



Report to Resources and Management Scrutiny Committee

Subject: Consultants Review

Date: 22nd January 2007

Author: Chair of working group

1.0 Purpose of the Report

- 1.1 To inform members of the evidence gathered by this working group and its final recommendations.

2.0 Background

- 2.1 This working group comprises Councillors J. Creamer (Chair), G. Clarke, P. Blandamer, T. Grainger, C. Lockett, A. Wright and A. Gillam.

3.0 The Scope of the review

The working group sought to examine Gedling Borough Council's use of professional consultants. As the term 'consultant' can be interpreted widely and their role multiform, the group decided to only explore the use of "specialist consultants commissioned to undertake discrete pieces of work". Using this definition, the working group focused on gathering information relating to the usage and expenditure of consultants across the various Council departments. The group aimed to determine the relative benefits and disadvantages of using consultants, their value for money and whether there were any viable alternatives to employing consultants. The working group's scope is attached at Appendix 1.

4.0 Information gathering

- 4.1 The working group gathered information from Heads of Service/Managers relating to their definition of 'specialist' consultants for the period 2004 – 2006. This included consultants used in the following capacities:

- A. Temporary employees from an agency providing specialist skills the Council would not provide in house or make an appointment for e.g. Homelessness.
- B. Consultants employed to complete a specific task e.g. Leisure Strategy, John Hiley.
- C. Consultants employed with specialist skills to implement ICT or other specific projects e.g. housing options.
- D. Training consultancies – providing training in specialist skills.

(The working group sought to differentiate that they were not collecting information appertaining to consultants and professional staff i.e. agency staff that are employed for the purposes of covering sickness, absence and vacant posts).

- 4.2 The working group gathered this information from the following Council departments:

Personnel and Organisational Development
 Housing
 Leisure Services
 Planning
 Legal and Democratic Services
 Finance

(The Cabinet Office and the Direct Services Department were not included in the information gathering exercise due their minimal use of consultants).

- 4.3 The working group asked the following questions to selected Heads of Service:

- A. How much do you spend in your Department on professional consultants?
- B. Why have you used them in the past?
- C. What particular benefits did they bring?
- D. Do you always use the same people/organisations?
- E. Were there any problems or disadvantages to this approach?
- F. How much use do you expect to make of consultants in the future?
- G. Do you think it is cost effective?
- H. Would you prefer to directly employ people with the specific skills - if so why have you not done so?
- I. How are the decisions to employ a consultant made, including reference to Portfolio Holder, Standing Orders, procurement method, delegation etc?
- J. Are there problems with the availability of consultants?
- K. Are there any instances where a consultant could have been used earlier or better?

4.4 The working group asked the Deputy Chief Executive the following questions:

- A. Who has the final say on the use of consultants / what consultants should be used?
- B. What influence do you have over Heads of Service and do you ever scrutinise their use of consultants?
- C. Is there a definitive record of what consultants have been used and for what purpose and how far back does this record go?

5.0 Findings

5.1 The working group acknowledge that Head of Personnel and Organisational Development has allocated more funds to engage consultants within the IT element of her function than in Personnel / Health and Safety / Scrutiny. However, the group note that some of the IT systems implemented by consultants are used by the Personnel Department e.g. the Northgate / Resource Link (payroll system) and the Agresso (finance system).

The group recognise that consultants have been used in the past and more recently for the implementation of new systems (in particular IT).

The group note that the benefits that they bring are that they provide Personnel and Organisational Development with expertise that the Council does not have in-house i.e. specialist IT knowledge and project management skills. Other benefits identified by the head of Personnel and Organisational Development include the 'sensitivity' offered by a particular consultancy in terms of equality training, and another in terms of bespoke training.

The working group understand that the Head of Personnel and Organisational Development does not always use the same consultants as there is a (Council) tendering protocol, however they recognise some consultants (once engaged) are retained on an ongoing basis in terms of an annual maintenance fee.

The group are aware that the problems identified with using the same consultancy provider can be that if a project over runs then the Head of Personnel and Organisational Development has had to pay for extra days additional to those originally specified/ budgeted for.

The working group acknowledge that the Head of Personnel and Organisational Development anticipates using consultants in the future (on an "as and when" basis) as the Council does not have certain expertise in-house. They note that she perceives this to be value for money, as the consultants she commissions are only required

intermittently and therefore she does not have to employ someone on a long-term basis.

The working group recognise that the Head of Personnel and Organisational Development's decision to employ a particular consultant is not always made in terms of cost, (i.e. the aforementioned training examples) but in the main she selects them through the Councils' tendering process (if they match the in-house specification). Similarly it was acknowledged that she has to ensure that any IT systems/products commissioned have a database that the Council can maintain and in terms of functionality are able to link up with other Council IT systems. The group also note that the Head of Personnel and Organisational and Development has to give consideration to whether a consultancy has been used previously and how effective they have been.

The working group understand that there have been difficulties with the availability of consultants in the past, in particular IT (due to high demand); but that there is a secondary market developing (as identified by the Deputy Chief Executive in Appendix 7) which should ameliorate this problem.

The group appreciate that the Head of Personnel and Organisational Development acknowledges that she has "learnt" to manage her commissioned consultants time more effectively through being more pro-active in her dealings with them to ensure contract compliance (Appendix 6).

- 5.2 When reviewing the answers (to the questions 4.3) provided by the Head of Housing (Appendix 2), the group note that the Housing Department has detailed its extensive use of consultants. The group recognise that this has to be seen in context of the department's preparations for a proposed housing stock transfer from the Council as a local authority housing provider to a registered social landlord (housing association). The group recognise that the use of external consultants (as independent bodies) has been a government requirement in terms of the Housing Stock Options Appraisal process and the Status Satisfaction Survey where Tribal HCH/PS consultants and QCL consultants were chosen by the Council respectively.

