

BRISTOL CITY COUNCIL

HUMAN RESOURCES COMMITTEE

For Information

3rd June 2010

Joint Report of: Strategic Director: Resources and
Strategic Director: Transformation

Title: External Resourcing. Use of Consultants & Interim
Managers: Further Report

Officer Presenting Report:

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RECOMMENDATION

In response to its earlier resolution, this Committee is asked to note the information enclosed regarding the use of external resources by the Council in response to its resolution of 19th November 2009.

Summary

At its meeting on 19th November 2009 this Committee received a report regarding the use of Consultants and Interim Managers in relation to the business transformation process. After considering this report Members resolved "that a report be presented to the Committee in March 2010 to cover the whole Council and a Business Transformation update in October 2010."

This report responds to this request covering both Business Transformation and the remainder of BCC. The report was deferred from the March meeting however in order that full year costings to 31st March 2010, would be included.

The significant issues in the report are:

Council spending on salaries during 2009/10 was £250M, excluding the schools workforce. During the same period, expenditure on Interim Managers and Consultants was £2.7M - this equates to just over 1% of salary expenditure. The costs of engaging Interim Managers and Consultants council-wide has been met from existing budgets. In relation to the Business Transformation programme, these costs were met from reserves.

Robust arrangements for the use of Interim Managers and Consultants have now been put in place. This is to ensure that this recruitment method is only used where there is a genuine business case.

Consultants and Interim Managers are mostly engaged by the Council to deliver specific pieces of work requiring expertise and experience not available from existing Council staff. On occasion, they will occupy management or other specialist posts within the Council but this is limited and usually due to recruitment gaps, or the need for additional short term expertise for specific projects.

This report is submitted for information only.

1. Policy

- 1.1 The Council engages external support in circumstances where it does not have the requisite skills available, and is unable to make an appointment through normal recruitment channels, e.g. by internal temporary appointment, acting up, secondment or transfer.
- 1.2 Consultants and Interim Managers are engaged through procurement frameworks and (where necessary) through formal tendering processes via Corporate Procurement.
- 1.3 Through the recently introduced Vacancy Management Panel, the Council has put in place robust arrangements that ensure Consultants and Interim Managers are only engaged when there is a clear business case.

2. Consultation

2.1 Internal

Not applicable as this is an information item only, which responds to an earlier request from the trade unions, for information in relation to costs and usage.

2.2 External

Not applicable.

3. Context

- 3.1 This further report covers Consultants and Interim Managers used during 2009/2010. It excludes Contractors/Subcontractors used in capital works programmes (see paragraph 4.1 below)
- 3.2 Local Authorities, the Public Sector more widely, and the Private Sector routinely use external support. These span from Joint Ventures and Strategic Partnership vehicles, through supplier arrangements with Outsourcing, Consulting and Systems Integration firms, and on to use of the contractor marketplace.
- 3.3 Consultants and Interim Managers have been and are working across a variety of Council areas including Neighbourhoods devolution work, Communications and Marketing, Children and Young People's Services, Health and Social Care, and Information, Communications and Technology. The costs and allocations of these are summarised in Appendix A attached.
- 3.4 This additional support is required because the Council does not have sufficiently qualified and experienced staff in key business areas such as business process re-engineering, business analysis, technology design and specification, and programme and project management.
- 3.5 It is important to highlight that the Council has in place proposals to transfer skills and learning from contractors to permanent staff so that through time the Council will be less reliant on external support and will therefore spend less on contractors in relation to the overall effort required. The Council will continue to develop and enhance training and other forms of support for our own staff. In particular the new in-house "portfolio, programmes and projects" service team has been established to strengthen capacity and skills across the Council.

- 3.6 The cost of Consultants and Interim Managers is offset against savings to the Council, and is met from agreed budgets. Costs represent a small percentage of the long term savings that will accrue as change continues and grows across the Council.
- 3.7 Expenditure on the overall transformation programme is in line with the £1.318m reported in November. However, the new approach to ICT across the Council has led to expenditure of £174,000. ICT expenditure is accounted for separately from the transformation programme and the costs are met from revenue budgets.

4. Proposal

- 4.1 This report is submitted to this Committee for its information only. The report excludes the ongoing use of contractors and subcontractors in relation to building contracts, maintenance and capital works, where the Council routinely uses specialist/technical support which cannot be engaged within the Council.
- 4.2 This report also excludes the engagement of “agency workers” which is outside the scope of this Committee's earlier resolution.
- 4.3 Robust control arrangements for the engagement of Consultants/Interim Managers and agency workers, have now been put in place through the Chief Executive and Deputy Chief Executive. These arrangements apply to all directorates and there are no exemptions.

5. Other Options Considered

Not applicable to this report.

6. Risk Assessment

Not Applicable.

7. Equalities Impact Assessment

Not Applicable.

Legal and Resource Implications

Legal

The Report summarises the reasons for and the use of Consultants and Interim Managers. It is important to ensure that where a contract is extended beyond 12 months there remains a clear agreement in place defining the relationship between the Council and the appointees concerned. In the absence of this the Council may be at risk of a claim from the Consultant and Interim Manager that he/she has obtained employee status.

(Advice from Husinara Jones on behalf of the Head of Legal Services).

Financial

(a) Revenue:

As set out in Appendix A.

Appendix A indicates that some £2.73m was spent in 2009/10 on Consultants/Interim managers. These costs are contained within existing revenue budgets or Transformation Programme budgets.

(Advice from Stephen Skinner, Finance Business Partner : Resources, Transformation & Deputy Chief Executive)

(b) Capital:

Not Applicable.

Land

Not Applicable.

Personnel

As set out in paragraphs 3.1 to 3.6 above, and in Appendix A.

Appendices

Appendix A: Summary of Costs/Use of Interim Managers and Consultants (by Directorate)

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 Background Papers:

None.

Expenditure on Interim Managers & Consultants during 2009/10 - Appendix A	
Directorate	Total 09/10 £'000
City Development	127
CYPS	270
DCX	104
HSC	156
NHS	261
Landlord Services	183
Resources	140
Transformation - Programmes and Projects	1,315
Transformation - ICT	174
	2,730