

# Consultancy in the public sector

Andrew Etherington, Director at Andrew Etherington Associates on the real truth about consultancy in the public sector

Whilst considered unfashionable it is a stimulating and satisfying environment

It has long been the accepted wisdom that there is a hierarchy within the hospitality industry. 5 star hotels and restaurants are often seen to be sitting at the apex of the quality pyramid, looking down on the lesser mortals who inhabit the increasingly commonplace world of popular and mass catering.

This apparent pecking order is also reflected in the sphere of consultancy. The status of those involved at the highest echelons of our industry, often working at international level, is held to be in greater regard than that of the majority of consultants working on what are perceived to be more mundane projects.

Although I have a management background in top class hotels, my career path has taken me through contract catering before entering consultancy some 20 years ago. This, in turn, has taken me from B & I and latterly into the unfashionable, but highly rewarding public sector.

Working in the public sector is often perceived by outsiders to be less sexy than B & I, less high profile than the commercial sector and less lucrative than most other areas of work.

However, I would hold that a sector that includes a wide diversity of facilities including hospitals and elderly care, schools and colleges, prisons and local authority leisure centres, offers a great many potential challenges and business opportunities for consultants. Historically, such services were lumped together under the awful term of



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“institutional” catering. Indeed, the HCIMA (fore-runner of today’s Institute of Hospitality) was originally called the Hotel, Catering and Institutional Management Association, although thank heavens the “I” was changed to mean “International” in later years.

The reality is that the demands placed upon caterers (and consultants) operating within these areas are often greater than the more affluent sectors of our industry. As government budget cuts bite even deeper, the public sector is constantly engaging consultants to seek ways to reduce costs. Catering is often one of the first areas for close examination. Thus, much of my work is involved in seeking efficiencies through feasibility studies and business modelling, benchmarking, outsourcing and supporting in-house operations.

Recently I have worked with a local authority to develop strategies and options to bring together their surprisingly diverse catering services into one financially viable operation. Imagine the challenge of doing this where there are currently 47 different catering services encompassing, elderly

residential and day-care facilities, leisure centres and swimming pools, museums, theatres, visitor centres and country parks, plus a further 27 meals-on-wheels routes. It is definitely not an easy ride.

I have also directly assisted in the establishment of arms-length and/or commercial catering operations to replace former council-run services using a number of innovative business formats including joint-ventures and strategic partnerships with commercial operators, social enterprises and employee profit-sharing mutual companies. All of these demand a good level of financial acumen as well as a clear understanding of business governance. And that’s before we start thinking about the catering operation.

Cost cutting has presented further consultancy opportunities, as local authorities and NHS trusts continue to reduce headcount including senior and experienced managers, or even entire departments. There is an increasing move for neighbouring councils to share services and departments. It is not uncommon for police or social services to cross local borders and last year we saw

the first “tri-borough” tender for the school meals contract in 3 inner London councils.

However, this brings me on to my favourite topic – the challenges that one often encounters in the Procurement Department. There are well-established public sector procurement rules and protocols, yet in so many instances I come across authorities who want to reinvent the wheel, or put their own interpretation onto the tendering and selection procedure. They are also intrinsically process driven, and whilst I understand that fairness, transparency and value for money have to be achieved, the depth of detail and evidence sought from some tender evaluations can sometimes be mind-blowing. I once spent 4 days with a procurement team preparing a written narrative for each and every score given to each of 3 bids received. This was the same team that said that we shouldn’t be asking bidders for food samples at the presentation stage as it could be interpreted as being a bribe!

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However, I do obviously understand that public sector contracts are often high worth, and bidders are quick to make an official challenge if they believe that the outcome is unfair. A recent large school meals tender was won and lost on the basis of half a percentage point, so obviously the client needed full evidence to back up the scoring.

So, whilst consulting in the public sector might not access the high gloss world of fine dining or the super-rich, it can be stimulating, demanding and professionally very satisfying. Oh, and they always pay their invoices within 30 days.