The working group acknowledge that consultants have been used previously by the Head of Housing when either guidance (governmental) has stipulated this or when there is no specialism within the Housing department.

The group recognise that the benefits that consultants bring to 'Housing' are identified by the Head of Services as being specialist

skills/objectivity, impartiality and capacity building skills (tenants and residents).

The working group are aware that as detailed in Appendix 2 the Head of Housing uses different consultancies and that this selection process has been aided by the utilisation of a Price/Quality Matrix resource. In this way, a panel of Members, Officers and tenants have used the Matrix as part of a selection process as its criteria of balancing value and quality has helped guide them in their deliberations (Appendix 3). The Head of Housing reports that the use of the Price/Quality Matrix had served the Department well in determining consultants.

The group recognise that the Head of Housing will continue to use consultants in the future due to particular governmental agendas e.g. Disabled Facility Grants and meeting the needs of travellers/gypsies etc.

The Head of housing reported that she felt her Department's use of consultants had been cost effective- examples she has given include drawing comparisons with similar authorities, using consultants on a 'fixed rate' basis and the benchmarking around cost implicit in the Price/Quality Matrix. The working group recognise that in addition to commissioning consultants the Housing Department are also looking to implement other cost effective methods to provide particular specialisms. These include procuring their own database to undertake stock condition surveys, developing internal Council expertise and working more in partnership with other Councils (for economies of scale savings).

The working group acknowledge that the consultancy work commissioned within the Housing Department is diverse and often 'time limited' and therefore it would not be practical to employ staff 'in house'. The Head of Housing engages consultants through recourse to 'Standing Orders' and the Portfolio Holder for Housing.

The group acknowledged that whilst there are only a finite number of specialist housing consultants- the Head of Housing has been pleased with the quality of service/s provided. Similarly they are aware that she cannot identify any instances where consultants could have been used earlier or better as they are usually engaged to respond to a particular government agenda or skill deficit.

- 5.3 When reviewing the answers (to the questions 4.3) provided by the Head of Leisure (Appendix 4), the working group note that the Leisure Department has detailed its use of consultants over a four-year period. The group note that years 2004-05 reflect higher costs due to the need

to engage more consultants to help devise a range of Leisure strategies.

The group acknowledge that consultants have been engaged previously by the Head of Leisure to undertake predominantly detailed work for which his core staff do not have the skills or expertise i.e. undertaking satisfaction type surveys. The benefits identified of employing consultants in this capacity are that they can deliver work within a desired timescale and they can draw upon a specialist knowledge base.

The group recognise that the Head of Leisure Services will employ different specialist consultants to best 'match' the various projects that need to be undertaken; and that he does not identify any problems with this approach.

The working group understand that the Head of Leisure Services will continue to use consultants in the future for a scheduled revision of strategies (which will involve public consultation) and for particular specialist projects. He also identifies that due to more homes being built within the Borough there will be more section 106 agreements and therefore he anticipates the need to engage consultants to help manage this.

The group note that the Head of Leisure Services believes that his use of consultants has constituted value for money and that sometimes the Department has had more work delivered than in the actual consultant's specification.

The group acknowledge that the Head of Leisure Services would not find it cost effective to employ staff to undertake specialist projects, as there would be insufficient work to make these posts sustainable. Similarly the group note that the specialised background and statistical information offered by (Leisure) consultants can often only be provided by individuals working within a particular occupational field/s.

The group acknowledge that the Head of Leisure Services reports that he complies with 'Standing Orders' and consults extensively with the Portfolio Holder for Leisure when engaging consultants. He notes that there is no apparent problem with availability of (Leisure) consultants, but that he has to be discerning to ensure quality. Further, he reports that there have been no instances where consultants could have been used earlier or better.

- 5.4 When reviewing the answers (to the questions 4.3) provided by the Head of Planning (Appendix 5), the working group note that the Planning Department has detailed its use of consultants. They note

that this can vary according to legislative changes and different year-on-year demands.

The group acknowledge that Planning consultants have been commissioned previously to provide specialist advice and knowledge. The Head of Planning identified that these consultants bring benefits such as 'best practice' advice, particular skills, and to provide a complete service for a discrete project. The working group understand that the Head of Planning does not always use the same consultants and that he only re-engages certain consultants if they can demonstrate they have the right skills/expertise and are value for money.

The group note the various problems that can arise with consultants as identified by the Head of Planning. These include conflicts of interests (Planning Applications), no particular loyalty to the Council and 'cases' running on after a contract has finished placing additional demands on establishment officers, administrative and support staff.

The group recognise that the Head of Planning plans to use consultants in the future for work connected with policy, legislation (various Acts), particular projects or cases (pest control) legal representation and specialist advice. He believes that the use of consultants has been cost effective as they are a viable alternative to creating staff posts; and they have maintained service performance and thus 'guarded' against any loss of future income. The Head of Planning acknowledges there is a national shortage of Planning Officers and so would find it hard to recruit staff, therefore he has looked to sharing staff, resources and training with other authorities on a reciprocal basis.

The group note that the Head of Planning complies with 'Standing Orders' and liaises with three Portfolio Holders with regard to engaging consultants.

He reports that he has had no problems when engaging consultants and that he cannot cite any particular examples where he could have used consultants any earlier or better.

- 5.5 The working group acknowledge that the Head of Finance has a role in monitoring the 'spends' across the Councils Departments in relation to their respective use of consultants. The group note that this is done in line with Best Value reporting under the 'Supplier and Services' category. The group recognise that the Head of Finance does not usually get involved in looking at the more qualitative aspects of engaging consultants, however he does monitor the time spent by consultants on Capital projects.

