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SCRUTINY REPORT

CONSULTANTS – SCRUTINY REPORT

**Task Group Report –
Scrutiny Steering Board
July 2006**

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Committee Services Officer

The Consultants Task Group comprises of five Members, i.e. Councillors D.C. Norton (Chairman), G.H.R. Hulett, Mrs. J.D. Luck, N. Psirides J.P., and E.C. Tibby and have met on six occasions (i.e. 16th March, 4th April, 26th April, 2nd May, 11th May and 24th May 2006 – see Minutes, enclosed as Appendix 1). After something of a false start – by virtue of the original terms of reference stating that the Group should scrutinise the use of both Consultants **and** Interim Officers – the work eventually undertaken was that of an investigation “ into the use of Consultants over the last two years, and to consider means of controlling their use in the future.”

At the first meeting, the Chairman circulated a list of the range of information which he felt would be appropriate to request from Heads of Service and it was agreed that such should be drawn up into a pro-forma and circulated to all Heads of Service for their appropriate attention. Task Group members were also given a copy, for background information, of a Scrutiny Report on the use of Consultants by Worcestershire County Council (see Appendix 2).

The Group considered the completed questionnaires from the various Heads of Service at their meeting held on the 4th April when it was agreed that, in order to attain a fuller picture, the various officers be invited to attend future meetings of the Group to answer any questions members might have had on their replies and/or to expand on the information given to date (see Appendix 3). At that meeting it was also agreed to approach a like-sized neighbouring local authority to carry out a comparison of their use of Consultants over a similar period (see Appendix 4).

Over the course of the next two meetings (26th April and 2nd May 2006), each senior officer was asked a range of similar questions as members sought to establish what processes were employed in considering the possible use of Consultants. During the discussion with the Head of Legal and Democratic Services in this regard, it was established that, due to his interpretation of what was actually meant by “Consultants”, all of the required information was not set out in his return. Accordingly, having clarified what information was required, further, more detailed, lists of outsourced legal work were provided) over the next two meetings, held on the 11th and 24th May 2006 (see Appendix 5).

During their last meeting, the Group also interviewed Mrs. Claire Felton, Head of Legal Services, on her perception of the use of Consultants by that Section in the future, and were encouraged to hear that, other than in extreme or urgent cases, or due to the complexity of a particular subject, she was confident that, in all other respects, the work could be carried out “in-house”. Also at this meeting, members examined each others thoughts and comments which had been requested to be put down in writing by the Chairman (see Appendix 6), and the following observations and recommendations were made:-

It is the opinion of the Group that, in the past, the use of Consultants has been excessive, and it appears that any Head of Service who has employed Consultants has been able to do so without any checks being in place. It is,

however, acknowledged that a significant amount of the Consultancy work undertaken for the Authority over the last year or so has been due to the Council being subject to the Voluntary Engagement/Recovery process, and it is expected that such use will tail off significantly in due course.

In order to retain an element of control in the future, any Head of Service wishing to avail themselves of any specialist legal knowledge should initially approach the Head of Legal Services but should that Section be unable to provide the necessary help or advice, the Head of Service should be notified and advised to approach the appropriate Portfolio holder, with a robust business case, for subsequent consideration by the Executive Cabinet. In this regard, it is formally recommended that

- (i) any work involving costs up to £2,000 – Departments should be allowed to continue to carry out their own “consultation” work, seeking advice when appropriate from Legal Services, but funding such facility from their own Departmental budget;
- (ii) work costing between £2000-£5000 – the appropriate Portfolio holder should be consulted; and
- (iii) work over £5000 – appropriate Portfolio holder should submit the request (with a robust business case) to the Executive Cabinet for determination.
- (iv) A formal monitoring process should be introduced, i.e., a Portfolio holder should be involved, and there should be some form of progress monitoring. Also, at this level, stage payments should be introduced.

Arising out of the discussions with the various Heads of Service referred to earlier in the Report, the Group would wish to actively discourage the practice currently employed by Financial Services whereby, it was reported that, as a matter of policy, Consultants fees were not included in their Budget, but monies were drawn from balances as required instead.

In conclusion, the Group wish to make a statement expressing their concern over the haphazard way that the hiring of Consultants had been approached by this Authority in the past, and hope that things will change in the future. A further concern was expressed about the previous lack of Member involvement and monitoring at any stage of the process – which has been addressed in the recommendations above.

It was also recommended that the senior officers of the Council should be encouraged to channel their knowledge and expertise of their particular discipline in such a way as to possibly generate an income for the Council (in the same way that the Council had done previously in the Housing Benefit field). Finally, the Group felt that the Council should not continually employ/re-employ a firm of Consultants “because we have always used them”, and should be mindful of Best Value/value for money.

