



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: 30 November 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  
**THURSDAY 8 DECEMBER 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 Friday 2<sup>nd</sup> December 2016.

**4 MINUTES OF THE MEETING OF CONTRACTS SUB-COMMITTEE HELD ON 2ND  
NOVEMBER 2016 AND MATTERS ARISING**

(Pages 1 - 12)

The Sub-Committee to note that the revised Terms of Reference, as set out in minute 30, were approved by Executive and Resources PDS Committee on 23rd November 2016.

**5 EXPENDITURE ON CONSULTANTS 2015/16 AND 2016/17 - REFERENCE FROM RENEWAL AND RECREATION PDS COMMITTEE**

(Pages 13 - 30)

**6 STRAY DOGS CONTRACT - REFERRAL FROM AUDIT SUB-COMMITTEE**

(Pages 31 - 58)

An extract from Internal Audit Progress Report considered by Audit Sub-Committee on 29<sup>th</sup> November 2016 is attached along with the redacted Follow up Review by Internal Audit.

**7 WORK PROGRAMME 2016/17**

(Pages 59 - 62)

**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 AUTHORISATION FOR EXEMPTION TO CONTINUE THE CONTRACT FOR SUPPORT SERVICES TO CHILDREN AT RISK OF SEXUAL EXPLOITATION**

(Pages 63 - 68)

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

The report to Care Services PDS Committee on 15<sup>th</sup> November 2016 is attached.

## CONTRACTS SUB-COMMITTEE

Minutes of the meeting held at 7.00 pm on 2 November 2016

### Present:

Councillor Stephen Wells (Chairman)

Simon Fawthrop, Russell Mellor, Keith Onslow and  
Angela Wilkins

(Councillor Fawthrop left the meeting at 8.05pm.)

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

Apologies were received from Cllr Pierce and Cllr Huntington-Thresher. Councillor Fawthrop apologised as he would be leaving the meeting at 8pm.

### **22 DECLARATIONS OF INTEREST**

There were no additional declarations of interest.

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

No questions were received.

### **24 MINUTES OF THE MEETING OF CONTRACTS SUB-COMMITTEE HELD ON 24 AUGUST 2016 (EXCLUDING EXEMPT ITEMS) AND MATTERS ARISING**

The minutes of the meeting held on 24<sup>th</sup> August 2016 were agreed, and signed as a correct record.

In considering matters arising, the Chairman sought an update on whether the implementation of the database for the Contracts System remained on track for December 2016. The Director of Commissioning reported that the implementation of the system was going well and was on track for December 2016. It was agreed that a live demonstration of the system would be provided to Members at the meeting of the Contracts Sub-Committee in January 2017. The Director of Commissioning confirmed that once the system was fully operational, in March or April 2017, Members would be in a position to fully interrogate the data on the system and drill down into individual contracts. In response to a question, the Director of Commissioning confirmed that the system had been developed by the London Borough of Bromley and therefore had the potential to be marketed to other Local Authorities in the future.

The Chairman confirmed that he had written to the Chairman of the Audit Sub-Committee in regard to ensuring a more active dissemination of audit reports to

PDS Chairmen. The Contracts Sub-Committee stressed the importance of adequate scrutiny of audit findings in order to ensure that lessons were learnt and practices changed to guard against similar errors arising in the future. The Sub-Committee noted that PDS Chairmen were made aware of reports considered by the Audit Sub-Committee that affected their service areas although it was not always clear that these reports were then scrutinised by the relevant Committee and that all members of the Committee were aware that there were Audit Sub-Committee reports relating to the specific service committees. It was agreed that the Chairman would write to the PDS Chairmen to stress the need for adequate scrutiny of Audit Sub-Committee reports in order to drive improvements in contractual procedures.