The group understand that the Head of Finance monitors 'tender thresholds' by logging consultant contracts on to a capital register as this prevents EU or tendering rules being circumvented through larger projects being broken down into smaller ones.

The working group note that overall the Head of Finance believes that Gedling Borough Council uses consultants less than other authorities. He observes that in most tendering exercises the Council looks at the 'track record' of a consultant as well as cost effectiveness, and that best value seems to be more of a determinant than the cheapest tender. The group also recognize the Heads of Finance's observation that with more local authorities outsourcing their services and functions there is an increased likelihood of consultants' services being utilised more.

In relation to the Head of Finance's own service; the group recognise that he uses consultants (economists) nearly every day within his own department for treasury management and that this intelligence informs lending, managing, borrowing etc. Similarly the group note that he uses consultants to help interpret new legislation etc.

The working group identified that when recruiting consultants, the Head of Finance reports that he tests the market on an annual basis and looks at the quality of advice given previously by consultants to help inform his decision making. The group note that Head of Finance reports that he cannot think of any instances where he could have used consultants earlier or better.

- 5.6 The working group acknowledge that the Head of Legal and Democratic Services occasionally uses consultants such as barristers for particular expertises i.e. bankruptcy etc. When selecting a barrister (consultant) the Head of the Legal Department reports that she looks at how long they have been qualified, how they present in court and how sound their advice is. She added that if the Council are given an unacceptable response to a request for legal advice they can decide not to pay for the consultancy. The group note that all consultants have their own indemnity insurance. The working group acknowledge that the Legal Department do not engage the services of many consultants and as such the Head of Service cannot think of any instances whereby she could have used consultants earlier or better.
- 5.7 When reviewing the answers to questions (4.4/Appendix 7) the working Group note that the Deputy Chief Executive reports that Elected Members have the final say on the Council's use of consultants and that this involves discussions with Portfolio Holders and Heads of Service. Allied to this the group note that there are regular discussions with the Chief Executive and individual Heads of Service regarding

consultants, their appropriateness (in various work contexts) and value for money. The group acknowledge the Deputy Chief Executive's compliance with 'Standing Orders.'

The working group acknowledge that the Deputy Chief Executive's influence over and scrutiny of individual Heads of Service and their use of consultants is 'variable'. This can be interpreted in terms of the multiplicity of functions and different usage of consultants across the Council. The group recognise that the Deputy Chief Executive does not see the employment of consultants as problematic ('as they have reputations to maintain'); more that their services can vary (across disciplines and consultancies) and as such it is their individual value for money that needs assuring.

The working group note that there is no definitive (stand alone) record of consultants previously employed by the Council; but that the 'Payment System' reflects this information and that this is operated in compliance with 'Standing Orders'.

6.0 Summary findings

- 6.1 When looking at the information gathered overall, the working group recognise that:
- 6.2 Gedling Borough Council Heads of Service consult with the relevant Portfolio Holders over decisions to engage consultants. The group note that they demonstrate compliance with 'Standing Orders' in terms of the Council's tendering regulations and that they design a consultant specification to detail the actual consultancy required.
- 6.3 The working group acknowledge that the decision to employ an external consultant can under certain circumstances be requirement from Central Government to ensure impartiality in decision making processes or to address a Central Government agenda (i.e. the Housing Department 5.2).
- 6.4 The working group recognise the various benefits that consultants can bring to the Council. These include (amongst others) objectivity, sensitivity and capacity building skills, particular knowledge and expertise, bespoke training and project management experience. Other advantages for employing consultants can be that they can work to a designated timescale and can be engaged with some expediency should they be required for enforcement or legal reasons (i.e. 5.4).
- 6.5 The working group understand that some disadvantages to employing consultants can be that they are not always cost effective i.e. extra work may need to be commissioned in addition to the original

specification in certain circumstances (i.e. 5.4). Similarly consultants can fail to deliver what they offer (rare), work can 'run over' the term of a contract and there can be conflicts of interest etc (i.e. 5.4). However, the working group recognise that overall the Council appears to enforce contract compliance in terms of the consultants it commissions and their work.

- 6.6 The working group acknowledge that the Council's use of consultants (in the way this review defines them 3.0) appear to constitute to 'value for money.' The working group identify that the Council's intermittent use of consultants saves costs in terms of engaging establishment staff for whom there would not be enough work to sustain a longer term post/s. The group accept that the use of 'professional' consultants would appear a necessity for specialist legal and financial advice (5.5 & 5.6). The working group recognise that Heads of Service 'test the market' regularly when engaging consultants and review past consultancy work to gauge value. Similarly the group acknowledge that comparisons are drawn with other authorities in terms of their experiences and usage of consultants and where possible 'fixed rate' terms are used when engaging consultants. The working group approve and endorse the Council's use of resources like the Price/Quality matrix (5.2), which benchmarks value and quality. The group are satisfied that the Council's spending for consultants is monitored (5.5) but feel this should be evidenced overall for periodic Member review.
- 6.7 When looking at alternative options for engaging consultants the working group recognise that the Council has worked in partnership with other Councils in terms of sharing staff and training resources (5.2, 5.4 & 5.7/Appendix 7). The group acknowledge that the Council has developed a more formalised shared services agenda between themselves and Rushcliffe Borough Council with the appointment of a joint Procurement Officer. The group appreciate that sharing services can save costs in terms of filling vacant posts and exchanging expertise. The working group understand that the Council is also working towards designating lead officers for all its corporate IT systems so that they can establish and build internal staff expertise and knowledge to reduce the need for external consultants (Appendix 7/5.7). In this way the Council also has plans to procure its own database (5.2), as this will prove more effective in the longer term than using a consultancy.
- 6.8 In conclusion, the working group recognise that in order to ensure value for money it can often be more appropriate for the Council to engage external consultants. However, the success of any consultant commissioned work can be directly correlated with how well they are chosen and how well they are briefed by each Council Department.

