

NORTH LINCOLNSHIRE COUNCIL

POLICY AND RESOURCES CABINET MEMBER

CONSULTANT USAGE – QUARTER 4 2012/2013

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 4 2012/2013 has been produced by the council's procurement team in conjunction with service areas.
 - The council spent £167,902 on consultancy services in Quarter 4 of 2012/2013.
 - The council spent a total of £638,772 on consultancy services in 2012/13. This represents a reduction of £0.65m in consultancy expenditure compared to 2011/12
 - Consultancy to support major projects – BSF, Baths Hall and Waste accounted for c.43% of spend in Quarter 4.
 - Overall services have reported that their use of consultants has been effective.
 - Expenditure is forecast to increase in 2013/14 as a result of the £180m waste project

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 for 2012/13. 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. £1m in 2011/12.
- 2.3 This report sets out a summary of consultancy usage for Quarter 4 in 2012/2013 and provides a year end total. During Quarter 4 the council spent £167,902 on consultancy services. Detailed findings are presented at Appendix A.

- 2.4 The council spent £71,495 on consultancy to support major projects in Quarter 4, which accounted for c.43%. The tables below details year end expenditure including comparisons with previous years. In addition they set out a projected spend for Quarter 1 2013/14.

Comparison by Period/Year

Year	Total Spend
2012/2013	£0.64m
2011/2012	£1.29m
2010/2011	£2.3m
2009/2010	£2.8m
2008/2009	£2.0m
2007/2008	£1.0m
2006/2007	£2.6m

Spend at 2011/12 & 2012/13:

	Year 11/12	Year 12/13	Difference
Major Projects Spend	£649,146	£296,218	- £352,928
Total Consultancy Spend	£1.29m	£0.64m	- £651,228

Spend by Major Project (2012/13):

Project	Qtr 1 2012/13	Qtr 2 2012/13	Qtr 3 2012/13	Qtr 4 2012/13	Total Spend 2012/13
BSF	£50,177	£65,828	£44,644	£69,598	£230,247
Baths Hall	£5,399	£5,176	£3,123	£1,897	£15,595
Waste	£8,489	£29,001	£12,886	Nil	£50,376
Total	£64,065	£100,005	£60,653	£71,495	£296,218

Spend by Directorate (2012/13):

Directorate	Qtr 1 2012/13	Qtr 2 2012/13	Qtr 3 2012/13	Qtr 4 2012/13	Total Financial year to- date
Policy & Resources	Nil	£5,262	Nil	Nil	£5,262
People	Nil	Nil	Nil	£57,000	£57,000
Places	£84,200	£155,167	£65,592	£41,304	£346,263
BSF	£50,177	£65,828	£44,644	£69,598	£230,247
Total	£134,377	£226,257	£110,236	£167,902	£638,772

Projected Spend for Quarter 1 (2013/14):

Directorate	Projected Spend Qtr 1 2013/14
Policy & Resources	Nil
People	Nil
Places	£72,853
BSF	£52,482
Total	£125,335

Major Projects	Projected Spend Qtr 1 2013/14
BSF	£52,482
Baths Hall	Nil
Waste	£36,889
Total	£89,371

- 2.5 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”.

- 2.6 Services engaging consultants reported that overall they have been satisfied with performance and effectiveness. Details are set out in appendix a.
- 2.7 It is anticipated that consultancy expenditure in 2013/14 will increase compared to 2012/13 as a result of the waste project given the necessity of ensuring that the council obtains appropriate expert technical, contractual and financial advice for this £180m project. Whilst there is a planned increase in the use of consultants this year, it should be noted that in line with council priorities the cost of consultants has reduced by £2m since 2009/10. The planned increase will still enable a net saving from this figure.

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 downward trend in 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 4 2012/13 are noted.

8.2 That the cabinet member notes the anticipated increase in consultancy spend during 2013/14 which is necessary to ensure that value for money is obtained from the £180m waste project.

