

Report to Overview & Scrutiny Committee

Monday 20 March 2023

By the Task & Finish Group on the use of Consultants



DECISION REQUIRED

Not Exempt

Final Report of the Task & Finish Group on the Use of Consultants

Executive Summary

The Task and Finish Group first met in December 2022. This report gives a summary of the work of the Task & Finish Group and includes observations and recommendations arising from the meetings.

The Group took note of the Council's procedure rules for procurement, which include the recruitment of consultants, and are satisfied that these are transparent, fair and consistent. These are publically available on the [HDC website](#). Crawley Borough Council hosts the shared Procurement Service that provides advice on all aspects of procurement and contract management, and we are one of its partner Councils, along with Mid Sussex and Mole Valley District Councils.

Meetings were held with the Heads of Service from the three departments where the spend on external consultants is highest: Economic Development, Development & Building Control and Strategic Planning. Most consultants are used when specialist skills or knowledge, not available in-house, is required. They are also used when there isn't the in-house capacity to undertake work within the required timeframe.

The Group agreed that, in general, consultants are used appropriately and when necessary and the current procurement arrangements work well. They were impressed with the responses they received and recognise that the recruitment of consultants to cover absent staff, supply specialist skills or undertake work within a tight timeframe are appropriately and responsibility undertaken. The Group made some suggestions for management to consider on about how they could recruit or train staff, solely or in partnership to cover some of these roles, potentially at lower cost. The Group also considered a point raised by a Member who feels wording of consultancy briefs arising from Council or statutory committee decisions do not always fully reflect the views of the Councillors involved. The Group makes a suggestion for the Chief Executive of a way forward on this point.

Recommendations

It is recommended the Overview and Scrutiny Committee note the findings of the review and ask the Chief Executive to:

- (i) If appointing a consultant, following a Motion to Full Council or a decision of a statutory Committee, to instruct the Head of Service to discuss the content of the brief with relevant Member(s) to ensure the brief fully captures the intention of decision or request.

Support the Heads of Service to continue their current good practice in seeking opportunities for:

- (ii) joint recruitment of specialists with other authorities with a view to reducing reliance on consultants;
- (iii) joint recruitment between HDC services that cover similar technical areas;
- (iv) introducing further professional training in key skill areas where the Council currently appoints consultants;
- (v) following recommendations (ii) and (iv) above, ask the Heads of Service report to a future meeting of Overview & Scrutiny Committee within 2 years of the date of this meeting on matters looked into and decisions made.

Reasons for Recommendations

- (i) To ensure that Councillors making decisions at Council or in the statutory Committees have their concerns fully captured in any consultancy brief that may be produced.
- (ii) (iii) and (iv) Try to reduce the cost of consultants in areas where they are regularly required by working with colleagues in our Council and beyond by seeking cheaper alternatives.

Background Information

Spend on consultants by HDC department since 2019/20

Spend on consultants by Economic Development Team

Minutes of the meetings of the Task & finish Group [23 December 2022](#) [12 January 2023](#) [2 February 2023](#)

Wards affected:

All

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1 Introduction and Background

- 1.1 The Task and Finish Group on the use of Consultants was formed at the Committee's 26 September 2022 meeting and met four times during the winter to carry out its work.
- 1.2 The Members of the Group were Councillors David Skipp (Chairman), Philip Circus, Paul Clarke and John Milne. The Group was supported by Liz de Pauley from Democratic Services.

1.3 Terms of Reference

The purpose of the Task & Finish Group was to undertake an investigation into the use of external, paid consultancy by Horsham District Council in support of internal resources.

Objectives

To understand the extent and cost of the use of external consultants in all aspects of the Council's Policy formulation (ref. appendices 1 and 2).

To understand the decision-making processes leading to paid consultancy, including scoping internal consultation and benchmarking.

Assessment of in-house expertise available for a proposed project.

Comparison of approach taken by other equivalent local authorities to employment of consultants.

Clarity and consistency on the specific commissioning goals, parameters and constraints on contracts entered into with consultants, to include rigorous outcome measures, monitoring and provision for revision in response to changing demands or unacceptable performance.

