

AGENDA MANAGEMENT SHEET

Name of Committee Resources, Performance and Development Overview and Scrutiny Committee

Date of Committee 16th September 2008

Report Title Use of Consultants

Summary The report provides an analysis of the type and cost of the consultants used by the County Council.

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Would the recommended decision be contrary to the Budget and Policy Framework? No.

Background papers None

CONSULTATION ALREADY UNDERTAKEN:-

Details to be specified

- Other Committees
- Local Member(s)
- Other Elected Members Cllr Booth, Cllr Atkinson, Cllr Haynes
- Cabinet Member Cllr Cockburn – for information
- Chief Executive
- Legal Jane Pollard – comments incorporated
- Finance David Clarke – reporting officer
- Other Chief Officers
- District Councils
- Health Authority
- Police
- Other Bodies/Individuals Paul Williams, Scrutiny Officer

FINAL DECISION

SUGGESTED NEXT STEPS:

Details to be specified

Further consideration by
this Committee

To Council

To Cabinet

To an O & S Committee

To an Area Committee

Further Consultation

Resources, Performance and Development Overview and Scrutiny Committee - 16th September 2008

Use of Consultants – Executive Summary

Report of the Strategic Director, Resources

Recommendation

Members are requested to review and comment on the County Council's use of consultants.

The report looks at the County Council's use of consultants as a whole and by Directorate. It examines the reasons why the Council uses consultants and the costs involved, looking at both total spend and the amount of the spending that is funded by government grant.

It finds that the total spend on consultants in 2007/08 was £5.462 million. This is expected to decrease by £0.360 million to £5.102 million in 2008/09. The amount of the total spend funded by government grant is expected to increase from £878,000 in 2007/08 to £913,000 in 2008/09. This represents an increase from 16% to 18% of the expected spending. Although overall the authority's forecast spend on consultants is reducing there are differences between Directorates:

Approximately 40% of the overall spending in consultants relates to ICT consultants, across all Directorates. The next most significant areas are management consultants and education consultants.

Resources, Performance and Development Overview and Scrutiny Committee - 16th September 2008

Use of Consultants

Report of the Strategic Director, Resources

Recommendation

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1 Introduction

- 1.1 The debate on the 2008/09 Budget at Council on 5 February 2008 highlighted three areas that should be reviewed during the year - reserves, capital slippage and the use of consultants. A report on the authority's reserves policy and level of reserves was considered by Cabinet on 31 July 2008. A low level of capital slippage was reported to Cabinet in the 2007/08 Capital Outturn report in June 2008, so a further report was felt not to be needed at this stage. This report deals with the authority's use of consultants and completes the three areas for review.
- 1.2 The report looks at the County Council's use of consultants as a whole and by Directorate. It examines the reasons why the Council uses consultants and the costs involved.

2 Use of Consultants

- 2.1 In order to prepare this report Directorates were asked to provide information on their actual use of consultants during 2007/08 and to forecast their expected use of consultants to the end of 2008/09. Directorates were also requested to identify where the use of consultants was directly funded through government grant.
- 2.2 The definition of a consultant was given as:

"A person (not an employee), agency or firm engaged for a limited period of time on a fee basis to carry out 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.”

- 2.3 The total spend on consultants in 2007/08 was £5.462 million. This is expected to decrease to £5.102 million in 2008/09. This overall decrease is despite an increase in the amount of spending on consultants expected to be funded from government grant over the same period.
- 2.4 A summary of the information from Directorates is shown in Table 1 below, with detailed figures for each Directorate included as appendices to this report.

Table 1: Spend on Consultants by Directorate						
Directorate	2007/08 Actuals		2008/09 Forecasts		Difference	
	Total Spend	Government Grant Contribution	Total Spend	Government Grant Contribution	Total Spend	Government Grant Contribution
	£'000	£'000	£'000	£'000	£'000	£'000
a	b	c	d	e	d – b	E – c
AH&CS	423	100	675	187	252	87
CYP&F	1,264	701	1,341	671	77	(30)
Community Protection	31	-	69	-	38	-
E&E	846	77	538	55	(308)	(22)
P&D	731	-	754	-	23	-
Resources	2,167	-	1,725	-	(442)	-
Total	5,462	878	5,102	913	(360)	35

- 2.5 Although overall the authority’s forecast spend on consultants is reducing there are difference between Directorates:

Adult Health and Community Services Directorate – the planned increase in spending on consultants is due to the use of management consultancy to develop the Directorate’s strategies, to support personalisation and partnership working across Warwickshire and the adult social care transformation programme amongst others.

Children, Young People and Families Directorate - a slight increase in spending on consultants is planned, largely through a significant spend on the Government funded virtual school head project.