I commend the above Report for your consideration,
Councillor D.C. Norton, Chairman of the Consultants Task Group

APPENDIX 1

**NOTES OF A MEETING OF THE CONSULTANTS TASK GROUP
HELD IN THE CABINET ROOM, THE COUNCIL HOUSE, BROMSGROVE
ON 16TH MARCH 2006, AT 2.00 P.M.**

PRESENT: Councillors of Councillors D. C. Norton (Chairman), G. H. R. Hulett, Mrs. J. D. Luck, N. Psirides J.P. and E. C. Tibby.

1. **APOLOGIES**

No apologies for absence were received

2. **TERMS OF REFERENCE**

The group considered the initial terms of reference which had been initially approved by the Scrutiny Steering Board. It was **AGREED** that the terms of reference be amended to be as follows:-

"To scrutinise the use of consultants and interim officers by the Council over the last two years and to consider means of controlling their use in the future."

3. **INFORMATION GATHERING**

Members considered the range of information they would need to carry out their work. The Chairman circulated a list of the range of information he felt may be appropriate to request from Heads of Service. The information would give members:-

- an understanding of the numbers of consultants and interim officers employed by the council over the last two years
- the cost of employing them
- the reasons why they were employed
- the benefits their employment brought to the council
- details of who approved their employment

It was **AGREED** that

- (i) the list of information should be drawn up in to a pro-forma
- (ii) the draft pro-forma should be circulated to all members of the task group for comments and that any comments would be submitted to the officers by 21 March
- (iii) the pro-forma would be circulated to the Chief Executive, Corporate Directors and all Heads of Service on 22 March and that they be asked to complete and return them to officers by the end of 29 March.

4. **DATE OF NEXT MEETING**

It was agreed that the next meeting of the task group would be held on 4th April 2006 at 2pm.

The Meeting closed at 3.30 p.m.

**NOTES OF A MEETING OF THE CONSULTANTS TASK GROUP
HELD IN THE COMMITTEE ROOM, THE COUNCIL HOUSE, BROMSGROVE
ON 4TH APRIL 2006, AT 2.00 P.M.**

PRESENT: Councillors of Councillors D. C. Norton (Chairman), Mrs. R. L. Dent, Mrs. J. D. Luck, N. Psirides J.P. and E. C. Tibby.

1. **APOLOGIES**

No apologies for absence were received

2. **MINUTES**

The Minutes of the Meeting of the Group held on 16th March 2006 were submitted.

RESOLVED that the Minutes be noted and approved as a correct record.

3. **INFORMATION ON USE OF CONSULTANTS AND INTERIM OFFICERS**

Members considered a range of information returned by the various Heads of Service as contained in the agreed pro-forma, and the following general points were made:

- Members were alarmed to see in some instances the comment “no paperwork”, and stressed that it was surely good practice to have a recorded paper trail
- Concerns were expressed that there was no Member input when appointing Consultants
- Members would like a more detailed breakdown on how the amounts quoted were calculated, i.e. hourly, daily, set fee, etc
- Does every Department budget for Consultants throughout the year?
- Apart from regular “one-to-one’s”, there appeared to be no other reports on the progress of the Consultants work
- It appeared that, on a couple of the responses, some of the questions/answers appeared to be missing

It was **AGREED**

- (i) That, in order to attain a fuller picture, the various Heads of Service be invited to attend future meetings of the Group to answer any questions Members may have on their replies and to expand on the information given to date; and
- (ii) That, by way of a comparison, Wychavon District Council be asked to provide details of their staffing levels and how many Consultants they may have employed during 2004/05 and 2005/06..

The Meeting closed at 2.47 p.m.

**NOTES OF A MEETING OF THE CONSULTANTS TASK GROUP
HELD IN THE COMMITTEE ROOM, THE COUNCIL HOUSE, BROMSGROVE
ON 26TH APRIL 2006, AT 2.00 P.M.**

PRESENT: Councillors D. C. Norton (Chairman), Mrs. R. L. Dent, G.H.R. Hulett, Mrs. J. D. Luck and N. Psirides J.P.

1. **APOLOGIES**

An apology was received from Councillor E.C. Tibby.

2. **MINUTES**

The Minutes of the Meeting of the Group held on 4th April 2006 were submitted.

RESOLVED that the Minutes be noted and approved as a correct record.

3. **INFORMATION ON USE OF CONSULTANTS AND INTERIM OFFICERS**

In accordance with the wishes of the Group as expressed at the last meeting, the following Heads of Service were invited to attend to answer questions from members on their earlier written responses to a questionnaire on the use of Consultants:-

Mr. M. Bell, Head of Street Scene and Waste Management
Mr. D. Hammond, Head of Planning and Environmental Services
Mr. A.R. Burton, Head of Legal and Democratic Services

Each officer was asked a range of (similar) questions as members sought to establish (inter-alia) what processes were employed in considering the employment of Consultants.

During the interview with Mr. Burton, it became apparent that, following clarification of the definition of what was meant by "Consultant", the figures contained within his report would be incorrect, and it was **AGREED** that revised figures should be submitted to the Group at the earliest possible opportunity.

