

REVIEW OF CONSULTANCY POLICY

To: **Audit and Accounts Committee**

Date: 28th March 2019

From: Martin Cox

Electoral Division(s): **All**

Purpose: The paper outlines the main changes made to the Consultants Policy.

Recommendation: The Committee are asked to note the content of the updated Consultants policy and reporting arrangements.

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1. BACKGROUND

An internal audit was undertaken on the use of consultants in 2018. This identified that while there is a clear Consultancy Policy in place there was no evidence that it was being followed in practice. Weaknesses in the current arrangements represent a high risk to the Council's ability to achieve value for money in this area. An update to the Consultants policy was recommended in response to the issues highlighted in the audit.

2. SUMMARY OF POLICY CHANGES

- 2.1 An updated consultancy policy has been developed jointly by Procurement and Human Resources with input from Internal Audit. The updated policy was reviewed by the Senior Management Team on the 7th March 2019. SMT endorsed the updated policy approach.
- 2.2 The updated policy is provided in appendix 1. The policy clearly defines the difference between a consultant and an interim and the engagement routes and tax treatment of these different types of arrangement.
- 2.3 The policy requires Engaging Managers to use the Verto system (the Council's recognised project management solution) to produce a full business case for engaging a consultant. The policy specifies the information that the business case needs to cover. The engaging manager is required to use Verto to record a consultant's progress throughout the placement to monitor if they are meeting the milestones set out in the business case.
- 2.4 The updated policy requires the final approval to engage a consultant must be obtained from either the Deputy Chief Executive or the Director of Business Development and Improvement.
- 2.5 The Consultants Policy emphasises the requirement for payment to consultants to be linked to the achievement of agreed outcomes and payment should be staged to ensure the largest proportion is allocated upon completion of the outcomes. The policy also makes clear that contracts for consultancy must include expected costs for expenses and no separate expenses will be paid.
- 2.6 To increase ownership the policy requires that each consultancy arrangement has a named responsible officer who takes on the day-to-day procurement and management of the contracts and is responsible for ensuring that the arrangement complies with Consultants Policy and legislation and that outcomes are delivered.
- 2.7 The policy clarifies the approach taken where CCC intends to engage a consultant that has previously been used by a partner organisation.

3. REPORTING REQUIREMENTS

- 3.1 The use of Verto to keep records of each consultancy placement will assist with producing this reporting information. We are currently working with the Transformation team to set up the required reporting form the Verto system. HR Business partners will source any additional information that is not held in Verto. This data will be provided to Directors on a monthly basis to ensure that they have regular oversight on the use of consultants. SMT will review data on consultants use and spend on a quarterly basis.
- 3.2 Information on the use and spending on consultants within each Directorate will be collated and presented to the Audit and Accounts Committee on a quarterly basis by the Deputy Chief Executive.

Source Documents	Location
None	