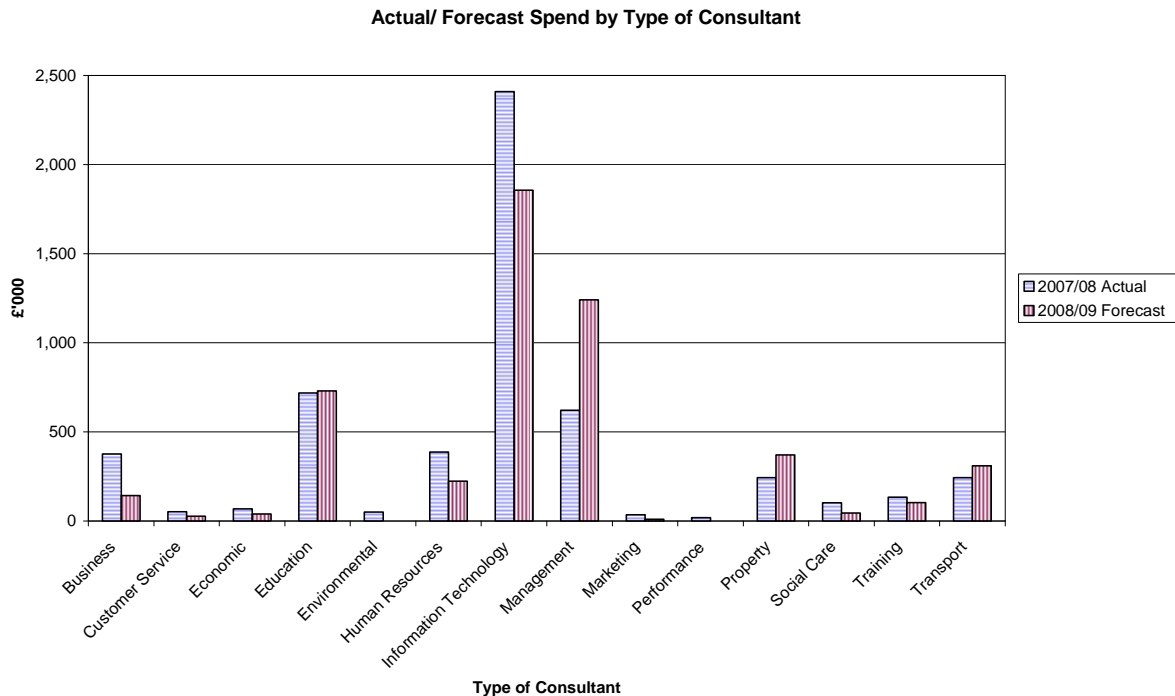
Community Protection Directorate - a rise in spending on consultants is forecast through the increased use for the provision of professional services.

Environment and Economy Directorate - are forecasting a decrease in spending through a reduction in the use of ICT consultants.

Performance and Development Directorate - have forecast an increase in spending on consultants, mainly through an increase in external legal work.

Resources Directorate – are forecasting a decrease in spending on consultants through a reduction in the use of ICT consultants.

2.6 The following chart shows how spend on different types of consultants is forecast to change between 2007/08 to 2008/09. It should be noted that to allocate a consultant into one of the types listed below can be problematic as many consultants cross over some of the boundaries. In these cases a judgement as to the most appropriate type has been made.



2.7 The above chart reflects the decreasing spend shown in Table 1 above. There have, however, been some notable changes between the actual spend in 2007/08 and the forecast spend for 2008/09 in the type of consultants the authority plans to use.

2.8 The introduction of the Human Resources Management System (HRMS) has reduced the forecast spend on IT consultants. Whereas spending on management consultants is expected to increase between 2007/08 and 2008/09. This is due to Adult Health and Community Services Directorate increased spend for reviewing, planning and implementing their changes to working practices and the increased external legal work in the Performance and Development Directorate. The increase in the planned use of property consultants is due to the number of building projects that the authority is undertaking. These projects include the refurbishment of Shire Hall and the continued roll-out of the One Stop Shops programme.

DAVID CLARKE
Strategic Director, Resources

Shire Hall
Warwick

30 August 2008

Resources Directorate

Type of Consultant	Actual Spend 2007/08 £000	Government Grant Contribution 2007/08 £000	Forecast Spend 2008/09 £000	Government Grant Contribution 2008/09 £000	Comments
Building Surveyors Fees	0		0		
Clerk of Works Fees	40		200		
Customer Focus	0		5		
Design Services Fees			3		
Engineering Fees	3				
ICT	1,645		1,118		Fees funded from e-Government CEC income & traded income
Management	95		55		
Project Management	301		198		
Quality, Charter Mark Assessment	2		3		
Quantity Surveyors Fees	28		27		
Structural Fees					
Valuers Fees	49		92		Fees re-imbursed against Capital receipts
Total	2,164	0	1,701	0	