Similarly, the group note that the consummate execution of any consultancy work can also be determined by how the consultant's tasks are defined (i.e. their specification) and how those contracts are managed. Equally, the working group recognise that there need to be effective systems in place for monitoring the progress and evaluating the outcomes of consultancy work.

7.0 Recommendations

- 7.1 That consideration is given to using best practice or expertise from other local authorities as part of the planning process for deciding whether to use a consultant.
- 7.2 That greater use is made of the shared Procurement Officer post.
- 7.3 That (where possible) consultants are instructed to work more closely with Council staff to increase the skill base of establishment officers. This may result in savings for the Council if in future all or some of this type of work could be undertaken in-house. (This would also have the added benefit of enabling the Council to monitor its consultant's work being more effectively).
- 7.4 That Gedling Borough Council makes greater use of resources such as a Price/Quality matrix proforma when selecting consultants.
- 7.5 That an audit trail is produced through the Agresso Finance (coding) System to evidence the Council's use of consultants.
- 7.6 That a standard report should go to the Scrutiny Committee/s each year detailing the use of consultants at Final Account time (i.e. outlining the spends over the previous two years by department and reasons for variations).
- 7.7 That Gedling Borough Council builds up an archive of consultant's reports, which can be accessed by all internal Council officers. That this is facilitated through the establishment of an intranet page.

8.0 Acknowledgment

The Working Group wishes to thank everyone who made themselves available to provide information and support this review.



Scope

Scrutiny committee: Resources and Management

Working Group: Consultants

Chair of group: J. Creamer

Working group members: G. Clarke, P. Blandamer, T. Grainger, C.

Lockett, A. Wright, A. Gillam

Portfolio holder/s: All

(1) Scope

Why this review is being undertaken.....

Because initial figures showed that Gedling Borough Council spends £1,438,000 (10%) of the budget on Consultants.

(list the specific outcomes)

The scope of this review is to look at the use of 'professional' consultants only. There are a number of definitions of 'consultant' (see 4 below) but only expenditure falling under the definition of "specialist consultants commissioned to undertake discrete pieces of work" is within the scope of this review. The expected outcomes are:

- An analysis of whether or not the council is getting value for money from the use of 'professional' consultants.
- An identification of the circumstances under which it is most appropriate to use 'professional' consultants rather than alternatives
- Identification of the benefits of using consultants in certain circumstances.
- Identification of alternative arrangements to using consultants and the circumstances when these might be used

(2) Aims

The specific issues to consider/examine are...

- How much is spent on consultants to achieve specific tasks
- To identify the reasons for this expenditure across Departments
- To identify the benefits and disadvantages of using consultants
- To look at alternative options to the employment of consultants
- Does the council get value for money from its use of consultants

(3) Timetable

The review will commence in: February 2006

Milestones: To meet six weekly

The review will report in: the end of November 2006

Committee dates: 13th March, 22nd May, 24th July, 18th September, 20th November

(4) Information gathering and consultees

The working group has requested the following information:

To look on the IDeA website for similar Scrutiny reviews undertaken by other authorities to help inform this review

To speak to the Procurement Officer (shared with Rushcliffe Borough Council)

The following Heads of Service will be asked to attend a meeting of the Committee to discuss the following questions.

What are the main questions to be asked and of what parties?

Heads of Service

- How much do you spend in your Department on 'professional' consultants?
- Why have you used them in the past
- What particular benefits did they bring
- Do you always use the same people/organisations
- Were there any problems or disadvantages to this approach
- How much use do you expect to make of Consultants in the future
- Do you think it is cost effective
- Would you prefer to directly employ people with the specific skills – if so why have you not done so?
- How are the decisions to employ a consultant made, including reference to Portfolio Holder, standing orders, procurement method, delegation etc.
- Are there problems with the availability of consultants?

The working group will be inviting the following persons/organisations to one or more meetings to help with the review:

As detailed above

Visits

The working group might need to consider a visit to another Council or have them visit us, for example to request Rushcliffe Borough Council Senior Managers to attend and give their views on the use of 'professional' consultants.

(5) How the community will be consulted, informed and involved

Not relevant

(6) Resources

The working group is supported by: The Scrutiny Officer, Heads of Service as required

(7) How the effectiveness of the review will be measured

After the initial review the working group will....

Make recommendations to the relevant portfolio holders about the use of consultants in their Service Areas and also to the Leader with respect to any policy decisions on circumstances when use of consultants is desirable.

Have the conclusions and recommendations addressed the outcomes of the scope

Questions for Heads of Service re: Consultants

- How much do you spend in your Department on 'professional' consultants?

2005/6

Consultant	Reason	Cost	Duration
Tribal HCH/PS Consultants	Stock Option Appraisal Financial Consultants and Independent Tenant Advisers	£56,000	April 05 – March 06
GCQA	ISO 9001 Consultant	£4,000	April 05 – March 06
Property Techtonics	Stock Condition Survey review	£14,800	July – October 05
Trowers Hamlins	Specialist Partnering contract procurement advisers	39,000	Sep 05 – July 06
Total		113,800	

2004/5

Consultant	Reason	Cost	Duration
Tribal HCH/PS Consultants	Stock Option Appraisal Financial Consultants and Independent Tenant Advisers	£59,100	April 05 – March 06
B Line Associates	Housing Market Study	£9,675	April 05
QCL	Status Satisfaction Survey	£3,000	
Total		71,775	

- **Why have you used them in the past?**

Consultants have only been utilised in housing where, either guidance requires that independent consultants are used e.g. the Status Satisfaction Survey, Stock Options Appraisal process, Stock Condition Survey or where the department does not have the skill to undertake the work required e.g. ISO 9001 Consultants.

