



BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BRI 3UH

TELEPHONE: 020 8464 3333

CONTACT: Graham Walton  
[graham.walton@bromley.gov.uk](mailto:graham.walton@bromley.gov.uk)

DIRECT LINE: 020 8461 7743

FAX: 020 8290 0608

DATE: 16 August 2016

To: Members of the  
**CONTRACTS SUB-COMMITTEE**

Councillor Stephen Wells (Chairman)  
Councillor Chris Pierce (Vice-Chairman)  
Councillors Simon Fawthrop, William Huntington-Thresher, Russell Mellor,  
Keith Onslow and Angela Wilkins

A meeting of the Contracts Sub-Committee will be held at Bromley Civic Centre on  
**WEDNESDAY 24 AUGUST 2016 AT 7.00 PM**

MARK BOWEN  
Director of Corporate Services

*Copies of the documents referred to below can be obtained from*  
<http://cds.bromley.gov.uk/>

### **AGENDA**

**1 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS**

**2 DECLARATIONS OF INTEREST**

**3 QUESTIONS FROM COUNCILLORS AND MEMBERS OF THE PUBLIC  
ATTENDING THE MEETING**

In accordance with the Council's Constitution, questions to the Chairman of this Sub-Committee must be received in writing 4 working days before the date of the meeting. Therefore please ensure questions are received by the Democratic Services Team by 5pm on Thursday 18<sup>th</sup> August 2016.

**4 MINUTES OF THE MEETING OF CONTRACTS SUB-COMMITTEE HELD ON 22  
JUNE 2016 AND MATTERS ARISING (Pages 1 - 4)**

**5 CONTRACT MONITORING (ADULT SOCIAL CARE/STREET CLEANSING)**

**6 CONTRACTS REGISTER**

Copies of the Contracts Register will be circulated under separate cover.

7 **WORK PROGRAMME 2016/17 (Pages 5 - 8)**

8 **LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006 AND THE FREEDOM OF INFORMATION ACT 2000**

The Chairman to move that the Press and public be excluded during consideration of the items of business listed below as it is likely in view of the nature of the business to be transacted or the nature of the proceedings that if members of the Press and public were present there would be disclosure to them of exempt information.

**Items of Business**

**Schedule 12A Description**

9 **CONTRACTS ISSUES ARISING FROM INTERNAL AUDIT (Pages 9 - 18)**

Information relating to any individual.  
Information relating to the financial or business affairs of any particular person (including the authority holding that information)

## **CONTRACTS SUB-COMMITTEE**

Minutes of the meeting held at 7.00 pm on 22 June 2016

### **Present:**

Councillor Stephen Wells (Chairman)  
William Huntington-Thresher and Angela Wilkins

### **1 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS**

Apologies for absence were received from Councillors Simon Fawthrop, Russell Mellor, Keith Onslow and Chris Pierce.

### **2 DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **3 QUESTIONS FROM COUNCILLORS AND MEMBERS OF THE PUBLIC ATTENDING THE MEETING**

No questions had been received.

### **4 TERMS OF REFERENCE**

The Sub-committee noted the terms of reference agreed by the Executive and Resources PDS Committee on 12<sup>th</sup> May 2016 –

“To undertake the policy development and scrutiny role in respect of the Council’s commissioning and contracts functions (whilst respecting the responsibilities of service PDS Committees) and report to Executive and Resources PDS Committee as appropriate.”

### **5 WAIVERS - UPDATE FROM THE DIRECTOR OF FINANCE**

The Director of Finance attended the meeting to brief the Sub-Committee on the revised waiver processes in view of Members’ past concerns about the numbers of waivers, the fact that some had been required at a very late stage or even past the expiry date and the high value of some of the contracts involved. There would always be a pragmatic need for genuine waivers, but it was important that they were not just used for convenience, and the Director accepted that the situation had not been satisfactory in the past.

The Director confirmed that with structural changes in place with the creation of the Director of Commissioning post, the Commissioning Board and an improved Contracts Register process, the problems that had occurred in the past should not happen again, and there could be no excuses for late waivers in future. In particular, waivers needed to be presented with sufficient time for them to be

reviewed and challenged, rather than be signed automatically. In some situations there might only be one viable provider, but at other times it might be possible to develop a market or seek opportunities with other local authorities. Value for money, supported by evidence, had to be the key criteria.