DIRECTOR OF POLICY & RESOURCES

Civic Centre
Ashby Road
SCUNTHORPE
North Lincolnshire
DN16 1AB

Author: Jason R T Whaler
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Background Papers used in the preparation of this report:
Consultant Usage Reports Q1, Q2 & Q3 2012/13

Appendix A

Project Title	Reason for Engaging Consultant	Key Deliverables	Performance of Key Deliverables	Cost £
Policy & Resources				
Nil return				
People				
Staff led social enterprise feasibility project	Expertise / Experience	Feasibility study into the development of social enterprise for the Post 16 Service	Good	57,000
Places				
Willoughby Road Primary School - Extension to accommodate Infant School	Expertise / Experience	Provide Structural Engineering Design services as part of the project team	Good	2,345
Crowle Market Place - New build	Expertise / Experience	Provide Structural Engineering Design services as part of the project team	Good	1,219
Pittwood House - Worksmart Alterations	Expertise / Experience	Provide Structural Engineering Design services as part of the project team	Good	154
The Pods - Climbing Wall	Expertise / Experience	Provide Structural Engineering Design services as part of the project team	Good	1,300
Holme Valley Primary School - Extension of Staff Room	Expertise / Experience	Provide Structural Engineering Design services as part of the project team	Good	936
Holme Valley Primary School - Classroom Extension	Expertise / Experience	Provide Structural Engineering Design services as part of the project team	Good	1,671
Priory Lane Junior School - Extension to create 420 Place Primary	Expertise / Experience	Provide Structural Engineering Design services as part of the project team	Good	5,637
Wroot Travis Primary School - Replace Wooden Classroom Block	Expertise / Experience	Provide Structural Engineering Design services as part of the project team	Good	1,160
Central Park - Bandstand	Expertise / Experience	Provide Structural Engineering Design services as part of the project team	Good	1,325
Willoughby Road Primary School - Extension to accommodate Infant School	Expertise / Experience	Provision of Health and Safety/CDM Services as part of Project Team	Good	799
Sir John Nelthorpe School - Refurb of Boarding Block	Expertise / Experience	Provision of Health and Safety/CDM Services as part of Project Team	Good	1,325
Berkeley Junior School - Electrical Issues	Expertise / Experience	Provision of Health and Safety/CDM Services as part of Project Team	Good	698
Wroot Travis Primary School - Replace Wooden Classroom Block	Expertise / Experience	Provision of Health and Safety/CDM Services as part of Project Team	Good	487
Scunthorpe CE Primary School - Roofing	Expertise / Experience	Provision of Health and Safety/CDM Services as part of Project Team	Good	338

St Lukes Primary School - Remodelling to increase bases	Expertise / Experience	Provision of Health and Safety/CDM Services as part of Project Team	Good	169
The Foundry Arms - Rebuild	Expertise / Experience	Provision of Health and Safety/CDM Services as part of Project Team	Good	402
The Baths Hall - New Entertainment Venue	Expertise / Experience	Provision of specialist Theatre design services.	Good	1,897
St Peter & St Paul - 210 place Primary School	Expertise / Experience	Provision of an Energy Performance Certificate	Good	868
Central Park - Bandstand	Expertise / Experience	Provide Building Surveyor services as part of the project team	Good	1,501
Burton Upon Stather Primary School - M&E Issues	Expertise / Experience	Provide Mechanical and Electrical Engineering Service	Good	3,340
St Augustine Webster Primary School - Science Block with Changing Rooms	Expertise / Experience	Provision of a Site Level Survey	Good	571
Broughton Primary School - 420 Place Primary School	Expertise / Experience	Provision of a Topographical Survey	Good	571
Checking of Structural Engineering aspects of Building Regulation Applications (value up to £500k)	Expertise / Experience	Provide Engineering Service	Good	267
Providing external accreditation for ISO 9001:2008	Expertise / Experience	Provide external accreditation	Good	808
Normanby Hall - Enterprise Park	Expertise / Experience	Consultant Engaged in the Reclamation of Normanby Enterprise Park and Conesby Quarry.	Good	11,032
Punctuality Improvement Partnership	Expertise / Experience	Carry out Punctuality surveys required by the DFT	Satisfactory	484
BSF				
UTC	Expertise / Experience	Specialist Bid advisor for initial UTC application Strategic vision and financial proforma input to UTC bid	Good	12,886
BSF	Expertise / Experience	Mechanical engineering commissioning and compliance approvals Proposal and implementation investigating defects and post handover issues	Good	4,680
BSF	Expertise / Experience	Contract and cost management Project development Specific employers agent functions to agree contract costs and variations Technical support	Good	49,801
BSF	Expertise / Experience	Consultancy services provided via Planning and Regeneration	Good	715
BSF	Expertise / Experience	Specialist legal advisors on BSF and Education Funding Agency contractual matters for share transfers.	Good	1,515
Total:				£167,902