In relation to leaf fall clearance (Minute 16), it was agreed that the Sub-Committee should consider this issue, along with wider issues relating to street cleansing, in more detail. In line with its remit, the Sub-Committee would only seek to review and consider contractual issues, leaving service specific issues to be considered by the Environment PDS Committee. The Head of Neighbourhood Management should be invited to the meeting to provide the Sub-Committee with an overview of ongoing and emerging contractual issues. In addition to this, the Director of Commissioning reported that a paper had been written setting out the difference between contract management and contract monitoring. The paper was designed to support staff with understanding the distinction between the two different processes. The Sub-Committee agreed that it would be helpful for the paper to be circulated to Members of the Sub-Committee as soon as possible to enable detailed consideration of the paper at the Sub-Committee's next meeting as part of discussions surrounding the street cleansing contract.

In response to a question concerning processes and policies for mitigating against known and unknown risks, the Chairman highlighted that there was an extensive Risk Register which set out risks to the Council, copies of which were available to Members on request. A Member suggested that in addition to departmental risk registers, a Corporate Risk Register, sitting across the Council as a whole and setting out strategic as well as departmental risks, should be developed. The Director of Commissioning highlighted that Contract Summaries also required Assistant Directors to undertake a detailed evaluation of risk.

In relation to Minute 17 (Contracts Register), the Chairman queried whether any further action had been taken in terms of ensuring that key dates were highlighted. The Director of Commissioning reported that this was being worked on and that key dates should be picked up as part of the contract monitoring process.

## **25 EDUCATION CONTRACT WAIVERS**

The Director of Education and the Commissioner: Education introduced the item and explained that in the period from August to September 2016, three Education contracts had been put forward for authorisation from the Portfolio Holder for Education. In each case, authorisation for an exemption to competitive tendering was sought to allow continuation of existing contract arrangements – but with insufficient time given to the Portfolio Holder, before the existing contract terms expired, to reasonably allow consideration of alternative courses of action.

The Sub-Committee considered a report which provided background to the Education contracts in question, and information on management action taken to avoid further instances of late notified decisions on contract actions.

The Portfolio Holder for Education had expressed significant concern at being presented with multiple incidences of late notified requests for authorisation; and asked the Director of Education to ensure that management action was taken to ensure that all future requests for similar authorisations (contract extensions and exemptions) were sought with at least six months remaining on the existing contracts terms, in line with the latest version of the Bromley Contract Procedure Rules.

In June 2016, ECHS had been restructured so that commissioning support, previously separately based within the ECHS Commissioning Team, was transferred into the respective departments within ECHS. From August 2016 onwards, the Commissioner Education had been tasked with providing oversight and monitoring of the contract portfolio within Education. It was noted that responsibility and accountability for each contract still sat with the relevant Head of Service or Budget Holder. The Commissioner Education now maintained a regularly updated status report on every contract held within Education Services. This was closely cross referenced with the ECHS Contract Register, with updates provided to the ECHS Procurement Team on a regular basis. The status report was Red/Amber/Green rated with Red contracts identified as at risk with immediate action necessary and Amber contracts identified as requiring action imminently (or action was underway and on track). The timeline for contract action was clearly identified for each contract. The status report was regularly circulated to all Education Managers and, more importantly, was a standing item at the fortnightly Education Management Team meeting where the status of each contract was reviewed.

This action had demonstrated immediate improvement in the timeliness of contract actions within the Education department. All contracts due to end in March 2017, requiring Education Portfolio Holder authorisation for extension and/or exemption, had been successfully finalised six months in advance of the contract end date. Likewise, authorisation for similar contract actions below the threshold for Portfolio Holder authorisation, had been completed six months prior to the contract end date. For other contracts that were due to end in March 2017, a Request for Quotes or tender process was underway. Heads of Service had been informed that no authorisation for extension or exemption, at any authorisation level, would be supported for any contract that required a tender process or Request for Quotes process to take place – it would be up to the Head of Service to manage any issues that arose from any delay in completing the tender process.

It was not possible to guarantee that all exemption authorisation requests were finalised no later than six months prior to the existing contract end date as there were circumstances that could arise outside of officer control. However, the Education department expected that, notwithstanding exceptional circumstances outside of officer control, all future contract authorisation actions requiring Member decision would be presented at least six months in advance, allowing proper

consideration of alternative options to be given.