The Sub-Committee considered that rigour and discipline were vital to the system, and commented that officers had to be aware that waivers had to be used appropriately. The Director confirmed that he was confident that the position had improved; the Sub-Committee welcomed this and sought an update in six months' time.

**RESOLVED that the situation be reviewed in six months' time.**

## **6 CONTRACTS FINANCIAL MANAGEMENT SYSTEM**

The Sub-Committee was updated on progress with the new Contracts system. A bespoke system was required as there were no off the shelf systems that would be sufficiently comprehensive; the Executive had authorised expenditure of £50k to fund a system developer to assist. The system was expected to be finished in about six months.

The system was based on the contracts summaries, with links to all the documents relevant to each contract, including waivers and committee reports, so it would be easy for officers to access all the history for each contract. It would also identify the service managers responsible for each contract, who would be responsible for keeping information on their contracts up to date. The system was for internal use, but it would be possible to publish relevant information to address transparency requirements. Members also commented that the system would be a powerful tool for Councillors and providing suitable information could encourage a wider range of companies to bid for contracts.

It was confirmed that all contracts with a total value above £50k would be captured on the system, including relatively short term contracts. The system would primarily display current contracts, but historical data from expired contracts would remain on the system and available.

**RESOLVED that a further update be provided before the end of the year.**

## **7 CONTRACT SUMMARIES**

The Sub-Committee received an update on progress with the contract summaries, which brought together all the key information about each contract. Summaries for all contracts on the Contracts Register had now been completed, and a copy was available at the meeting. This would be placed in the Members Room after the meeting, and a link would be provided to the summaries from the Contracts Member Teamsite.

## **8                    CONTRACTS REGISTER**

The Chairman requested that officers write to all PDS Committee Chairman urging them to ensure that the contracts register for their Portfolios was considered on their main agendas, and not just as an information item.

The Sub-Committee discussed whether Executive and Resources PDS Committee, which currently received the entire register covering all departments, should just receive the register for corporate or Resources Portfolio contracts, so that it could focus on these. The Committee's role included ensuring that control of contracting processes was maintained, but it also had to ensure that it did not impinge on the role of other PDS Committees.

The Sub-Committee was informed that the Public Protection service had received two very critical internal audit reports, on the CCTV and Stray Dogs contracts. As these contained serious issues about contracting processes, the Chairman considered that the Sub-Committee should investigate, and asked that these reports be circulated to Sub-Committee members before the next meeting. If necessary other items such as the consideration of Street Cleansing monitoring should be deferred to later meetings. The Chairman stated that he would try to establish whether the Public Protection and Safety Portfolio Holder and PDS Chairman were aware of the issues. Members were concerned that Internal Audit reports might not be passed on PDS Chairmen.

A Member suggested that PDS Chairman should be asked what plans they had for scrutinising and monitoring the contracts within their portfolios in the current Council year.

## **9                    CHANGES TO CONTRACT PROCEDURE RULES** Report CSD16097

The Sub-Committee considered a report setting out proposed amendments to the Contract Procedure Rules, which would be considered by the Audit Sub-Committee.

The amendments were mainly to reflect the changes to management arrangements and in particular the creation of the post of Director of Commissioning. The rules required that the Director of Commissioning be consulted with the proposed business case and associated management reports at least three months before intended implementation of any change of service beyond certain levels.

**RESOLVED that the proposed changes be supported.**

## **10                  MEMBER TRAINING UPDATE** Report CSD16096

Training sessions on commissioning and contracts had been held for Members in December 2015 and April 2016 to help prepare them for their changing role as the Council moved further towards being a commissioning authority. The sessions had

been attended by thirty five out of sixty Members; the Chairman stated that he was disappointed that the attendance level was not considerably higher.

**RESOLVED that officers arrange further training sessions in September aimed at those Members who had not attended so far.**

**11 WORK PROGRAMME AND MEETING DATES 2016/17**  
Report CSD16095

The Sub-Committee considered its work programme for 2016/17. A list of potential dates for future meetings had been circulated – once all Members of the Sub-Committee had responded the most suitable dates could be chosen. The next meeting was likely to be on 23<sup>rd</sup> or 24<sup>th</sup> August.

The Sub-Committee discussed whether they needed an update on the Parking contract, but it was considered that there was probably nothing further to learn from this contract.

