part of the project team to the following construction related projects: <ul style="list-style-type: none"> • Bowmandale Primary School • Melior College (Ex South Leys) • Willoughby Road Primary School • The Pods • Althorpe and Keadby Primary School 	Good	£3,269.90
Various	Provide Mechanical and Electrical Engineering Service	Provide Mechanical and Electrical Engineering Services as part of the project team to the following construction related projects: <ul style="list-style-type: none"> • Willoughby Road Primary School • BSF Programme 	Good	£3,343.43
Various	Provision of a Topographical Survey, Utilities survey and elevations	Provision of a Topographical Survey, Utilities survey and elevations for the following projects: <ul style="list-style-type: none"> • Priory Lane Junior School • Broughton Primary School 	Good	£5,047.24

Provide external accreditation for ISO 9001:2008	Provide external accreditation	Provide external accreditation	Good	£602.00
Checking of structural engineering aspects of Building Regulation Applications (upto value of £500,000)	Provide engineering service	Provide engineering service	Good	£596.00
Normanby Hall - Enterprise Park	Consultant Engaged in the Reclamation of Normanby Enterprise Park and Conesby Quarry.	Consultant Engaged in the Reclamation of Normanby Enterprise Park and Conesby Quarry.	Good	£10,920.00
Waste Project	Expertise / Experience	Technical advisor support	Good	£5,385.00
Subtotal				£49,501.07
BSF				
BSF	Expertise / Experience	Specialist legal advisors on BSF and Education Funding Agency contractual matters for share transfers.	Good	£982.00
BSF	Expertise / Experience	Mechanical engineering commissioning and compliance approvals. Proposal and implementation investigating defects and post handover issues	Good	£2,171.25
BSF	Expertise / Experience	Contract and cost management Project development Specific employers agent functions to agree contract costs and variations Technical support	Good	£29,230.25
BSF	Expertise / Experience	Consultancy services provided via Planning and Regeneration	Good	£275.00
Subtotal				£32,658.50
Total:				£139,159.57