The Commissioner: Education provided assurances to the Sub-Committee that a series of management actions had been put in place to ensure that avoidable delays in contractual processes did not occur in the future. Contracts were being closely monitored and contractual processes were either already completed or underway for those due to expire in March 2017.

The Chairman reported that the robust management action that had been taken was in line with what he would have expected from his previous experience working with the Department. The Chairman sought further information concerning how the situation with James Dixon Primary School had arisen. In response, the Director of Education explained that the school had been in a period of transition with a change in Head Teacher. As a school they had been concerned about the impact of expansion on the school as a whole. Following months of discussion and negotiation a point was reached where the school declared they were not ready for permanent expansion. The Director of Education further reported that the school would shortly be converting to academy status.

In response to a question concerning the budgetary implications of a waiver that had been approved but not used, the Director of Commissioning confirmed that there would be no budgetary implications as the release of funding would only be triggered once the waiver was used. The Departmental Head of Finance would have been involved in identifying funding for the contract and would ensure that the necessary funding was available. A Member suggested that reports seeking contract waivers should provide an explanation of the budget from which the funding had come.

Turning to the Education Department Contracts Register, the Chairman noted that the SIMS Licenses for schools contract would not continue and queried whether another service would be put in its place. In response, the Commissioner: Education confirmed that the contract would not be replaced as academies were responsible for funding their own licenses and it was not financially viable for the Local Authority to fund licenses for the few remaining maintained schools. All affected schools were informed in September 2016 and no issues had been raised.

The Committee considered the challenges surrounding SEN Transport and the savings that were required in order to contain spending within budget. The Director of Commissioning stressed that a significant piece of commissioning work surrounding SEN Transport needed to be undertaken. Work to identify how money was currently being spent and whether more service users could be placed in Borough had already begun. The Director of Education reported that a paper, seeking to review an alternative framework for SEN transport to include a broader range of providers, would be presented to the Executive in due course. The Chairman agreed that a fundamental review of SEN transport was required as current options were limited which in turn limited the potential for savings. A new approach to SEN transport was required. The Director of Commissioning reported that she met regularly with the Chief Executive, the Director of Education, and the Head of ECHS Finance to review how the SEN transport service was delivered. In

the future, in order to address budgetary issues, a change in the policy approach to SEN transport may be required. Work had only just commenced on this and would continue until a viable resolution had been identified.

**RESOLVED: That the report and the management actions put in place to ensure timely action in relation to Education contracts in future be noted.**

## 26 PARKING CONTRACT - UPDATE

(Councillor Fawthrop left the meeting during consideration of this item)

In reviewing the contents of the report, a Member noted that it had been significantly redacted, did not contain any commercially sensitive information and therefore did not justify consideration in Part 2 of the agenda. It was consequently moved by Cllr Wilkins, seconded by the Chairman, and carried that the report be considered in public (Part 1).

In April 2013, the shared parking service between LB Bromley and LB Bexley for which it was agreed that LB Bromley would be the host borough formally came into being. The formal Collaboration Agreement between the two boroughs was approved in February 2013. The principal objectives of the shared service were to develop best service practice and to realise a saving in management costs and other overheads without detriment to the delivery of the front-line service.

A key element of the business case for establishing the shared parking service was the opportunity to realise further savings and efficiencies by bringing the boroughs together in a single shared parking contract when their existing contracts expired. Harmonisation of the boroughs' approaches to parking enforcement was already underway when the joint procurement of a single shared service contract commenced.

Bromley's current contract with Vinci Park Services (now known as Indigo) commenced in October 2006 and was due to end in September 2016. The contract included provision of the following services:

- Patrolling and enforcing on-street parking restrictions through the issue of PCNs.
- Patrolling and enforcing all council-owned car parks through the issue of PCNs.
- Car park management and maintenance.
- Equipment maintenance and management.
- Collecting cash from pay and display machines, and pay stations in multi-storey car parks.
- School crossing patrols, funded by TfL and individual schools.