- **What particular benefits did they bring?**

The benefits of the Stock Options Appraisal Consultants are as follows:

Tribal HCH – Financial Consultants – The consultants have looked at the options objectively and brought skills into the process that the Department could not have provided. The work achieved sign-off by the Government Office for the East Midlands in October 2005. Thus achieving the aims.

PS Consultants – The Independent Tenant Advisers (ITA) have again provided a source of independent advice to the tenants, they have produced newsletters, held meetings and training sessions. The role of the ITA was also to ensure that the council did not give a biased view of the process. Surveys carried out suggest that this work has been successful and that tenants understand the options available to the council for the future management and maintenance of the housing service. The training and capacity building work carried out by the ITA in the process has strengthened the Tenant Consultation framework.

Trowers Hamblins – This organisation is a specialist partnering contract adviser, which has worked with many authorities. Consultants were needed in this area as there is insufficient knowledge within the council in this area of work. However, both the legal section and the Maintenance Managers are working closely with the advisers to gain this skill for the future.

In general, external consultants fill skills gaps and provide a cost effective way of under-taking work that the department does not have the capacity to do itself due to the specialist nature.

- **Do you always use the same people/organisations?**

No, we use the tender process to select consultants. This is generally based on a Price/Quality matrix and has in certain cases involved a panel of tenant representatives, members and officers e.g. ITA and Stock Options Appraisal Financial Consultants.

A decision was, however, taken by the Portfolio Holder for Housing on recommendation by the Stock Options Appraisal Working party and

subsequently reported to the Chair of Service Scrutiny to retain PS Consultants and Tribal HCH to carry out the work for the submission of an application for the Annual Disposals programme for stock transfer.

- **Were there any problems or disadvantages to this approach?**

The approach of using a Selection Panel of Tenant Representatives, Members and Officers has worked well for the department.

- **How much use do you expect to make of Consultants in the future?**

Should the council pursue Stock Transfer consultants will necessarily have to carry out most of this work for the Council?

We are currently using a specialist organisation to carry out a Private Sector Stock Condition Survey. This has been commissioned in partnership with a number of councils in the East Midlands both to ensure a consistency of approach and allow comparisons/bench marking and to achieve Value for Money.

- **Do you think it is cost effective?**

Informal work carried out with regard to comparisons of costs with other councils has showed that the council has achieved value for money and comparative rates.

- **Would you prefer to directly employ people with the specific skills – if so why have you not done so?**

All the work has been of a one off specialist nature and it would not therefore relevant to employ staff directly

- **How are the decisions to employ a consultant made, including reference to Portfolio Holder, standing orders, procurement method, delegation etc?**

All selections of consultants have been made in accordance with the councils Standing Orders and decisions reported to the Portfolio Holder for Housing for approval where necessary.

- **Are there problems with the availability of consultants?**

It is apparent that there are only a few consultants in the market place to carry out the work we have required. The quality of the service has, however, been good.

Appointment of Independent Tenant Adviser

Name -----

Essential Insurances Satisfactory References Quotation within budget Health and Safety Policy Equal Opp's Policy Data Protection mechanisms Experience of similar work with at least 2 other LA's	Tender “ “ “ “ “ “		All met	All met
Quality Evaluation	Assessment Mechanism	Score Available		
Skills <ul style="list-style-type: none"> • Communication skills • Interpersonal skills • Presentation skills • Ability to present complex information in an understandable way to tenants, ITA Monitoring Group and SRG 	Presentation (1) Presentation (2) Presentation (3) Interview (1)	10		

Quality Evaluation	Assessment Mechanism	Score Available		
Experience <ul style="list-style-type: none"> • Experience of providing ITA service for stock option projects in other local authorities 	Interview (2)			
Knowledge <ul style="list-style-type: none"> • Knowledge of key housing issues • Knowledge of requirements of stock option appraisal process and guidance • Detailed knowledge of the wider pros and cons of each stock option • Local knowledge 	Interview (3) Presentation (4) Presentation (5) Interview (4)	10		
Project Management/Monitoring System <ul style="list-style-type: none"> • Project management and monitoring system in place • Evidence of capacity to deliver this project and successful projects of this nature 	Presentation (6) Interview (5)	10		
Quality Evaluation	Assessment Mechanism	Score Available		
Price	Tender			
Total				

Presentation

<u>What to look for</u>	<u>Examples</u>	<u>Comments</u>	
1. Communication Skills	Was it easy to understand? Was it clear? Did you feel you could ask questions? Were they concise and to the point?		
2. Interpersonal skills	Could they relate well to our tenants? Are they approachable?		
3. Presentation Skills	Was it professional? Did they make use of presentation aids e.g. handouts, overhead projector? Did they speak clearly? If they used jargon did they explain it? Were handouts provided and were they useful?		