Scope

Comparative Review of data from HDC and other authorities

Interviews with HDC Officers most closely involved with Consultancy Assessment of the cost and business effectiveness of alternative options

Assessment of the effectiveness of Consultations undertaken to date

Recommendations for future use of external paid consultancy.

2 Relevant Council policy

Paragraph 5.3 of the Council's Corporate Plan 2019 to 2023 requires the Council to continue to provide the quality, value for money services that people need throughout the 2020s. This review was intended to scrutinise whether the use of consultants provided value for money at the Council.

3 Details

3.1 Discussion with HDC Officers

The Group met on three occasions to ask questions of the three Heads of Service with the highest consultancy spend in the Council. They interviewed the Head of Economic Development, the Head of Development & Building Control and the Head of Strategic Planning. The notes of these meetings are available on the HDC website.

Economic Development: The main trigger for the use of consultants within Economic Development is external funding. Projects funded through grants often need to be completed within a tight timeframe in order to secure the funding. An example of this was the Government's Welcome Back Fund, which supported local authorities by funding initiatives to encourage people back to the high street after the challenges of Covid.

Development Management: There is a statutory duty to supply specialist comments when assessing planning applications. The consistent costs are from the use of Archaeology and Ecology consultants as specialist knowledge in these disciplines is not available in-house. Since the issue of Water Neutrality, additional consultants have been required. Ecology consultancy costs have increased because of the obligations embedded within the Local Plan and the NPPF. An Agricultural consultant is also used from time to time.

There are in-house specialist staff for Landscape, Drainage and Conservation, and measures are taken to upskill current staff to limit the amount of consultants required, for example in Design. Succession planning is important and training is offered to existing staff to help build resilience within the team.

Strategic Planning: Work on the Local Plan required the gathering of evidence in a number of specialist fields and consultants were recruited when specialist knowledge was not available in-house. Of the total consultancy spend approximately 20% of the cost was spent on Neighbourhood Plans to allow these plans to progress through the relevant regulatory stages. Some consultations are already carried out by internal staff including Heritage, Drainage and Arboriculture, and this proves cost effective.

3.2 **Value for money:** The best value element is determined through the procurement process, when bids are compared. Any goods, works or services that fall under the £50k threshold can be managed by individual departments, as advised in the procurement procedures, and there is a rigorous process in place for this. Performance is generally monitored by the Lead Officer with oversight from the Head of Service when required. In Economic Development, where a majority of consultants were funded by external grants, there was stringent monitoring and reporting to ensure efficient use and value for money.

3.3 Sharing Resources with other Councils & Services

Economic Development: There are regular meetings with heads of service from other WSCC local authorities and some pooling of knowledge and joint working. For example, business training programmes are procured jointly. There is good

communication between local authorities and WSCC are undertaking a review of economic baseline data and looking at governance arrangements for delivering across the county, which could lead to joint working.

Development & Building Control: The current arrangement for Ecology consultancy was coming to an end in November 2023, and this is an opportunity to review options. The Head of Strategic Planning is working with the Head of Development to consider whether there is scope or a need to provide ecology services in-house given increasing legislative burdens that are being placed on Local Planning Authorities in the future. Succession training is already taking place within the department. With regard to the potential for sharing posts with other local authorities, this was challenging in cases where the work was site specific.

There could also be a potential for HDC departments to share staff between services, for example, Countryside Management and Development Management. Building Control was a shared service with Crawley Borough Council and it was funding two trainee surveyors as part of succession planning for the service.

Strategic Planning: The Head of Strategic Planning advised she was seeking to bring Sustainability Appraisals in-house for better value. There are occasions when services are shared with another Local Authorities. However, each area's Local Plan has different emphases and are at different stages of development thus making joint working complex and often impractical. There was also officer concern that sharing HDC in-house staff with other Local Authorities could have a detrimental impact on their capacity to deliver against HDC needs.

