

MIDDLESBROUGH COUNCIL

AGENDA ITEM 4

AD-HOC SCRUTINY PANEL

26 JANUARY 2016

COUNCIL USE OF CONSULTANTS - FURTHER INFORMATION AND DRAFT TERMS OF REFERENCE

PURPOSE OF THE REPORT

1. To agree terms of reference and provide the Ad-Hoc Scrutiny Panel with further information in respect of its current scrutiny investigation of the Council's use of consultants.

BACKGROUND

2. At its last meeting (5 January 2016) the scrutiny panel considered an introduction/overview of the new scrutiny topic outlined above. As a result of discussions at that meeting, draft terms of reference are outlined below for the panel's consideration:
 - a) To investigate the process of how consultants are engaged and for what projects/service areas.
 - b) To examine the level of consultant usage in the Council and the costs involved.
 - c) To consider how projects involving consultants are managed and objectives achieved.
 - d) To examine work that is being undertaken by the North East Purchasing Organisation (NEPO) in respect of the use of consultants by local authorities regionally.
3. Following discussion with the Chair, arrangements have been made for information to be submitted in respect of the term of reference at (d) above. Claire Walker, the Council's Procurement Manager in Strategic Resources, will be at the meeting to present information on this issue.
4. A briefing note has been prepared and is attached at **Appendix A**.

RECOMMENDATION

5. It is recommended that the draft terms of reference of the scrutiny investigation are approved, subject to any amendments agreed by the panel, and that the further information presented at the meeting is received.

BACKGROUND PAPERS

6. The following background papers were used in preparing this report:
 - Report to, and minutes of, the Ad-Hoc Scrutiny Panel meeting held on 5 January 2016.

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BRIEFING NOTE

TO: Ad-Hoc Scrutiny Panel
 FROM: Claire Walker, Procurement Manager
 DATE: 18th January 2016
 REF: **NEPRO FRAMEWORK**

1. Ad-Hoc Scrutiny Panel on 5th January 2016 asked for further information to be provided about the NEPRO Framework procured through the North East Procurement Organisation (NEPO) for consultants.
2. The NEPRO Framework has been in place for a number of years and was recently re-procured by NEPO via an OJEU tendering process following which A4 Services were successfully awarded the framework again.
3. The NEPRO Framework offers Middlesbrough Council a neutral vendor process for the procurement of consultants. This means that Middlesbrough Council provide the details of their needs to NEPRO and they then secure us that resource. This can either be through a competition or direct award process.
4. The Procurement Manager introduced the NEPRO Framework to the Council in 2014/2015 and at present utilises the Framework where we are made aware that a consultant needs to be commissioned and generally for spends where a formal tendering process would need to be conducted.
5. The Commissioning & Procurement Team act as gatekeeper, which allows us to understand and have knowledge of the areas of consultancy being procured by the Council.
6. Whilst the introduction of the NEPRO Framework has allowed us to develop a central resource on consultancy commissioned it must be acknowledged that the Framework is not mandatory and in line with our Standing Orders staff across the Council can secure consultancy via:

a. Direct Award -	-	up to £15,999
b. Quotation	-	£16,000 - £53,099
c. Tender	-	£53,100 - £164,176
d. OJEU Tender	-	£164,176+
7. Middlesbrough Council to date has submitted 26 requests, but actually appointed 14 consultants through the NEPRO Framework since its introduction in June 2014 and a list of these is attached as **Appendix B**.
8. These 14 consultants equate to a total cost of £988,959.

9. The NEPRO Framework is still relatively new to the Authority and the Procurement Manager has some ideas for improving and rolling this out further.
10. The Procurement Manager has a meeting with NEPRO on Thursday 21st January 2016 to view their online platform in order to introduce an electronic process for more effective and efficient use of the framework.

APPENDIX B

Project No.	Department / Section	Work	Consultant Appointed	Cost	Comments
1	Organisation & Development / ICT	Project Manage full implementation of new Children's Management system	Neil Mathieson	£33,705	Terminated due to poor performance (please note cost is only what was paid until ceased)
2	WCL / Adults	Care Act support	-	-	Not awarded
3	WCL / Education	SEND Implementation	Envoy	£55,200	Project completed
4	Organisation & Development / ICT	Agresso Support	-	-	Not awarded
5	WCL / Education	Head of SEN	-	-	Not awarded
6	Finance & Investment / Finance	TUPE support	-	-	Not awarded
7	WCL / Education	CME / Exclusions	Dave Lister	£32,000	Project completed
8	Organisation & Development / Workforce Development	Training for Social Care	Belinder Schewr	£21,750	Project completed
9	Environment, Property & Commercial / Buildings	Drainage	-	-	Not awarded

Project No.	Department / Section	Work	Consultant Appointed	Cost	Comments
10	Organisation & Governance / ICT	ICT Support	-	-	Not awarded
11	Organisation & Governance / ICT	LCS Implementation	-	-	Not awarded
12	Environment, Property & Commercial / Buildings	Flood Risk	AECOM	£41,000	Project completed
13	Finance & Investment / Finance	Accountancy Support	Trevor Bulmer	£39,405	Still active
14	Organisation & Governance / ICT	ICT Support	-	-	Not awarded
15	WCL / Social Care	Workforce Transformation in adult and children services	People Too	£85,000	Still active
16	WCL / Social Care	Quality Assurance	People Too	£107,100	Still active
17	Environment, Property & Commercial / Buildings				On Hold awaiting confirmation of funding
18	Environment, Property & Commercial / Building	Office space feasibility study	KPMG	£99,272	Project completed

Project No.	Department / Section	Work	Consultant Appointed	Cost	Comments
19	Environment, Property & Commercial / Buildings	Tees District Energy	ACON	£98,200	Commencing in February 16. Please note this is a sub-regional project and Middlesbrough will only be paying an element of the £98,200
20	Organisation & Governance / ICT	ICT Procurement support	Steven North	£175,000	Active
21	WCL / Social Care	People Too	Single Point of Access	£36,900	Project ceased
22	Organisation & Governance / Customer Services	CRM Project Management			Not yet awarded
23	Organisation & Governance / ICT	Agresso Support	Richard Blundell	£123,999	Active
24					No project assigned
25	WCL / Education	Choice Advisor Consultant	Christine Morris	£1,872	Active
26	WCL	Review of Continuing Health Care			Not yet awarded

Project No.	Department / Section	Work	Consultant Appointed	Cost	Comments
27	WCL / Children	Admin Review	People Too	£38,556	Project completed in 2 weeks
TOTAL CONSULTANCY COMMISSIONED VIA NEPRO TO DATE				£988,959	