At the conclusion of the meeting, members held a brief general discussion, and concern was expressed over the apparent lack of monitoring of outsourced work.

It was also reported that the information requested from Wychavon District Council (for comparative purposes) had still not been received, and that further efforts would be made to obtain this as soon as possible.

The Meeting closed at 4.20 p.m.

NOTES OF A MEETING OF THE CONSULTANTS TASK GROUP
HELD IN THE CONFERENCE ROOM, THE COUNCIL HOUSE, BROMSGROVE
ON 2ND MAY 2006, AT 2.00 P.M.

PRESENT: Councillors D. C. Norton (Chairman), Mrs. R. L. Dent, G.H.R. Hulett, Mrs. J. D. Luck, N. Psirides J.P. and E.C. Tibby

1. **MINUTES**

The Minutes of the Meeting of the Group held on 26th April 2006 were submitted.

RESOLVED that the Minutes be noted and approved as a correct record.

2. **INFORMATION ON USE OF CONSULTANTS**

Further to the meeting held on 26th April 2006, the following Heads of Service were also invited to attend to answer questions from members on their earlier written responses to a questionnaire on the use of Consultants:-

Mr. R. Hazlehurst, Head of Culture and Community
Mr. K. Dicks, Corporate Director (Resources)

Mr. Dicks advised the Group that he had prepared (i) the Corporate response; (ii) the E-Government & Customer Services paper (as Ms. D. Poole had only recently taken up her post), and (iii) the Human Resources & Organisational Development Services paper (as there was currently only an Interim officer in post). He explained that he had also had a significant input into the Financial Services submission, but indicated that, notwithstanding the above comments, both Ms. J. Pickering, Head of Financial Services and Ms. D. Poole, Head of E-Government and Customer Services, who were in attendance, would be willing to take questions from members.

Accordingly, each officer was asked a range of questions, as before, as members sought to establish what processes were put into place when considering the employment of Consultants.

3. **DATE OF NEXT MEETING**

It was **AGREED** that the next meeting of the Group be held on Thursday, 11th May 2006, at 2.00 p.m. in the Committee Room, The Council House, Bromsgrove. At that meeting, the Chairman would invite members of the Group to submit their written comments on what they had heard to date, and how they felt the question of the use of Consultants should be handled in the future.

Also at that meeting it was hoped to have (i) Mr. A.R. Burton's "revised" figures, together with some "comparative" figures from Wychavon District Council, as previously discussed, to conclude the Group's deliberations.

From this information it was then intended to prepare a "draft" report, which would be circulated to all members of the Group prior to submission to the Scrutiny Steering Board for consideration.

The Meeting closed at 4.00 p.m.

**NOTES OF A MEETING OF THE CONSULTANTS TASK GROUP
HELD IN THE COMMITTEE ROOM, THE COUNCIL HOUSE, BROMSGROVE
ON 11TH MAY 2006, AT 2.00 P.M.**

PRESENT: Councillors D. C. Norton (Chairman), Mrs. R. L. Dent, G.H.R. Hulett, Mrs. J. D. Luck and N. Psirides J.P.

1. **APOLOGIES**

An apology for absence was received from Councillor E.C. Tibby

2. **MINUTES**

The Minutes of the Meeting of the Group held on 2nd May 2006 were submitted.

RESOLVED that the Minutes be noted and approved as a correct record.

3. **INFORMATION ON USE OF CONSULTANTS**

It was agreed at the last meeting that, at this meeting, the Chairman would invite members of the Group to submit their written comments on the information they had heard to date, and how they felt the question of the use of Consultants should be handled in the future.

Unfortunately, none of the members present were in a position to submit any written representations, but each member gave, in turn, a verbal opinion as to how they saw the situation, and all agreed to provide a written response to the Chairman along these lines as soon as possible.

Consideration was, however, given to a further list provided by Andrew Burton, Head of Legal and Democratic Services, which was requested at the last meeting, setting out a breakdown of outsourced legal work. Notwithstanding this, it was **AGREED** that (i) Mr. Burton be requested to provide further clarification of the information now provided; and (ii) that the Head of Planning Services be requested to provide details of what proportion of his budget was vired to Legal Services.

Members were also informed that communication would continue to be made with Wychavon District Council in an endeavour to ascertain information to enable a comparison to be made with a "like-sized" Authority.

4. **DATE OF NEXT MEETING**

It was **AGREED** that the next meeting of the Group be held on Wednesday, 24th May 2006, at 2.00 p.m. in the Conference at that Room, The Council House, Bromsgrove. At that meeting, it was intended that, the Chairman would present a "draft" report for consideration by the Group prior to submission to the Scrutiny Steering Board.

The Meeting closed at 3.15 p.m.

Appendices

Unfortunately, electronic versions of Appendices 2 to 6 are not available. However, hard copies of these documents are available upon request from the Council House and will be available at the Committee Meeting.

Please contact Andy Jessop on 01527 881406 for a copy of the full task group report with appendices