hebridean housing partnership

Appointment of Consultants Policy

Effective Date: May 2022
Review Date: May 2025
Approved by HHP Board: 25 May 2022

TABLE OF CONTENTS

APPOINTMENT OF CONSULTANTS POLICY

INTRODUCTION

1.1 This policy sets out the approach that will be taken in relation to the procurement and use of consultants, in accordance with best practice, regulatory requirements, budgetary constraints, delegated authorities, and our procurement policies and strategy.

1.2 It is essential that money is spent in a way that ensures Value for Money (VFM). When the use of consultants is deemed necessary, they need to be used sparingly, appropriately and effectively. Therefore, we must ensure that consultants are only used when:

- The work cannot be carried out internally, i.e. the required knowledge is not available in-house or from some other source which we can draw on;
- They can bring relevant knowledge and have proven experience which will add value to the our objectives;
- Staff have the knowledge and capacity to manage them effectively; and
- Management demonstrates the commitment to act on any outputs with clear plans on how this might be done.

AIMS

2.1 The specific objectives of this policy are to:

- Define the role of a consultant;
- Ensure the use of consultants can be justified;
- Determine how the Partnership will identify consultants with the necessary skills and experience;
- Set out how consultants will be briefed in advance of seeking their involvement in a particular project;
- Explain how consultants will be selected for a particular project, using value-based assessment;
- Allow for the demonstration of clear audit trails and accountability;
- Summarise the arrangement for formalising the appointment of consultants;
- Give guidance on review of consultant performance; and
- Highlight how this policy should be used as part of our policy framework in respect of procurement.

CONTEXT

3.1 Our approach to the selection and engagement of consultancy services should be taken within the context of its overall approach to procurement with particular regard to ensuring quality and delivering value.

3.2 In accordance with the expectation of the Scottish Government's Procurement Guidelines, the principle of partnering will apply. Partnering involves a high degree of co-operation between us and any consultant engaged and implies a climate of trust and agreement of mutual objectives.

THE ROLE OF A CONSULTANT

4.1 A consultant is a person or body that supplies us with external professional or technical advice or expertise, under contract, to agreed timescales and for an agreed fee.

4.2 The services provided by a consultant will be unique, specialised, infrequent or periodic, and usually not available to us from the existing workforce.

4.3 Consultancy services are expected to aid our work in, but not limited to, the following ways:

- They will provide additional skills and expertise;
- They are engaged to carry out activities such as investigating problems, providing analysis or advice;
- They will assist with the development of new or existing systems, structures, or capabilities; and
- When an independent assessment of a particular function, situation or project is required.

4.4 The role of the consultant will be clearly detailed in the procurement specification of works.

JUSTIFICATION FOR THE USE OF CONSULTANTS

5.1 A consultant is never an acceptable substitution for a relatively stable, adequately sized, and high quality management team. However, we will occasionally have the need to employ a consultant to provide a particular set of skills in order to fulfil our business objectives. To that end, the engagement of external support needs to be for defined fixed periods, with clear objectives and outcomes, and at predetermined costs, all of which will be rigorously monitored to ensure Value for Money.

5.2 In conjunction with our Value for Money Strategy, any decision to engage in consultancy services must be backed up by a thorough business case with justifications as follows:

- the reason for the need – is it concerned with the procurement of external skills/expertise, or is it to overcome a shortage of internal resource/capacity;
- what the estimated costs are likely to be;
- Where appropriate, there is a clear 'invest to save' case which will support the expenditure that is going to be incurred in terms of the return on the costs involved;
- evidence that there is no in-house expertise and/or in-house capacity available to undertake the work in the required timescales;
- evidence that the problem is clearly defined and that the alternatives to the use of consultants have been considered;
- definition of the range of the work;
- timescales, milestones, and the form of the deliverables;
- apportionment of responsibilities for data collection, etc; and
- a clear plan of how the findings are likely to be actioned.

5.3 The Business Case should be prepared for review by the Executive Team, and if the need for consultancy is confirmed in principle, a Report should be prepared which seeks the Board's approval to engage consultancy services accordingly.

5.4 There are some areas and tasks within our business environment for which the use of consultants is a requirement. These are detailed at Appendix 1 and may change periodically depending on legal/regulatory requirements.

5.5 Board approval will only apply where the anticipated value of fee is in excess of existing approved budgets or outwith the delegation levels set in our standing orders.

BRIEFING

6.1 When we wish to engage consultancy services, it is imperative that a strategic brief is prepared in which the overall objectives in relation to the consultancy service are detailed.

6.2 The brief should be a clear specification from which prospective consultants can prepare a costed proposal and from which their performance can be measured. The brief should be prepared in such a way that allows competing proposals to be measured in terms of quality and price.

6.3 It is recognised that different types of consultancy services will require different strategic briefs. However, every brief must have clear objectives, deliverables and milestones, as well as an agreed end date. As a minimum, the brief should contain:

- project detail, aims and objectives;
- intended client group;
- community consultation or tenant involvement;
- functions to be accommodated, such as a link to employment initiatives, support and care initiatives;
- project timetable and key milestones;
- key outcomes/deliverables;
- details of work already completed/work required;
- reporting requirements (frequency and format);
- performance standards;
- detailed financial considerations, including available budget, grants, and indicative cost limits;
- details of payments (linked to achievement of key milestones and final outcomes);
- details of the process to be followed for procuring consultants' services (or of consultants already appointed), including what is expected of the consultant in response to the strategic brief;
- mention of the requirement to ensure that skills and knowledge are transferred to HHP staff;
- Terms & Conditions (legal advice should be sought in accordance with the Partnership's appropriate policy).

