

AD HOC SCRUTINY PANEL

A meeting of the Ad Hoc Scrutiny Panel was held on 21 April 2016.

PRESENT: Councillors Sharrocks (Chair), Cole, Higgins, J Hobson and P Purvis.

**PRESENT AS
OBSERVERS:** Councillor N Walker.

OFFICERS: A Crawford, C Lunn and P Stephens.

APOLOGIES FOR ABSENCE: Councillors Davison, Mawston and D Rooney.

DECLARATIONS OF INTERESTS

There were no Declarations of Interest made by Members at this point in the meeting.

1 **MINUTES - AD HOC SCRUTINY PANEL - 24 MARCH 2016.**

The Minutes of the meeting held on 24 March 2016 were submitted and approved as a correct record.

2 **DRAFT FINAL REPORT - COUNCIL USE OF CONSULTANTS.**

The Scrutiny Support Officer presented a report, the purpose of which was to present the findings of the Ad Hoc Scrutiny Panel following its examination of the Council's Use of Consultants.

As the draft report had not included possible conclusions and recommendations, it was explained to the Panel that, following discussion between the Scrutiny Support Officer and the Chair and Vice-Chair of the Panel, these would be tabled at the meeting for Members' perusal.

The Panel considered both the submitted draft final report and the tabled possible conclusions and recommendations.

During discussion, Members strongly supported the recommendations, feeling that issues had been captured and addressed.

A Member suggested that a fourth recommendation - that annual update reports pertaining to consultancy appointments be submitted to the Overview and Scrutiny Board - be added; the Panel agreed with this.

As the policy had not included a definition of what a consultant was, in order to avoid any possible confusion it was agreed that this would be added - as a fifth recommendation.

A short discussion ensued in respect of other Local Authorities and the work that they had undertaken in relation to this topic; Members felt that enhanced visibility had been achieved in some cases.

Reference was made to one Local Authority that had utilised members of staff to shadow the work undertaken by consultants in order to develop in-house knowledge. Concerns were raised that there had not been any examples provided as to how successful this had been. The Scrutiny Support Officer would investigate this matter further and report back to the Panel, as appropriate.

The Head of Performance and Partnerships made reference to 2b of the possible conclusions, i.e. 'There was no corporate policy in relation to consultant appointments, and the only requirement to make such an appointment was an existing departmental budget.' It was indicated that this would have also needed to comply with Standing Orders, as the Council could not have appointed any individual to provide consultancy services. The Scrutiny Support Officer advised that this would be amended to reflect the comments made.

Regarding point 3 of the possible conclusions, reference was made to the final sentence, i.e. 'there was also a need to ensure that senior level approval was given for all consultant appointments.' A query was raised as to whether officers would determine what level of seniority that was. The Scrutiny Support Officer indicated that, following discussions with the Chair, point 1b of the possible recommendations would address this point, i.e. that a consistent level of authorisation be implemented across the authority.

A short discussion ensued with regards to point 1a of the possible recommendations. In terms of establishing the need to set out a business case outlining the reasons for a consultant appointment, it was felt that the level of detail applied to the business case would be reflective of the financials involved with the respective project. Regardless of this, however, it was indicated that there would still be an expectation that the business case attached to any project would have identified how the process would be monitored, and the performance measured.

A Member made reference to point 2a of the possible conclusions, i.e. overall consultant usage had not been recorded centrally. It was explained that international reporting standards were in place, which required Local Authorities to record their information in a specified way. It was suggested that this was the reason why a separate budget code solely for consultant expenditure had not been established. It was indicated that if central records were to be maintained, this information would have needed to be compiled separately, therefore requiring completion of a further piece of work. Members felt that this would be warranted if it meant that the information was centralised and made more visible. Reference was made to the Middlesbrough Manager system, whereby managers were increasingly being held responsible for delivering their services; central controls may therefore have been cascaded down to individual service areas.

A discussion ensued with regards to consultancy work in relation to regeneration projects. A Member commented that such projects were capital finance-based, as opposed to revenue-based, and were externally grant funded. Mention was made of consultant involvement over the course of the Gresham development works. It was hoped that this new system would facilitate the monitoring of costings, as well as offer assistance to varying future Scrutiny Panel investigations.

The Scrutiny Support Officer advised the Panel that, as the Municipal Year had almost come to an end, there would be a slight delay in forwarding the final report to the Overview and Scrutiny Board. It was likely that the report would be forwarded to the Board in June 2016. Members were informed that the service area would have opportunity to comment on the factual accuracy of the draft report.

The Chair expressed her gratitude to the Members of the Ad Hoc Scrutiny Panel, and the officers in attendance, for conducting and supporting what had been a very interesting and worthwhile review.

AGREED that:

1. A fourth recommendation be added to the existing suggestions to request that annual update reports pertaining to consultancy appointments be submitted to the Overview and Scrutiny Board.
2. A fifth recommendation be added to the existing suggestions to request that the policy include a definition of what a consultant was.
3. The Scrutiny Support Officer would further investigate the matter of one Local Authority utilising members of staff to shadow the work undertaken by consultants in order to develop in-house knowledge. Findings would be reported back to the Panel, as appropriate.
4. The Scrutiny Support Officer would amend point 2b of the possible conclusions to indicate that all consultant appointments would need to comply with Standing Orders, in addition to requiring an existing departmental budget code.