Bexley's current contract with NSL commenced in April 2010 and was due to end in April 2017, following agreement to align the contract end date with LB Bromley. The contract included the following services:

- Patrolling and enforcing on-street parking restrictions through the issue of PCNs.
- Patrolling and enforcing car parks through the issue of PCNs.
- CCTV mobile units.

In March 2015, Bromley Council's Executive agreed the scope of the procurement and indicative timetables. Officers worked on and developed a Contract and Specifications with associated KPIs which was fit for purpose and meet the requirements of Parking Services and the Council over the next 10 years. A contract extension report was approved by the Portfolio Holder in July 2016 to ensure continuity of service through to 2 April 2017. The tender specification and process was drafted in such a way as to obtain quotes from companies for the provision of service to either one authority or both authorities for a period of 5 years with a possible extension of 5 years or a period of a straight 10 years. The shared service led on this joint procurement exercise. A management board was created comprising of officers at senior officer and operational level who worked closely together over a two year period to establish a specification which was fit for individual authorities or as a joint solution.

The Board provided close scrutiny and governance of the process and insured that all procurement and legal requirements were fully adhered to and monitoring procedures established as part of the contract to insure the highest standards were achieved and maintained by the successful contractor. The shared service would continue to monitor the performance of contractors as it had since the commencement of the service in April 2013.

The Assistant Director for Leisure and Culture provided the Sub-committee with the background to the item and reported that Officers were on track to deliver the outcome of the tendering exercise for consideration by the Executive in November 2016 as previously advised. The evaluation and scoring of the tender documents that had been received would be completed by Friday 4 November 2016 with final evaluation completed by Tuesday 8 November 2016. A two part report (Part 1 in public and Part 2 containing commercially sensitive information) would be put forward to the reporting PDS Committees during November and the Executive on 30 November 2016. The paper that had been circulated to the Contracts Sub-Committee was a very rough first draft of the report as officer time had been dedicated to tender evaluation rather than writing the report.

The Assistant Director for Leisure and Culture explained that a range of expertise, especially procurement and commissioning processes and practices, had been drawn upon during the qualitative evaluation process. The Chairman was pleased to hear this as it demonstrated that lessons had been learnt from earlier issues that had arisen in contractual processes. The Director of Commissioning stressed the importance of collaborative working between the commercial group, the commissioning group, and the service group. This type of collaborative working had been undertaken for the tendering process for the new parking contract and it was clear that this positive approach to collaborative working had delivered improvements within the tender process. Members stressed that this positive approach to collaborative working needed to be replicated and emulated across all service areas in order to ensure that the correct contractual processes and

procedures were followed.

A Member queried how the lessons learnt from audit processes surrounding the existing parking contract had been incorporated into the new contract. The Assistant Director provided assurances that the contract specification set out the Council's expectations on any new provider in terms of the processes they would be expected to undertake to ensure that any staff working for the London Borough of Bromley were eligible to work in the United Kingdom. The Head of Parking reported that he had personally seen the eligibility checks now being undertaken on new staff in terms of checking passports and work permits. The Head of Parking confirmed that he was confident that robust checks and balances were now in place. In terms of issues with hand-held units, all such units were password protected with passwords being checked and changed on a regular basis. Civil Enforcement Officers also wore body cameras that were regularly monitored. Managers were confident that hand-held devices were being used by the staff to whom they had been issued.

A Member queried the length of the new contract stressing that 10 years appeared to be a long time for a contract. In response, the Director of Commissioning explained that a more competitive price could be obtained for a 10 year contract as there was less risk to the company who were more likely to recoup costs over a longer period of time. A longer term contract would need to be considered in order to increase value for money. Once tenders had been received and evaluated, any additional risks of a longer term contract would need to be weighed against any reduction in cost to identify whether the risks were worth the reduced costs to the Council. The Assistant Director of Leisure and Culture confirmed that in order to extend the life of the contract innovation had been built into the specification. One such innovation being explored was a more to more cashless collection as this carried fewer risks to the Council.

**RESOLVED: That the update be noted.**

## **27 CORPORATE CONTRACTS REGISTER**

The Sub-Committee considered the Contracts Register in detail. The Committee reviewed the contracts flagged on the register as 'red' and 'amber'. A number of issues with contracts displaying as 'red' on the published register had now been resolved and would revert to 'white'.

