

**NORTH LINCOLNSHIRE COUNCIL**

**CORPORATE SERVICES CABINET MEMBER**

**EXTENT AND EFFECTIVENESS OF CONSULTANT USAGE  
ANNUAL REPORT 2008/2009**

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

- 1.1 This report sets out a statement on the council's usage of consultants during 2008/9.
- 1.2 The requirement to produce an annual open report on consultant usage was approved by Cabinet in September 2007 following an Economic Development and Corporate Issues Scrutiny Committee review of the extent and effectiveness of consultancy usage.
- 1.3 The key points in this report are:
- Approximately £2.072m was spent on consultancy in 2008/2009.
  - Expenditure has increased by c. £1.03m compared to 2007/2008 but is £0.5m lower than the figure reported in 2006/7.
  - Consultancy to support major projects such as Waste Disposal, Building Schools for the Future (BSF) and Baths Hall account for c.50% of the total spend.
  - Service areas have reported that the use of consultants overall has been effective. No poor performance was reported.

**2. BACKGROUND INFORMATION**

- 2.1. In September 2007 Cabinet considered and approved an action plan produced by the Economic Development and Corporate Issues Scrutiny Committee following a review of the usage and effectiveness of consultants (minute 635 refers).
- 2.2. The action plan required the submission of an annual open report summarising the extent and effectiveness of consultancy usage across the council.
- 2.3 A summary of consultancy usage and its effectiveness during 2008/2009 is shown at paragraph 2.6. The council spent approximately £2.072m on

consultancy services during that period. This is compared below with the consultancy spend in previous years.

| <b>Year</b> | <b>Total Spend</b> | <b>% Change Compared with 2006/2007</b> |
|-------------|--------------------|---|
| 2008/2009   | £2.07 million      | - 20%                                   |
| 2007/2008   | £1.04 million      | - 60%                                   |
| 2006/2007   | £2.6 million       | N/A                                     |

- 2.4 Consultancy to support major projects such as Baths Hall, Sports Academy, Waste Disposal (c. £130m project value) and BSF (c. £80m project value) account for 50% of the total spend.
- 2.5 Whilst there is no universally accepted definition of consultant, service areas have used guidance produced by the Office for Government Commerce: *Delivering Value from Consultancy* in completing their return.
- 2.6 Services engaging consultants reported that overall they have been satisfied with the performance and effectiveness of consultants, as set out below.

| <b>Service Area</b>          | <b>Purpose</b>  | <b>Cost</b> | <b>Effectiveness / Performance</b> | <b>Total Spend</b> |
|------------------------------|---|-------------|------------------------------------|--------------------|
| <b>Highways and Planning</b> | Highways Alliance                                     | £382,000    | Good Performance                   | <b>£531,846</b>    |
|                              | Building Control                                      | £8,508      | Good Performance                   |                    |
|                              | Travel Study  | £9,296      | Good Performance                   |                    |
|                              | Advocacy in relation to a planning public enquiry     | £15,832     | Good Performance                   |                    |
|                              | Parking Services in relation to Decriminalisation     | £17,084     | Good Performance                   |                    |
|                              | Phase 5 Land Reclamation Scheme at Normanby Park      | £52,430     | Excellent Performance              |                    |
|                              | Mechanical & electrical maintenance of moving bridges | £7,902      | Good Performance                   |                    |
|                              | Alkborough Reedbed                                    | £20,000     | Excellent Performance              |                    |
|                              | Humberhead Levels                                     | £18,794     | Good Performance                   |                    |