<u>What to look for</u>	<u>Examples</u>	<u>Comments</u>	
<p>4. Knowledge of Stock Option Appraisal process?</p>	<p>Do you feel they had a good knowledge of Stock Option Appraisal and the role of the ITA?</p> <p>Do you feel they would be able to engage tenants?</p> <p>Did they cover key issues? E.g. Tenant Empowerment Strategy, Communication strategy, role and engagement of tenants, tenant aspirations, Housing needs, knowledge of different options available.</p>		
<p>5. Detailed knowledge of the wider pros and cons of each stock option</p>	<p>LSVT</p> <p>PFI</p> <p>ALMO</p> <p>Stock retention</p> <p>Did they give pros and cons?</p>		
<p>6. Project management and monitoring system in place</p>	<p>Use of IT system e.g. Microsoft Project</p> <p>Project plans which include timescales and targets</p> <p>Did they outline how they would provide regular feedback?</p>		

Interview

<u>Subject</u>	<u>Question</u>	<u>What to look for</u>	<u>Comments</u>	
Ability to present complex information in an understandable way to tenants, the ITA Monitoring Group and SRG	1. How will you go about collecting and providing information on the views of tenants?	Talking to tenants, data from GBC, questionnaires, focus groups, meetings, freephone advice line, engagement with hard to reach groups, regular feedback to SRG and ITA Monitoring Group		
Experience of providing ITA service for stock option projects in other local authorities	2. Drawing on your experience with other local authorities can you briefly outline how you would engage with tenants?	How did they adapt their service to fit the different authorities? Do you feel they had a good understanding of each authority and took flexible approach?		
Knowledge of key housing issues	3. What are the key housing issues that need to be considered?	Decent Homes Rent convergence/ Restructuring Making the most of the stock		

<u>Subject</u>	<u>Question</u>	<u>What to look for</u>	<u>Comments</u>	
		<p>Housing need/ Affordable homes</p> <p>Tenants aspirations</p> <p>Local Housing Market</p> <p>Right to Buy</p>		
Local knowledge	4. Can you summarise the keys issues for Gedling Borough Council?	<p>Affordability</p> <p>Right to Buy</p> <p>High demand</p> <p>Few tenant and residents groups</p> <p>High performance and satisfaction</p>		
Evidence of capacity to deliver this project and other successful projects of this nature	5. Drawing on your previous experience with other Local Authorities can you outline how you will deliver this project successfully?	<p>Good understanding of what is needed</p> <p>Good project management skills</p> <p>Delivery of other projects on time</p> <p>Flexible approach</p>		

Questions for Keith Tansley

1. How much do you spend in your Department on professional consultants?

K.T. referred to the information he had previously provided for the working group.

K.T. outlined that his service spent:

£73,000 for 04-05

£23,000 for 05-06

K.T. remarked that 04-05 was an unusual year as it reflects the Leisure Strategies that the three Scrutiny Committees scrutinized.

2. Why have you used them in the past?

K.T. reported he has used consultants for detailed work that cannot be undertaken within the current staffing resources in the Department and to deliver projects where departmental officer posts are vacant.

K.T. went on to outline that he had taken on KKP consultants to look at the Leisure Strategies and draft them and to look at the facilities audit. He commented that one Leisure Strategy for the authority comprises multiple Leisure Strategies. He remarked that in the end KKP were replaced by 'Pinpoint' consultancy, as KKP weren't providing the work they were originally commissioned to undertake.

J.C. raised the monitoring of consultants which he observed that K.T. had done previously with KKP. K.T. remarked that he monitors a consultant's specification for delivery, timescale and quality. K.T. added that KKP were stopped at an appropriate juncture and Pinpoint consultancy employed to complete the strategy work. K.T. remarked that he tests the market as well as using Pinpoint.

K.T. reported that he uses specialists in different areas i.e. John Hiley for satisfaction surveys.

3. What particular benefits did they bring?

K.T. reported that the consultants he uses bring experience in similar work undertaken by their company. He also added that consultancies have a large library of information available to them from similar projects they have undertaken for other authorities. K.T. remarked that consultancies can deliver in a short space of time and within a set timescale.

4. Do you always use the same people/organisations?

K.T. replied no, that Leisure will select consultants from specialist areas to deliver specific projects.

5. Were there any problems or disadvantages to this approach?

K.T replied no.

6. How much use to you expect to make of consultants in the future?

K.T. reported that Leisure Services Strategies will need to be reviewed within the next five years, this involves a great deal of consultation and will probably be undertaken by consultants.

K.T. remarked that a Leisure Management Procurement Options Review is being undertaken by consultants.

K.T. commented that specific projects outside of the departments skill set will be undertaken by consultants.

K.T. remarked that as Gedling Borough Council changes its service delivery the Leisure strategy and associated strategies attached to this will have to be modified too. He added that the John Hiley consultancy undertake surveys that identify community needs.

This information is used to develop strategy and action plans. He added that Leisure also links with the PCT and Sports Council, which also inform this strategy process in terms of best practice i.e. the Sports Forum within the borough and Friends of Arnot Hill Park. K.T. said that a consultant helped establish these two groups.

T.G. remarked that many of the consultants that K.T. had described were enablers and asked what Leisure do about design? K.T. replied that Steve Wiseman (GBC Facilities Manager) would do building design work or would recommend a consultant.

K.T. commented that 'Design and Build' would do a job like a skateboard park- and that Leisure services would give them a design brief.

7. Do you think it is cost effective?

K.T. replied yes. He went on to add that it is cost effective if Leisure Services get the right consultant. K.T. remarked that Pinpoint consultancy were a bargain and that 'Strategic Leisure consultancy' are good too. He noted that consultants bring different benefits depending on their set up. KT. added that standing orders set criteria for employing contractors; consultants are treated in the same way.

J.C. enquired if K.T. ever goes over budget and does any of the consultants that he has engaged ever asked for more funds? K.T. replied that he had never known of this happening and that sometimes Leisure has paid less and costs have come in at less. J.C. asked if any consultants had ever not completed due to going out of business? K.T. replied no, K.K.P. whose work with Leisure Services was curtailed was due to non-delivery. K.T. reported that on the whole Leisure services gets more than is in the specification i.e. Strategic Leisure Consultancy have amended a report at our

request.