In relation to CEX1 (Information Management/SharePoint Review), the Director of Commissioning reported that the 10 month delay in the contractual process would not worsen and the new targets that had been set would be met.

In relation to ECHS 54 (Support Services to Children at Risk of Sexual Exploitation), the Director of Commissioning reported that she had been working closely with the Interim Director of Children's Services on this contract in response to the issues that had emerged from the recent Ofsted Inspection. It was clear that the current contract would not deliver the services that were necessary in order to protect young people at risk of sexual exploitation in the Borough now and into the future. A further 1 year extension to the current contract was being sought

in order to provide sufficient time for a detailed specification for a new contract to be developed. The Director of Commissioning was clear that this had to be the last contract extension as it was imperative that a contract was in place to protect young people at risk of sexual exploitation. The Sub-Committee requested that further details of the ongoing work surrounding this contract be provided at the next meeting. It was suggested that it may be helpful for the Interim Director of Children's Services to attend the next meeting to explain to the Sub-Committee the work that was being undertaken in relation to this Contract following the Ofsted inspection.

The Director of Commissioning reported that the Commissioning Board process appears to be working well with a number of issues being resolved and strategies being put in place. The Chairman noted the progress that had been made and stressed the need for action to now be taken on the contracts that were recorded as 'amber'. The Director of Commissioning explained that in certain circumstances contracts were flagged as amber to enable ongoing monitoring of the contractual processes.

**RESOLVED: That**

**(1) The Contracts Sub-Committee be provided with an update in relation to ECHS 54 (Support Services to Children at Risk of Sexual Exploitation) at its next meeting in December 2016; and**

**(2) the updated contracts register be noted.**

**28 CHANGES TO CONTRACT PROCEDURE RULES**

The Head of Procurement had provided a copy of the report considered by the Commissioning Board in relation to amendments to the Contract Procedure Rules and Associated Guidance and Practice notes to enable improved management and members scrutiny of Contract Waivers and Exemptions to reflect the Council's revised Commissioning Arrangements. The proposed amendments had come about as a result of concerns expressed by members and officers surrounding the application of the Council's Contract Procedure Rules with insufficient time being allow for the consideration of alternative action. There was also a need to update the Contract Procedure Rules to reflect the new structures being put in place around the Council's management arrangements and the creation of the Director of Commissioning posts, with responsibility for the overview of procurement and commissioning arrangements around service provision.

The Director of Commissioning provided an overview of the proposed changes explaining that they ensured that she was involved in any decisions surrounding contractual issues. The Chairman suggested that it would be prudent to refer somewhere in the "Steps Prior to Purchase" section to value for money.

In relation to "Exemptions to the Need for Competitive Tender", the Sub-Committee recommended that it be made clear within the Contract Procedure Rules that where authorisation was sought from a Portfolio Holder any report would also be considered by the relevant service PDS Committee.

The Sub-Committee noted that any amendments to the Contract Procedure Rules would need to be approved by either the Executive or the Council.

The Director of Commissioning reported that the new Commissioning Directorate appeared to be operating well. Processes were now becoming imbedded and whilst there was still work to be done, governance was much tighter and the Council was in a much better position than it was 6 or 7 months ago. The Chairman suggested and it was agreed that it would be prudent for the Sub-Committee to undertake a review of the first year of operation of the Directorate in June 2017.

The Director of Commissioning reported that the Head of Audit had undertaken a piece of work around what auditors looked at when undertaking audits. The resulting paper would provide an excellent basis for training in contract procedures across the Council. It was suggested that the papers also be circulated to Members of the Sub-Committee for information.

**RESOLVED: That the proposed amendments to the Contract Procedure Rules be noted.**

## **29 GUIDANCE NOTES ON CONTRACT TIMETABLING**

The Sub-Committee considered a paper from the Head of Procurement which provided advice on the potential timescale which may be required when completing commissioning and procurement activity. It included an allowance for any necessary reporting/authorisation requirements set out in the Council's Financial, Commissioning and Procurement Procedures. The timescales took account of the need to consult and/or get the agreement of various corporate officers, and the proposed service delivery arrangements.

