

## 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)\*

Agency staff are generally engaged under a 'contract for services' via an employment agency to cover vacant posts or additional workloads – and paid either by LBB or via comensera. Anyone that we engage, 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)\*

Temporary staff unlike agency staff are employed by the Council usually for short assignments. 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.

**Consultant – Exceptionally, the Council may** engage a specialist personnel 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).

## **-Engaging 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 t be better completed at a later date via a temporary contract of employment. The arrangement must also have regard to the Council's Pay Policy Statement.

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.

## The Appointment of Consultants (contract procedure rule 8.5)

**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 and as outlined below.

<i>Estimated Cost(or Value)</i>	Tender procedure	Shortlisting
Up to <b>£30,000</b>	One oral <i>Quotation to be confirmed in writing</i> where the <i>Estimated Cost(or Value)</i> exceeds <b>£1,000</b>	<i>Officer and Line Manager</i>
<b>£30,000 – up to £100,000</b>	Three written <i>Quotations</i>	<i>Officer, HOS and relevant Head of Finance</i>
<b>£100,000 – up to EU Threshold</b>	<i>Invitation to Tender</i> by advertisement/list to at least three and no more than six <i>Candidates</i>	<i>Officer, HOS relevant Head of Finance and Head of Procurement</i>
Above EU <i>Threshold</i>	<i>EU Procedure</i> or, where this does not apply, <i>Invitation to Tender</i> by advertisement/list to at least five and no more than eight <i>Candidates</i>	As above and in <i>Consultation</i> with <i>Director of Resources and Finance Director</i> – see Rule 8.1.4
<i>Note – Where the estimated value of the intended arrangement is <b>£100,000</b> or more the relevant <i>Portfolio Holder</i> will be Formally Consulted on the intended action and contracting arrangements.</i>		

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

**8.5.3** 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.

**8.5.4** Records of consultancy appointments shall be kept in accordance with Rule 6.

**8.5.5** *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.