A Member suggested that the Sub-Committee should look at how contracts were monitored. Street cleansing and adult care were proposed as services which would provide good examples. A report would be prepared for the August meeting.

The Meeting ended at 9.19 pm

Chairman

Report No.  
CSD16119

London Borough of Bromley

PART ONE - PUBLIC

---

**Decision Maker:**       **CONTRACTS SUB-COMMITTEE**

**Date:**                   **Wednesday 24 August 2016**

**Decision Type:**       Non-Urgent                   Non-Executive                   Non-Key

**Title:**                   **WORK PROGRAMME 2016/17**

**Contact Officer:**       Graham Walton, Democratic Services Manager  
Tel: 0208 461 7743   E-mail: graham.walton@bromley.gov.uk

**Chief Officer:**       Mark Bowen, Director of Corporate Services

**Ward:**                   N/A

---

1.   Reason for report

1.1 This report offers the Sub-Committee an opportunity to consider its work programme for 2016/17 and in particular to confirm dates of meetings for the remainder of the year.

---

2.   **RECOMMENDATIONS**

- (1)   **That the Sub-Committee considers its work programme and indicates any particular issues that it wishes to consider.**
- (2)   **The Committee considers and confirms future meeting dates.**

### Corporate Policy

1. Policy Status: Existing Policy:
  2. BBB Priority: Excellent Council:
- 

### Financial

1. Cost of proposal: No Cost:
  2. Ongoing costs: Not Applicable:
  3. Budget head/performance centre: Democratic Services
  4. Total current budget for this head: £335,590
  5. Source of funding: 2016/17 Revenue budget
- 

### Staff

1. Number of staff (current and additional): 8 (7.27 fte)
  2. If from existing staff resources, number of staff hours: N/A
- 

### Legal

1. Legal Requirement: None: Further Details
  2. Call-in: Not Applicable: This report does not involve an executive decision
- 

### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A
- 

### Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: Not Applicable



### 3. COMMENTARY

- 3.1 This report offers the Sub-Committee an opportunity to consider its future work programme and prioritise the key issues that need consideration.
- 3.2 A draft work programme is set out in Appendix A. The programme is based on holding six meetings through the year – roughly every two months. Proposed dates are set out in the appendix, based on Sub-Committee Members' availability as canvassed in July 2016. Members can add to these dates, or remove dates as necessary. Potential alternative dates are also set out in italics in the first column. For 2017/18, dates can be included in the main programme of meetings.
- 3.3 At the Sub-Committee's first meeting on 22<sup>nd</sup> June 2016, Members requested that further Member training sessions on Contracts and Commissioning be arranged in September. These sessions, run by the Director of Commissioning and Head of Corporate Procurement, provide key information about procedures in Bromley and an update on the latest information and approaches. Thirty five members have already attended one of these sessions; the intention is that the remaining twenty five Members will be encouraged to attend on one of the new dates. The proposed dates for the next sessions are –
- Thursday 22<sup>nd</sup> September 2016 (2.30pm)
  - Thursday 13<sup>th</sup> October 2016 (7pm)

<b>Non-Applicable Sections:</b>	Policy/Financial/Legal/Personnel/Impact on Vulnerable People & Children/Commissioning
Background Documents: (Access via Contact Officer)	None

**Work Programme 2016/17**

<b>Proposed Date</b>	<b>Issue</b>	<b>Officer</b>
<b><u>Meeting 3</u></b> Tuesday <b>11<sup>th</sup> October 2016</b>  <i>(or, 13<sup>th</sup> October?)</i>	Update on Contracts Management System (from Meeting 1)	Director of Commissioning
	Work Programme	DS Manager
<b><u>Meeting 4</u></b> Thursday <b>8<sup>th</sup> December 2016</b>  <i>(Or, 13/14 December?)</i>	Update on Waivers (from meeting 1)	Director of Finance
	Work Programme	DS Manager
<b><u>Meeting 5</u></b> Tuesday <b>31<sup>st</sup> January 2017</b>  <i>(Or, 9, 14, 15 February?)</i>	Work Programme	DS Manager
<b><u>Meeting 6</u></b> Tuesday <b>11<sup>th</sup> April 2017</b>  <i>(Or, 29 March, or 6, 12, 19, 20 April)</i>	Work Programme	DS Manager

# Agenda Item 9

By virtue of paragraph(s) 1,3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is left intentionally blank