The Chairman recommended that it would be helpful to cascade the guidance notes through the organisation as the guidance provided staff with a clear indication of the complexity of the contractual process and how long it would take to complete. It was essential that sufficient time was allowed for developing a specification that was fit-for-purpose, the tendering process and the evaluation process. It was clear that in the past managers had significantly underestimated how long these processes would take. The Director of Commissioning stressed the need for a strong specification and strong KPIs as without these elements the contract was unlikely to deliver what was required. The guidance that had been developed was there to support the delivery of successful contracts. Members of the Sub-Committee expressed the view that if staff failed to take the advice of the Commissioning Directorate this failure would need to be managed through the annual performance appraisal process. A Member stressed the need to ensure that staff clearly understood that contract procedure rules would be enforced through a robust annual appraisal process. Not adhering to contract procedure rules should be considered to be poor performance.

A Member also stressed the importance of the legal team being involved in the process at the earliest opportunity. The Member stressed the importance of

officers from the Legal Service being involved in the development of tendering documents as these often formed the basis of a legal agreement and could place the Council at risk if they were not developed in line with contract law.

The Director of Commissioning highlighted that the Council currently outsourced services at a cost in excess of £190 million. A standard specification for outsourced services already existed and only needed to be altered to reflect innovations within services. The only time a specification would be difficult to write was when a service was being outsourced for the first time. In this circumstance it was essential that sufficient consideration was given to the needs of the service and what needed to be delivered by the contract and this process was complex and took time.

**RESOLVED: That the Guidance Notes on Contract Timetabling be noted.**

**30 TERMS OF REFERENCE**  
Report CSD16141

The Contracts Sub-Committee was established by the Executive and Resources PDS Committee in May 2016, with the following terms of reference:

*“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.”*

Further consideration had been given to these terms of reference with a view to clarifying the Sub-Committee’s role. The Chairman stressed that the role of the Sub-Committee was to review contracts that could teach the Council and its Members something, such as lessons learnt. The Chairman stated that he was not convinced that service PDS Committees were reviewing the contracts register for their services on a regular basis. He stressed the need to ensure that the Contracts Sub-Committee did not become a repository for all contract issues as a result of the service PDS Committee not adequately fulfilling their responsibilities in terms of scrutiny of the contracts register. This view was endorsed by the Sub-Committee Members who agreed that the contracts register should be regularly reviewed by the PDS Committees.

Following detailed consideration, it was agreed that the Sub-Committee should recommend the adoption of the proposed terms of reference for the Contracts Sub-Committee to the Executive and Resources PDS Committee:

*“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.”*

*This will include –*

- *promoting best practice across the Council on commissioning, contracts*

*and contract monitoring issues;*

- *reviewing the corporate contracts register and in particular the “commissioning journey” for contracts with a value of £500,000 and above, or any contracts where there is a defined risk, making recommendations as appropriate;*
- *considering contracts issues raised by the Executive, Policy Development and Scrutiny Committees and the Audit Sub-Committee;*
- *making recommendations to Audit Sub-Committee on the Contract Procedure Rules;*
- *making any other contractual related recommendations to the Chief Executive and the Executive as appropriate.”*

**RESOLVED: That the Executive and Resources PDS Committee be recommended to approve the amended terms of reference for the Contracts Sub-Committee.**

**31 WORK PROGRAMME 2016/17**  
Report CSD16140

The Sub-Committee considered its work programme for 2016/17. Members agreed the following additions to the work programme:

December 2016 Meeting

- The Contracts Register would be circulated to Members of the Sub-Committee for information but would not be considered at the meeting.
- The following items would be added to the agenda:

Update from the Audit Sub-Committee on 29 November 2016  
Review of the V22 Contract (to understand more closely how the contract can be monitored and managed)  
Update on Support Services to Children at Risk of Sexual Exploitation  
Stray Dogs Contract Update (to understand the contractual processes and how this contract failed)  
CCTV Contract Update

January 2017 Meeting

In addition to the items reflected on the work programme, the Sub-Committee would also receive a live demonstration of the Contract Management System from the Director of commissioning.

