



## POLICY AND RESOURCES SCRUTINY COMMITTEE – 3<sup>RD</sup> MARCH 2009

**SUBJECT: CONSULTANCY COSTS 2006/07 & 2007/08**

**REPORT BY: DIRECTOR OF CORPORATE SERVICES**

### 1. PURPOSE OF REPORT

- 1.1 To provide a report on the types of work undertaken by consultants requested by Members following on from articles that appeared in the press where spend on consultants by Local Authorities was reported.

### 2. SUMMARY

- 2.1 The report provides an overview of spend in 2006/07 and 2007/08, which gives a good indication of the main suppliers used and the type of work undertaken by service area. Further more detailed information can be requested on specific spends, data for 2005/06 is archived, if required a further report can be provided.

### 3. LINKS TO STRATEGY

- 3.1 The Council has a number of corporate strategies and this report deals with the use of resources in the achievement of those strategies.

### 4. THE REPORT

- 4.1 The press article used information provided under the Freedom of Information Act. The table below gives a summary of the spend over the period requested.

Consultancy Expenditure 2005/06 to 2007/08			
Subjective	2005/06 £000	2006/07 £000	2007/08 £000
Revenue/Grants	2,562	3,356	3,018
Capital	3,699	2,608	2,306
<b>Total</b>	<b>6,261</b>	<b>5,964</b>	<b>5,324</b>

The information covers 3 financial years, both revenue, grant related and capital spend. Detail by supplier is provided in Appendix 1 for the financial year 2006/07 and Appendix 2 for 2007/08. Both financial years show a similar pattern of spend with certain suppliers used over the same 2 year period. It should be noted that invoices are charged by service departments to individual 'subjective' expenditure codes and it is apparent from this exercise that more care is needed in the future with regards to the coding of invoices, as some spend could only be 'loosely' called consultancy spend.

4.2 Members are also requested to note the high level of spend on ESIS (Joint Arrangement for Advisory Service for Education), where £2m has been spent over the 2 year period. Authorities with in house advisory services would show nil for consultancy and advisory costs. This makes comparisons between Authorities misleading. Sums totalling £2.9m have been spent in the same period on Capita Gwent, where like ESIS a contractual arrangement exists.

4.3 Spend on consultancy fees for capital projects, £4.9m over 2 years, needs to be put into context against a capital programme spend of typically £80m in a financial year, including grant funded schemes.

## **5. FINANCIAL IMPLICATIONS**

5.1 Spend on consultancy fees would normally be planned as part of the budget setting and monitoring process.

## **6. PERSONNEL IMPLICATIONS**

6.1 The use of consultants for ad hoc work rather than employing in house specialists can be a more effective use of resource.

## **7. CONSULTATIONS**

7.1 Internal consultees are listed below.

## **8. RECOMMENDATIONS**

8.1 For Members to note the contents of this report.

## **9. STATUTORY POWER**

9.1 Local Government Acts 1972 and 2003 and the Council's Financial Regulations.

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