8. Would you prefer to directly employ people with the specific skills - if so why have you not done so?

K.T. reported that he would prefer to employ people with specific skills for smaller projects, however this is not cost effective as there is simply not enough work within these areas to sustain a person in post. He added that consultancies bring a great deal of background and statistical information which can be used to provide information and form conclusions for specific projects.

9. How are the decisions to employ a consultant made, including reference to Portfolio Holder, standing orders, procurement method, delegation etc?

K.T. reported that he complied with standing orders in the selection of consultants for projects; specifications are drafted, agreed with the Portfolio Holder and bids from consultancies sought.

K.T. remarked that specifications are provided for small pieces of consultancy work and costs obtained from, in some instances, a single consultant.

K.T. reported that the reason for going to a single consultant is that the work maybe a follow-up to some undertaken previously or the consultant has a specific skill within the area concerned.

J.C. asked whether there is any consultation with the Portfolio Holder? K.T. replied yes- certainly and that Councillor Wendy Golland was heavily involved in the Civic Centre Park, Strategic Leisure consultancy and the procurement process. J.C. enquired as to how the information generated by consultants is stored? Is it stored by them and us? K.T. replied that the information was definitely stored by us as the Council / Leisure use this information- especially strategic data.

10. Are there problems with the availability of consultants?

K.T. reported that there is not a problem with the availability of consultants but the selection to achieve quality can sometimes be difficult. He added that Leisure Services get regular emails from consultants offering their services.

K.T. reported that there are a lot of 106 agreements coming up over the next few years and consultants will assist with this.

J.C. asked if K.T. hires consultants to cover illness? K.T. remarked that he has done this once in exceptional circumstances (a senior member of staff in a strategic role was ill and then gave in his notice to take up a new post concurrently), but usually because Leisure has over 600 staff he tries to get cover 'in house; using this as a development opportunity for staff.

Peter Baguley- Consultants Questions

2. Why have you used them in the past?

Historically, to cover gaps in the service resulting from

- resource allocation (a service not being provided in house, such as specialist conservation knowledge)
- absences (including long term sickness and those resulting from difficulties in recruiting).
- Consultants have also been used to provide advice about the processes operated, such as the specialist advice commissioned by DC during the improvement process following the Audit Commission report.

3. What particular benefits did they bring?

- Being able to provide a complete service to the public
- Having sufficient officers in post / covering gaps
- Providing knowledge in specialist areas where the workload would otherwise not be sufficient to justify a full time appointment
- Bringing experience and knowledge of best practice from other organisations

4. Do you always use the same people / organisations?

- The work of all consultants used is closely monitored to ensure it complies with statutory requirements and is meeting the requirements of the brief.
- Have re-appointed certain consultants on occasion (Fleur DC, Andy & John BC) but only where these have demonstrated they offer value for money and the skills /expertise that are required

5. Were there any problems or disadvantages to this approach?

- Potential conflict of interests where consultants are brought in to process planning applications or comment on design proposals. These were resolved by agreements not to act as agent for any GBC householder applicants during the period of the contract (Aspburys) and using their Derby office to comment on design issues (Mabers).
- Consultants have no 'loyalty' to the Council
- Some cases processed by consultants continued once their contract finished and so resulted in establishment officers needing to take time to understand the background
- Where consultants are taken on in addition to a full compliment of establishment officers, this can generate additional demands on administrative and support staff

6. How much use do you expect to make of Consultants in the future?

- Policy; sustainability appraisal, LDS papers
- DC; Conservation advice, trees, agricultural appraisals, legal representation, CAPS as required
- BC; ongoing
- EP; pest control consultants on case basis as required
- FLHS; use will end in December when secondment period expires
- Others may be required in response to changes in legislation such as a new planning act and the Gambling Act, and to meet unforeseen circumstances

7. Do you think it is cost effective?

- Given the small numbers of situations where specialist advice is needed, the use of consultants has been more cost effective than providing an under-used resource in-house.
- Where covering posts which can not be filled by recruitment, using consultants is expensive but the best way of continuing to provide the level of service that users require. Not providing this, for example in BC, would have a significant impact on the reputation of the council as a service provider and upon future income.
- The use of consultancy to clear backlog and improve processes in DC has resulted in significantly improved performance figures which has generated more PDG money.

8. Would you prefer to directly employ people with specific skills – if so why have you not done so?

- None of the specialisms are currently required on sufficiently regular basis to justify recruitment on a full or part time basis.
- In the majority of cases, current budget resources do not allow for new posts
- With regards to design issues, we are currently investigating sharing an Urban Design resource with a number of other councils. This would remove the need to employ a consultant to provide this service.

9. How are the decisions to employ made?

- Usually by agreement with the Portfolio holder and in accordance with Standing Orders

10. Are there any problems with the availability of consultants?

- There have been no shortage of consultants, including those formerly employed within local government, interested in working for the service on a consultancy basis.

Consultants Scrutiny Working Group

“Are there any instances where a consultant could have been used earlier or better?”

Peter Baguley- Head of Planning and Environment

Possibly, in cases where it proves difficult to recruit suitably experienced officers; however, as you don't know how difficult it will be until you try to recruit, you cannot always know to seek consultant support.

Janet Brothwell- Head of Personnel and Organisational Development

This is not an easy question to answer - hindsight is a wonderful thing!

What I would say is that we have learnt that managing consultant's time is really important. When using IT consultants it is important to be clear what you expect of them at the beginning (sometimes this is in the specification), and to plan to make best use of them when they are on site. By this I mean the system user needs to work out what help they need from the consultant, request this in advance, and then after the meeting, to ensure they carry out the agreed actions. If they do not do this then further meetings might be fruitless because the System Users have not progressed on with implementation of the system.