A Member noted with disappointment that only 4 Members had attended the last contract briefing session. The Chairman stressed the need for all Members to attend the training and it was suggested that Political Group Leaders should

actively encourage Members to attend this essential training. The Chairman highlighted that it was the responsibility of the service PDS Committees to effectively monitor the delivery of contracts and questioned how any Member who had not attended the training could adequately fulfil their duties in relation to contract monitoring and scrutiny.

**RESOLVED: that**

- 1. The work Programme be approved, subject to the amendments outlined above.**
- 2. The future meeting dates, 8<sup>th</sup> December 2016, 31<sup>st</sup> January 2017, and 11th April 2017, be confirmed.**

**32 EXEMPT MINUTES OF THE MEETING HELD ON 24TH AUGUST 2016**

In reviewing the minutes, a Member noted that no commercially sensitive information was contained within the Part 2 minutes. The Senior Lawyer present suggested that there was a possibility that contractors could be identified from the minutes however, a Member highlighted that there was nothing within the minutes that was not already in the public domain. Referring to the requirement for transparency whenever possible the Member considered the minutes should be made public. It was therefore moved by Councillor Wilkins and seconded by the Chairman that the minutes be moved into Part 1 of the agenda. Following a vote, with 3 Members in favour of the motion and 1 against, the motion was carried and consideration of the minutes moved into Part 1. (Councillor Mellor requested that his dissenting vote be recorded).

The previously exempt minutes of the meeting held on 24<sup>th</sup> August 2016 were agreed, and signed as a correct record.

The Meeting ended at 9.40 pm

Chairman

Report No.  
CSD16181

London Borough of Bromley

PART ONE - PUBLIC

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

**Date:**                    **Thursday 8 December 2016**

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

**Title:**                    **EXPENDITURE ON CONSULTANTS 2015/16 AND 2016/17:  
REFERENCE FROM RENEWAL AND RECREATION PDS  
COMMITTEE**

**Contact Officer:**       Kerry Nicholls, Democratic Services Officer  
Tel: 020 8313 4602    E-mail: kerry.nicholls@bromley.gov.uk

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

**Ward:**                    Borough-wide

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1.    Reason for report

- 1.1    At its meeting on 22<sup>nd</sup> November 2016, the Renewal and Recreation PDS Committee considered a report outlining the total expenditure of the Local Authority on consultants for 2015/16 for the Renewal and Recreation Portfolio. This had been referred by the Executive and Resources PDS Committee which had considered a report on Local Authority expenditure on consultants across all Council departments for both revenue and capital budgets at its meeting on 7<sup>th</sup> September 2016 and had requested that this expenditure be considered by the PDS Committees for each Portfolio.
- 1.2    Following consideration of the report, the Renewal and Recreation PDS Committee resolved that expenditure on consultants relating to the Renewal and Recreation Portfolio be noted, but that the Contracts Sub-Committee be requested to consider whether the format by which Local Authority expenditure on consultants was reported be modified to identify whether or not expenditure had been approved and individual projects taken forward.
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2.    **RECOMMENDATION**

- 2.1    **The Contracts Sub-Committee is asked to consider the format by which Local Authority expenditure on consultants is reported.**

## Impact on Vulnerable Adults and Children

1. Summary of Impact: Not Applicable
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## Corporate Policy

1. Policy Status: Existing Policy: As part of the Excellent Council workstream within Building a Better Bromley, issues relating to the presentation of information to committee should be referred to the most appropriate committee for consideration.
  2. BBB Priority: Excellent Council
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## 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
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## Personnel

1. Number of staff (current and additional): 8 posts (7.27 fte)
  2. If from existing staff resources, number of staff hours: Preparing a reference report takes less than an hour of staff time.
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## Legal