| <b>Service Area</b>                   | <b>Purpose</b>  | <b>Cost</b> | <b>Effectiveness / Performance</b> | <b>Total Spend</b> |
|---------------------------------------|---|-------------|------------------------------------|--------------------|
| <b>Childrens Services</b>             | Building School for the Future (BSF) Technical Advice       | £153,410    | Good Performance                   | <b>£826,670</b>    |
|                                       | Building School for the Future (BSF) Financial Advice       | £102,840    | Good Performance                   |                    |
|                                       | Building School for the Future (BSF) Academy & Legal Advice | £427,900    | Good Performance                   |                    |
|                                       | Building School for the Future (BSF) Insurance Advice       | £8,020      | Good Performance                   |                    |
|                                       | Building School for the Future (BSF) ICT Advice             | £130,920    | Good Performance                   |                    |
|                                       | Adult Education   | £3,580      | Good Performance                   |                    |
| <b>Executive Management Team</b>      | Worksmart Overview  | £3,771      | Excellent Performance              | <b>£3,771</b>      |
| <b>Asset Management &amp; Culture</b> | Property Schemes – Structural Advice                        | £56,256     | Satisfactory Performance           | <b>£425,175</b>    |
|                                       | Property Schemes – Miscellaneous Advice                     | £76,692     | Satisfactory Performance           |                    |
|                                       | ICT Schemes   | £10,895     | Satisfactory Performance           |                    |
|                                       | Baths Hall Consultancy                                      | £260,780    | Satisfactory Performance           |                    |
|                                       | Sports Academy Consultancy                                  | £20,550     | Satisfactory Performance           |                    |
| <b>Adult Social Services</b>          | No Consultants used   |             |                                    | <b>NIL</b>         |
| <b>Neighbourhood and Environment</b>  | Fleet Review  | £1,755      | Good Performance                   | <b>£160,468</b>    |
|                                       | Housing Condition Survey                                    | £33,302     | Good Performance                   |                    |
|                                       | Worksmart   | £25,270     | Good Performance                   |                    |

| <b>Service Area</b>                              | <b>Purpose</b>   | <b>Cost</b> | <b>Effectiveness / Performance</b> | <b>Total Spend</b> |
|--|--|-------------|------------------------------------|--------------------|
|  | Waste Management Strategy                                    | £1,500      | Satisfactory Performance           |                    |
|  | Waste Procurement Project - Legal                            | £32,087     | Good Performance.                  |                    |
|  | Waste Procurement Project - Financial                        | £42,348     |                                    |                    |
|  | Waste Procurement Project - Technical                        | £24,206     |                                    |                    |
| <b>Finance</b>                                   | Treasury Strategy  | £1,200      | Good Performance                   | <b>£1,200</b>      |
| <b>Community Planning &amp; Resources</b>        | E-Clinics<br>E-Petitioning                                   | £11,106     | Good Performance                   | <b>£25,584</b>     |
|  | Normanby Gateway IT Support Exit                             | £5,050      | Good Performance                   |                    |
|  | Document Management  | £9,428      | Good Performance                   |                    |
| <b>Legal &amp; Democratic</b>                    | No Consultants used  |             |                                    | <b>NIL</b>         |
| <b>Strategic Regen Housing &amp; Development</b> | Hotel Supply & Demand  | £15,700     | Satisfactory Performance           | <b>£97,393</b>     |
|  | Humber Bridge Tolls Study                                    | £63,098     | Excellent Performance              |                    |
|  | Humber Bridge Tolls Advice at Public Enquiry                 | £3,105      | Excellent Performance              |                    |
|  | Financial Viability Assessment – Affordable Housing Policies | £15,490     | Good Performance                   |                    |
| <b>Human Resources</b>                           | No Consultants Used  |             |                                    | <b>NIL</b>         |
| <b>Total</b>                                     |  |             |                                    | <b>£2.072m</b>     |

### 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

More effective and transparent engagement of consultants and the monitoring of their performance will improve help to improve the value the council obtains from the commissions.

5.2 Staffing  
None

5.3 Property & IT  
None

#### **6 OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY, SECTION 17 CRIME AND DISORDER, RISK AND OTHER)**

None

#### **7. OUTCOMES OF CONSULTATION**

7.1 This report has been prepared following extensive consultation with Service Directors and senior staff.

7.2 The Strategic Procurement Group will discuss the findings at its meeting in September 2009 in order that best practice and performance information can be shared.

#### **8. RECOMMENDATION**

8.1 That the findings set out in this report for 2008/2009 are noted.

SERVICE DIRECTOR FINANCE

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J Whaler 20 August 2009

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

Economic Development and Corporate Issues Scrutiny Committee Report – Usage and Effectiveness of Consultancy.

Consultancy Usage Report 2007/2008 - 3 September 2008

Consultancy Usage Report 2006/2007 - 5 February 2008