It is important to manage consultants - unfortunately just commissioning a consultant does not mean we do no work. We need to be clear about expectations from the consultant at the beginning and then to 'project manage' their work as we would any employee - making sure it is to the standard, delivered on time and addressing the brief. If we do not do this then there is a risk that we do not use the consultant to the best advantage.

I cannot think of any examples where I would have used a consultant earlier. I think that I have learnt how to manage them better. Again I don't think there are any examples where a consultant has failed or has been a disaster, we have always been able to achieve the required result. Within IT we have to accept that in many instances the consultant is the expert and without them we could not implement new systems, we rely on their knowledge and expertise.

Lynn Clayton- Head of Housing

The use of consultants in housing has either been to address a particular skill we do not have in the authority e.g. Housing Repairs Partnering Contracts or in response to a particular government initiative, e.g. stock options appraisal, Housing Market Assessment, Private and Public Sector Stock Condition Surveys and the need for these to be carried out independently. I therefore cannot think of any areas where it

may have been better to use a consultant at an earlier time. We always set specifications for consultancy (sometimes these are set by government) and we always do this in partnership with other authorities to make best and most effective use of consultants.

Keith Tansley- Head of Leisure Services

I cannot think of any circumstances where we could have engaged them earlier or used them better.

Sue Sale- Head of Legal and Democratic Services

No instances in Legal and Democratic Services but then we aren't heavy users of consultants.

Mark Kimberley- Head of Finance

No particular issues spring to mind.

1. Questions for Deputy Chief Executive Petar Kanuritch - Councillor J. Creamer

- (i) Who has the final say on the use of consultants / what consultants should be used?

P.K. replied that Members have the final say and also there is discussion with Heads of Service and Portfolio Holders. He also added that both he and Peter Murdock have regular discussions regarding consultants. P.K. highlighted the Finance Department and its use of consultants in the form of Treasury Advisers and that GBC will review them periodically. He remarked that with regard to the Leisure Department they look at why, what, for and the cost involved etc.

P.K. reported that GBC has less staff than comparably sized authorities (despite scoring higher) so GBC tends to use consultants due to capacity issues i.e. in the Housing and Leisure sections. He added that consultants have skills that GBC staff do not have i.e. they have enabled the implementation of eight I.T. systems in the last year. P.K. reported that it is not easy to estimate how much consultancy GBC will need but over the last year we have learned more about this especially in terms of I.T. He added that GBC have discovered a secondary market i.e. with the Agresso Finance system. He highlighted that GBC now use secondary consultants for this, as is the case for the Resource Link HR/Payroll system also. P.K. remarked that GBC is looking to build expertise in its staff (having a lead member of staff) for its corporate systems and there are officers building up expertise currently e.g. the CAPS system. He reported that GBC are working to improve the knowledge base of its staff.

P.K. remarked that consultants usually charge/cost £600-800 per day. P.K. observed that the budget for consultants should allow a better estimate for the training element. He added that sometimes it is hard to estimate the training element for I.T. consultancy due to the unknown element of a system's functionality.

What influence do you have over Heads of Service and do you ever scrutinise their use of consultants?

P.K. noted that this was variable. He reported that he asks Heads of Service about cost effective solutions. P.K. sometimes suggests that they use a temporary member of staff with a particular skill set as this is often more cost effective than a consultant. P.K. reported that Heads of Service use of consultants are also discussed with the relevant Portfolio Holders. He noted that some consultants give better value than others- he added that 'by and large' there are not many problems as consultants have a reputation to maintain. P.K. remarked that GBC has good compliance with 'Standing Orders' and that there is training for staff around this. He reported that with the Housing department Stock Transfer (a Government agenda) the Housing department is required to use consultants and that this is extensive at the moment.

- (ii) Is there a definitive record of what consultants have been

used and for what purpose and how far back does this record go?

P.K. reported that there is no definitive record- but that each department knows what consultants it has used as there is a payment system and this would reflect this. He added that all records are kept for seven years in accordance with the GBC Retention Policy unless it is a special document which due to legal reasons requires to be kept longer.

G.C. asked P.K. why there is not an overall control mechanism? P.K. replied that every order goes through the Agresso system- there is a requisitioner and authoriser and that this complies with 'Standing Orders'. Therefore, there is a record in effect.

P.K. reported that the I.T. department uses a matrix similar to the price/quality matrix used by the Housing department to gauge what is needed in a consultant's package. He added that GBC has 'clawed back' funds from consultants i.e. the Agresso consultancy where there had not been value for money and they had not delivered what they had promised.

G.C. asked P.K. should GBC be more rigorous in its specification? P.K. remarked that there are variable costs due to GBC's existing systems and the linkages that need to be established with its backroom systems.

P.K. outlined some examples of consultancy within the 'Estates' remit i.e. Teal Close and the Arnold Town centre Masterplan - he suggested that this work could be given to consultants and 'bought in' from Rushcliffe Borough Council as opposed to filling vacant in-house vacancies. This is something P.K. is exploring looking at the times and skills involved.

A.W. asked P.K. is GBC going to employ more consultants- is this a growing field? P.K. reported that GBC is looking more at 'shared services' i.e. Procurement and Planning Policy Officers and that GBC is exploring shared services with other authorities as opposed to using consultants. He added that Debt Collections and Bailiffs are already outsourced. P.K. highlighted that the Government has a shared services agenda.

P.K. remarked that one could measure consultants very basically in so far as they provide a service that ticks a box i.e. the requirement to have a play strategy. He added there is also interaction over what is asked for with a consultant. P.K. stated that he gauges value for money with consultants by getting feedback from other authorities on their use of prospective consultants- this also enables GBC to write a more accurate specification- and that this is good use of the local government network.

A.W. asked P.K. if he could get the working group something off the Agresso system that reflects the Councils overall use of consultants? He said that he would look into this and the coding system.