

Response to Scrutiny Working Group Report on Use of Consultants

Recommendation	Response / Comments	Date	Update – October 2008
<p>R1 That the following criteria and definition of a consultant to be adopted across the Council. Consultants:</p> <ul style="list-style-type: none"> <li>• Have a defined work scope with deliverables</li> <li>• Often provide a report as an output that provides recommendations for further action but the consultant is not contracted to deliver at that time.</li> <li>• Have payment contingent upon completion of staged completion of the work</li> <li>• Do not act as staff members i.e. do not have Tower Hamlets e-mail addresses, phone numbers or desks.</li> <li>• May be able to provide a</li> </ul>	<p>There is tendency for the term ‘consultancy’ to be used fairly loosely and sometimes pejoratively, It is useful for the Council to have a definition of what is meant by consultancy, not least to enable guidelines and standards for the procurement of consultants to be established and if necessary enforced.</p> <p>This definition has been adopted for financial planning and monitoring purposes, and all future reporting of the costs of consultancy will follow this definition.</p> <p>This will be reinforced with consultancy guidance on the Procurement intranet page, and detailed guidance will be included in the Contracting Toolkit, which is due to be published on the intranet during Summer 2008.</p>	<p>April 2008</p> <p>July 2008</p>	<p>The Contracting Toolkit, including guidance on commissioning of consultants, is currently in draft form.</p>

Recommendation	Response / Comments	Date	Update – October 2008
<p>substitute to undertake the work</p> <ul style="list-style-type: none"> <li>• Are not in a templated position for the purposes of the Comensura contract – i.e. they do not relate to standard jobs within the Council, which could be provided by either permanent or temporary staff</li> <li>• Are contractually responsible for their outputs</li> <li>• Are liable for their own performance and the content of their work</li> </ul>			
<p>R 2 That future work on the procurement strategy to include programme of activities to help disseminate and embed procurement related policies within the organisation, e.g. presentations at all Directorate Management</p>	<p>Procurement strategy is due to be reviewed during 2008, through the Corporate Procurement Board, with wide consultation across the Council. This will be backed up by workshops and training to promote the new strategy.</p>	<p>Draft Procurement Strategy by Oct 2008, for approval by Dec 2008.</p> <p>Code of Practice</p>	<p>Development of the Procurement Strategy is on target.</p>

Recommendation	Response / Comments	Date	Update – October 2008
<p>Team meetings and officer training.</p>	<p>A Procurement Code of Practice is currently in draft form, reviewing the procurement rules and procedures. The document will cover matters relating to the commissioning of consultants.</p> <p>Consultation has commenced on a restructure of the Procurement Service, with the objective of developing a more proactive approach, which covers all non-pay spend throughout the whole contracting cycle. This is based around Category Management, whereby all spend is divided into four broad categories (Construction &amp; Repairs; Care &amp; Commissioning; Environment &amp; Facilities; Corporate Services), and Category Managers will have strategic stewardship of their nominated categories. Using this approach will help to disseminate and embed effective policies and procedures across the organisation.</p>	<p>to be finalised by October 2008.</p> <p>Restructure complete by November 2008.</p> <p>Available now</p> <p>Tollgates currently being trialled. Full implementation by October</p>	<p>The Code of Practice has been issued for comments, and is currently being redrafted in the light of feedback.</p> <p>The restructure of the Procurement Service is proceeding according to plan.</p> <p>Tollgates are still in trial phase, but due for formal launch in October.</p>

Recommendation	Response / Comments	Date	Update – October 2008
	<p>Officer training is currently available through the corporate training programme. The standard training consists of three modules (Essentials of Procurement &amp; Contract Law; Letting Procurement Contracts; Contract Management), but the training will be adapted for specific requirements, such as large consultancy contracts.</p> <p>All high value contracts (over £250K) require the approval of Competition Board, and a new project appraisal process of “tollgates” has been introduced to facilitate this. Tollgates ask targeted questions about the client’s approach to the contract, and make recommendations for improvement. They also provide the opportunity for Procurement to identify gaps, provide support and promote good practice in contracting.</p> <p>Presentations for Directorate officers to be arranged Summer / Autumn 2008. These will focus on the emerging Corporate</p>	<p>2008.</p> <p>October 2008</p>	<p>Reference to consultancy contracts is included in the internal training courses, which run from September 2008.</p>

Recommendation	Response / Comments	Date	Update – October 2008
	Procurement Strategy, Procurement Code of Practice, and the category management approach.		
R 3 That financial reporting on procurement of consultancy services should clearly identify source of funding and ring-fenced funding such as Section 106 or Lottery Funds.	<p>It is important for the authority properly to manage all funds for which it is responsible. The use of consultancy is sometimes particularly valuable in relation to one-off projects or programmes, for which one-off funding streams are often used. Future financial reports will identify separate funding streams</p> <p>The Procurement Service employs various tools to track expenditure, which will inform the Category Plans. Areas where consultants are widely used will be examined in the category planning process, and alternative means of achieving objectives will be encouraged through a standard approach to options appraisal.</p>	<p>May 2008</p> <p>June 2008 – March 2009</p>	<p>Development of Category Plans is dependent upon appointment of Category Managers following the restructure of the Procurement Service. These posts have been advertised in September 2008.</p>

Recommendation	Response / Comments	Date	Update – October 2008
<p>R4 That targets for reducing expenditure on consultants should be highlighted as an objective in the Tower Hamlets Strategic Plan. The Corporate Management Team to set indicative targets and for progress to be reported back.</p>	<p>The authority spends relatively little on consultants (around 0.1% of total spend on average over recent years), and expenditure varies markedly from year to year. Often expenditure on consultants is the most effective way of delivering benefits to the community. It is proposed that, while CMT should monitor expenditure on consultants, setting a target may be counter-productive in the long run, and the focus should instead be on assurance that consultants are used in the right circumstances and their outputs are monitored and managed correctly.</p>		
<p>R5 That directorates review expenditure on consultants to assess the extent to which they are used and to establish a baseline for</p>	<p>(See R4)</p>		<p>Directorates are required to submit monthly reports to the Corporate Director of resources on their use of consultants. Directorate Management Teams review the use</p>

Recommendation	Response / Comments	Date	Update – October 2008
<p>reviewing their use of consultants. Directorates should identify areas and set targets for reducing future spend in alignment with the Council's horizontal savings exercise.</p>			<p>of consultants on a regular basis.</p>
<p>R 6 That directorates should increasingly use internal secondments and graduate trainees for one-off projects, tying in with the corporate approach to developing staff.</p>	<p>Directorates should consider the implications of using consultants in preference to staff and restrict the use of consultants to those areas where local capacity cannot deliver the same outputs.</p> <p>This advice will be included in the Procurement intranet pages, but responsibility for exploring secondments and trainees must lie within individual Service areas.</p>		<p>To be included in Procurement Guidance referenced in R1</p>
<p>R 7 That options should be explored to enable the corporate Consultation and Involvement team to become a gatekeeper for procuring</p>	<p>The Best Value Review of Consultation and Involvement identified a number of recommendations to adopt good practice and rationalise the</p>		





Recommendation	Response / Comments	Date	Update – October 2008
	<p>activities will need to be met through existing resource arrangements.</p> <p>A joint post is currently being explored with the PCT at the moment to coordinate activity with the PCT though not focused on training or delivery.</p>		