Comparative review of Data: With regards to a comparison with other equivalent local authorities, a number of local authorities were approached and two responded: Adur & Worthing advised that the appointment of consultants falls within their contract standing orders; and Reigate and Banstead Borough Council stated that longer-term or frequent use of consultants was scrutinised by HR and Finance as part of their budget monitoring and human resources processes. Details of the information provided was considered by members of the Group and helped to inform this report.

3.4 Conclusions

Members of the Task & Finish Group are grateful to the Heads of Service for their time and for giving such comprehensive responses to their questions. They were impressed with the responses they received and recognise that the recruitment of consultants to cover absent staff or supply specialist skills are appropriate and responsibly undertaken.

The Task and Finish Group met for a final time on 21 February 2023 and two matters were discussed at length: (a) whether Councillors should be consulted on consultancy briefs in some occasions; and (b) what scope there was for using shared services with other local authorities to a greater extent than at present.

- (a) The Group agree that the operational use of consultants in a large majority of cases has no need for any Councillor involvement and such involvement would be inappropriate. However, in cases where the officers decide to engage a consultant as a direct result of a Councillor request, such as arising from a

Motion to Council or from a discussion at Planning Committee, the Group consider it would be helpful if there were some Councillor consultation before the brief is finalised. The Group acknowledge that Members do not have the requisite expertise and understanding to know what to ask for and would not expect to draft any brief.

- (b) With regards to sharing in-house expertise with other local authorities, the Group recognise there are some areas where the specificity of work (eg site-specific work in both Strategic Planning and Development Control) make joint working unviable and they also note the capacity implications of sharing HDC staff. However, there would be a benefit to exploring further opportunities for sharing or jointly employing expertise between other local authorities, in particular within Strategic Planning and Development Management if more than one Council needs the same type of resource. The Head of Strategic Planning had taken this approach in recruiting the Water Neutrality Project Manager.

The Group also considered thinking more widely within the Council might allow further opportunities for moving away from the consultancy route. For example, it might be possible to share an ecologist between Countryside Management and Development Management.

The Group also discussed the possibilities of management arranging to train current staff in specialist areas currently provided by consultants. This might allow staff to further their careers and fulfil some aspects of consultant engagement.

4. Next Steps

- 4.1 If the Overview and Scrutiny Committee agree this report the Chief Executive had agreed to discuss the points raised at her Heads of Service meeting at the end of March. The Head of Service will report back to the Overview and Scrutiny Committee within two years.

5 Outcome of Consultations

- 5.1 Consultations with the Chief Executive, Director of Place, Director of Communities, Monitoring Officer and the Director of Resources have taken place. The Chief Executive said she was happy to discuss the suggestions of the Task and Finish Group with her Heads of Service and their meeting on 29 March.

6 Other Courses of Action Considered but Rejected

- 6.1 Not applicable for this report

7 Resource Consequences

- 7.1 The costs of any additional staffing or training the Heads of Service undertook as a result of this report would be offset against the current spend on consultancy. Any budget virements needs would be within the virement limits of the Director of Resources.

8 Legal Considerations and Implications

- 8.1 The legal authority for the provision of staffing or consultancy resource, within budget, sits with the Chief Executive and her staff. The Chief Executive has confirmed with the Chairman of the Task and Finish Group that she is content to look into these suggestions with her management team.

9 Risk Assessment

- 9.1 There are no risks arising from this report because it does not make a change. Should the officer team decide to move the supply of specialist services to in-house options they will assess the risk of the change at the time they make the decision.

10 Procurement implications

- 10.1 There are no procurement implications arising from this report.

11. Equalities and Human Rights implications / Public Sector Equality Duty

- 11.1 There are no negative equalities, human rights or equality duty implications of this report. Should the officers decide to recruit more staff, arising from our recommendations, the recruitment will fall under the full equalities protections included in the Council's recruitment policies.

12 Environmental Implications

- 12.1 Should the suggestions of this report lead to the recruitment of more staff based in Horsham District there could be marginal implications on the use of water and other natural resources in the area that are not used by consultants who are often based elsewhere in the country.

13 Other Considerations

- 13.1 There are no GDPR or crime and disorder implications of this report.