



| <u>Committee and Date</u> | <u>Item</u> |
|---------------------------|-------------|
| Cabinet                   | <b>15</b>   |
| 24 July 2013              |             |
| 12:30 pm                  |             |
|                           | Public      |

## Policy on the Use of Externally Procured Specialist Support (Consultants)

### Responsible Officer

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### Summary

On 7 March 2012 Cabinet approved recommendations to establish a single consultancy budget through which the procurement for all externally procured specialist support must flow which would be controlled by the Council's Senior Management Board. Work undertaken following the Cabinet decision identified that the recommendations could not be practically applied and approval is sought for the implementation of the alternative recommendations below.

Other elements of the original Cabinet Report remain in place and are not impacted by this subsequent report.

### Recommendations

It is recommended that:

- A. Members agree to the recording of specialist management consultancy spend for the authority within the appropriate service area; and.
- B. That approval for the use of specialist management consultants is controlled by the Council's Senior Team (Directors and Chief Executive) and Portfolio Holders within their delegated powers.

## REPORT

### 1. Risk Assessment and Opportunities Appraisal

- 1.1 The approach adopted within this report ensures appropriate control of consultancy spend across the authority, while ensuring the opportunities from engaging consultants to drive service improvement and development can be maintained.

- 1.2 The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998. There are no direct environmental, equalities, consultation or climate change consequences of this proposal.

## **2. Financial Implications**

- 2.1. Existing financial controls within service areas will be applied. Budget must be available and clearly identified before the Council's Senior Team and Portfolio Holders approve the appointment of management consultants within their delegated powers.

## **3. Background**

- 3.1 On 7 March 2012 Cabinet approved the following recommendations:
- 3.1.1 Members agree to the establishment of a single 'consultancy' budget for the authority – through which the procurement of all externally procured specialist support must flow;
  - 3.1.2 This budget is controlled solely by the Council's Senior Management Board (SMB) and that budget holding responsibility is held by the Head of Business Improvement, as part of oversight and co-ordination of the Council's agreed Transformation Programme; and
  - 3.1.3 The proposed 'Use of Consultants' protocol set out in this report be agreed and issued to all managers, with immediate effect.
- 3.2 Work undertaken following the Cabinet decision identified that the recommendations could not be practically applied. The authority's accounts are based upon identifying costs against objective service areas to ensure that the true cost of services can be identified wherever possible. This is required under CIPFA's SeRCOP (Service Reporting Code of Practice for Local Authorities) which establishes proper practices with regard to consistent financial reporting for services. Under this reporting it is appropriate to demonstrate which services have, in this example, used consultants.
- 3.3 Furthermore, it was agreed by the Senior Management Board (SMB) that funding for consultants would necessarily be identified by service areas rather than from a central fund. This approach would ensure greater cost control and accountability would be attached to the use of consultants. In addition, from the 1<sup>st</sup> July the Leader has delegated executive decisions in respect of certain specified matters which include the approval and appointment of all consultants and monitoring of their work subject to a limit of £250,000 to portfolio holders. Other elements of the original Cabinet Report would remain in place, such as the use of consultants protocol by officers when providing a business case for decision.
- 3.4 Audit Committee met on 27 March 2013 to review internal controls and procedures in respect of consultancy provision.

**List of background papers (This MUST be completed for all reports but does not include items containing exempt or confidential information) –**  
Policy on the Use of Externally Procured Specialist Support (Consultants) –  
Cabinet 7 March 2012

**Cabinet Member (Portfolio Holder)** Keith Barrow (Leader)

**Local Member** n/a

**Appendices**

None