6.4 Consultants from the relevant discipline will be invited to respond with proposals for professional services which meet our requirements.

6.5 The Strategic Brief, prepared by us, will be used as the basis for the appointment of the consultant. The successful consultant will be required to prepare a detailed project brief following appointment.

SELECTION

7.1 We recognise the importance of striking an appropriate balance between cost and quality to achieve best value, so selection of the most suitable external support will not be made on cost alone. We will select consultants in line with our Procurement Policy.

7.2 The selection process, including who is involved and the extent of their involvement, will vary depending on the scale and complexity of the consultancy service required.

7.3 Confirmation of the appointment of a consultant, following the completion of the tendering and evaluation process, will be the responsibility of the Chief Executive.

APPOINTMENT

8.1 Appointment of consultants will be made through the Public Contract Scotland website, or where appropriate, by letter.

8.2 This letter of appointment will refer to the relevant conditions of appointment for the particular profession, clearly setting out the scope and the nature of the services to be provided and confirming details of the fee agreement. Standard letters will be used, and will include the following elements:

- a description of consultant's tasks and duties;
- definition of how fees are to be calculated;
- breakdown of timing of fee payments;
- a clear statement of standards expected;
- requirement to maintain Professional Indemnity Insurance for the nature, scale and timing of the commission proposed;
- termination of appointment procedure;
- dispute resolution procedure; and
- ownership of drawings, calculations, and other documentation pertaining to the consultancy service provided.

8.3 The Conditions of Appointment will be those relevant to the particular profession (recognising that they may need to be amended to comply with all current legislation), and will be confirmed in the letter of appointment.

In determination of the appointment of consultants the following approach should be adopted:

- check carried out that value of contract is within consultant's capacity;
- financial guarantees should be sought from the holding/parent company in respect of works exceeding £150K where work has been awarded to a subsidiary company; and
- references be obtained for all consultants from bankers and trade suppliers in respect of projects with an estimated cost of over £150K.

8.4 Prior to the confirmation of any appointment, there will be a further check on:

- the scope and currency of the consultant's Professional Indemnity Insurance; and
- whether the appointment would breach the Regulator's Regulatory Standards of Governance and Financial Management, and our Financial Regulations.

8.5 The appointment of a consultant will never take the form of an oral agreement.

FEES

9.1 The fees payable to each consultant will be the subject of negotiation and will reflect the need for quality service as well as cost.

9.2 Payment of fees will be in accordance with the conditions of appointment. We will check all consultants' fee notices prior to making payment.

9.3 We will make timeous payment to consultants of fees due for each completed stage of the work.

9.4 As far as possible "at risk" works will be avoided.

MONITORING AND REVIEW OF POLICY

10.1 At the conclusion of each project, the performance of the consultant will be reviewed, using a proforma, and reported to the Board.

10.2 The operation of this policy will be monitored by the Board.

10.3 We will review this policy every 3 years. More frequent reviews will be considered if, for example, there is a need to respond to new legislation/policy guidance.

REFERENCES

11.1 Section 31(1) and (2) of the Public Services Reform (Scotland) (PSR) Act 2010 require public bodies to publish a statement of any external consultancy expenditure they have incurred during that financial year as soon as it is reasonably practicable after then end of each financial year.

11.2 The responsibility of reporting this expenditure falls within the remit of the Director of Finance & Corporate Services.

11.3 The use of Appointment of Consultants Policy is supported by related HHP policies and procedures and should be read in conjunction with, but not limited to, the following:

- Procurement Policies and Strategy;
- Openness and Confidentiality Policy;
- Anti-Corruption Policy Statement;
- Code of Conduct Policies;
- Entitlements, Payment and Benefits Policy;
- Development Policies;
- Disclosure of Interest Policy;
- Fraud Policy; and
- Risk Management Policy.

APPENDIX 1

AREAS & TASKS WHICH REQUIRE CONSULTANCY SERVICES

FUNDER'S VALUATION

TREASURY MANAGEMENT

STOCK CONDITION SURVEY

PAY & GRADING REVIEW

SALARY BENCHMARKING

TECHNICAL PROCUREMENT

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

Word	Interpretation
HHP or Partnership	Hebridean Housing Partnership
Board	Means the Board of the Hebridean Housing Partnership
Board Members	All Members of the Board including co-opted Members
VFM	Value for Money
All references to the masculine gender in this policy shall read as equally applicable to the feminine gender	

HHP is a registered society under the Co-operative and Community Benefit Societies Act 2014, Registered Number: 2644R(S),Registered Office: Creed Court, Gleann Seileach Business Park, Willowglen Road, STORNOWAY, Isle of Lewis HS1 2QP. It is a charity registered in Scotland, Charity Number:SCO35767, registered as Registered Social Landlord with the Scottish Housing Regulator, Registration Number:359 and registered as a Property Factor, Registration Number PF000183
Email: info@hebrideanhousing.co.uk
Web: www.hebrideanhousing.co.uk
Phone:0300 123 0773