

## CONSULTANT

### **Coding for Consultants/Agency/Temp Staff**

The difference between agency/temporary staff and consultants is often confused and wrongly coded on Oracle. For clarity the difference is explained below:-

➤ Agency staff – Revenue Funded (0104)\*

People appointed to cover vacant posts – and paid either by LBB or via comensera. Anyone that we employ but we pay as a company will need to be separately identified and for the purposes of LBB classified as working under a consultancy basis (see below).

➤ Temporary Staff – Revenue Funded (0104)\*

People that are employed for less than 3 months to do a specific urgent piece of work, where no post exists, so a supernumerary post is allocated and virement rules apply. Once the post exceeds 3 months a post creation form will need to be set up (back dated to when the post commenced working with the council) and justification and funding identified.

➤ Consultants – Revenue/Capital (1708)\*\*

Consultants should be used to undertake one-off projects, where there is no one internally with the relevant skills. There should be transparency around funding of the post which should be on a fixed fee and clear deliverable, which should be reviewed at the end of the project.

\* 0104 codes – there may be a basket of temporary codes so please check the FCB

\*\* 1708 codes – unless there is a good reason, at all times this is the code that should be used.

In general terms a **Consultant** is viewed as being: -

Someone employed for a specific length of time to work to a defined project brief with clear outcomes to be delivered, which brings specialist skills or knowledge to the role, and where the council has no ready access to employees with the skills, experience or capacity to undertake the work.

A Consultant should be engaged on a fixed price contract and would not normally be employed on a day rate (this will ensure VFM).

Further details on these requirements and advice on the employment of Consultants can be found in the Council's Contract Procedure Rules (CPR 8.1 & 8.5) and the accompanying Practice Notes /Contract Document on the employment of Consultants, which can be found in the Procurement Toolkit.

### **Employing the Consultant**

Audit Commission research has indicated that most consultancy work was not usually let on the basis of lowest price, although few authorities held records to justify their decisions. You must always take account of the available budget.

You should prepare a formal agreement before a consultancy assignment commences. This may range from a letter to a formal legal contract. As a minimum the agreement should:

- confirm agreed total costs (fixed price arrangements are usually preferable),
- description of all project deliverables
- make reference to the brief
- make reference to the consultant's submission
- confirm invoicing and payment arrangements
- set out termination and arbitration arrangements
- set out reporting arrangements

You must also ensure that sufficient provision is made for any necessary Insurances and Indemnities required to protect the Council's position. This includes a need to establish the tax position of the Consultant to ensure payments made under any commission placed are correctly treated.

### **Requirement for a Consultant**

The initial requirements around the commissioning of Consultancy Services should include consideration of how service requirements are met and other approaches which might be used. For example can the requirement be met through the completion of work via Agency Staff, the employment of an interim manager (via a direct/temporary contract of employment with the Council), or Secondment arrangements. Only once the best "fit" has been identified should work be commissioned. The arrangement should also be subject to periodic review as, for example, an initial urgent requirement placed with a Consultant might not be better completed at a later date via a temporary contract of employment

There needs to be a clear **accountable** officer responsible for commissioning the consultants work, who monitors progress and delivery and ensures VFM is delivered at all times. The consultant would not normally manage any staff directly or be responsible for authorising spend.

**Procurement – Competition Requirements (contract procedure rule 8.1) now incorporates the tender procedures for consultants with effect from September 2016.**

**8.1 Procurement – Competition Requirements**

8.1.1 Where the Estimated Cost or Value for a purchase is within the limits identified in the in the first column below, the Award Procedure in the second column must be followed. Shortlisting shall be done by the persons specified in the third column.

| <b>Estimated Cost (or Value)</b>  | <b>Tender procedure</b>   | <b>Shortlisting</b>  |
|---|---|--|
| Up to £5,000<br><b>(£25,000 for Consultancy Services)</b>   | One oral Quotation (confirmed in writing where the Estimated Cost or Value exceeds £1,000) using the Using the Council's "Local Rules" Process where possible and other Approved Lists where Authorised   | Officer  |
| £5,000 - up to £25,000  | 3 written Quotations using the Council's "Local Rules" Process where possible and other lists as Agreed with the Head of Procurement.   | Officer  |
| £25,000 – £100,000  | Request for Quotation using the Council's "Local Rules" Process where possible and other lists as Agreed with the Head of Procurement., to at least 3 and no more than 6 Candidates. If for whatever reason, a Request for Quotation is made using a Public Advertisement, the opportunity must also be included on "Contract Finder", with all Suitable Candidates responding, being considered. In both cases use must be made of the Council's E Procurement System, unless otherwise agreed by the Head of Procurement. | Officer and Line Manager   |
| £100,000 up to the EU Threshold for Supplies and Services (applies to all activities)                           | Invitation to Tender making use of a Public Advertisement. The opportunity must also be included on "Contract Finder", with all Suitable Candidates responding, being considered. No Prior Qualification process is permitted Use must be made of the Council's E Procurement System, unless otherwise agreed by the Head of Procurement.   | Officer, HOS and Head of Procurement, Head of Finance  |
| Above EU Threshold for Supplies and Services (applies to all activities) and / or <b>£500,000</b> arrangements. | The appropriate EU / Public Contract Procedure or, where this does not apply, Invitation to Tender by an Appropriate Notice /Advertisement to at least five and no more than eight Candidate.   | As above + in Consultation with the Director of Corporate Services and Customer Services and Director of Finance – see Rules 7.2.3 & 8.1.4 |

**Note** – Where an intended arrangement is for the provision of Consultancy Type Service, including those for Construction related activity and the estimated value of the intended arrangement is above **£50,000** the relevant Portfolio Holder will be Formally Consulted on the intended action and contracting arrangements to be used.

8.1.2 Where it can be demonstrated that there are insufficient suitably qualified Candidates to meet the competition requirement, all suitably qualified Candidates must be invited.

8.1.3 An Officer must not enter into separate contracts nor select a method of calculating the Total Value in order to minimise the application of these Contract Procedure Rules or the Public Contract Regulations.

8.1.4 Where a Public Contract Regulations 2015 applies, the Officer shall discuss with the Head of Procurement and Consult with the Director of Corporate Services and Director of Finance to determine the arrangements to be used for the completion of the Procurement. In any case the Final Contract Documentation shall be available for viewing, via the internet, from the date of publication of any required Contract Notice, unless otherwise agreed.

## **8.5 The Appointment of Consultants to Provide Services**

8.5.1 Consultant architects, engineers, surveyors and other professional Consultants shall be selected and commissions awarded in accordance with the procedures detailed within these Contract Procedure Rules as outlined above.

8.5.2 The engagement of a Consultant shall follow the preparation of a brief that adequately describes the scope of the services to be provided and shall be subject to completion of a formal letter or contract of appointment, using the Council's Standard Form of Consultancy Contract, unless otherwise agreed by the Director of Corporate Services.

8.5.3 Records of Consultancy appointments shall be kept in accordance with Rule 6.

8.5.4 Consultants shall be required to provide evidence of, and maintain professional indemnity insurance policies to the satisfaction of the relevant Head of Finance for the periods specified in the relevant agreement. The officer commissioning the employment of a Consultant and/or responsible for the Approval of their employment shall ensure that the Consultants tax arrangements or company structure are properly considered and do not result in any tax liability to the Authority.