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

1. Summary of Procurement Implications: None.
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## Customer Impact

1. Estimated number of users/beneficiaries (current and projected): This report is intended primarily for the benefit of the sixty Members of the Council in considering future information relating to expenditure on consultants.
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## 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 At its meeting on 22<sup>nd</sup> November 2016, the Renewal and Recreation PDS Committee considered a report outlining the total expenditure of the Local Authority on consultants for 2015/16 for the Renewal and Recreation Portfolio. This had been referred by the Executive and Resources PDS Committee which had considered a report on Local Authority expenditure on consultants across all Council departments for both revenue and capital budgets at its meeting on 7<sup>th</sup> September 2016 and had requested that this expenditure be considered by the PDS Committees for each Portfolio.
- 3.2 Following consideration of the report, the Renewal and Recreation PDS Committee resolved that expenditure on consultants relating to the Renewal and Recreation Portfolio be noted, but that the Contracts Sub-Committee be requested to consider whether the format by which Local Authority expenditure on consultants was reported be modified to identify whether or not expenditure had been approved and individual projects taken forward.
- 3.3 The relevant extract from the draft minute of Renewal and Recreation PDS Committee on 22<sup>nd</sup> November 2016 is provided below for Members' information:

Minute 33 (draft) – Expenditure on Consultants 2015/16 and 2016/7

Report CSD16150

*“...A Member noted the format by which Local Authority expenditure on consultants was reported and requested that the Contracts Sub-Committee consider whether this should be modified to identify whether or not expenditure had been approved and the project taken forward.”*

- 3.4 The report 'Expenditure on Consultants 2015/16 and 2016/7' (CSD16150) considered by Renewal and Recreation PDS Committee on 22<sup>nd</sup> November 2016 is attached as **Appendix A**.

<b>Non-Applicable Sections:</b>	Impact on Vulnerable Adults and Committees, and Policy, Financial, Personnel, Legal and Procurement Implications.
Background Documents: (Access via Contact Officer)	N/A

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Report No.  
CSD16150

London Borough of Bromley

PART ONE - PUBLIC

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**Decision Maker:** RENEWAL AND RECREATION PDS COMMITTEE

**Date:** Tuesday 22 November 2016

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

**Title:** EXPENDITURE ON CONSULTANTS 2015/16 AND 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

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1. Reason for report

- 1.1 At its meeting on 7<sup>th</sup> September 2016, the Executive and Resources PDS Committee considered the attached report on expenditure on consultants across all Council departments for both revenue (appendix 2) and capital (appendix 3) budgets. The Committee requested that the report be considered by all PDS Committees.
- 

2. **RECOMMENDATION**

**That the Committee considers the information about expenditure on consultants relating to the Renewal and Recreation Portfolio contained in the attached report, and considers whether any further scrutiny is required.**

### Impact on Vulnerable Adults and Children

1. Summary of Impact: N/A
- 

### Corporate Policy

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

### Financial

1. Cost of proposal: Not Applicable:
  2. Ongoing costs: One –off expenditure met from within existing budgets
  3. Budget head/performance centre: Consultants
  4. Total current budget for this head: N/A
  5. Source of funding: Existing revenue and capital budgets
- 

### Personnel

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

### Legal

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

### Procurement

1. Summary of Procurement Implications: N/A
- 

### 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 Revenue expenditure on consultants in the Renewal and Recreation Portfolio is set in Appendix 2, and is focussed on (i) one-off specialist advice, no-one with specialist skills, (ii) insufficient in-house skills/resources and (iii) Planning. Expenditure amounted to £344,174 in 2015/16 and £30,805 in 2016/17 to date.
- 3.2 Capital expenditure on consultants in the Renewal and Recreation Portfolio is set out in Appendix 3. Appendix 3A covers expenditure in 2015/16 (£52,290.70), and Appendix 3B covers the first quarter of 2016/17 (£66,654.00).

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

**Decision Maker:** EXECUTIVE AND RESOURCES POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

**Date:** 7 September 2016

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

**Title:** EXPENDITURE ON CONSULTANTS 2015/16 AND 2016/17

**Contact Officer:** Claire Martin, Head of Finance  
Tel: 020 8313 4286 E-mail: [claire.martin@bromley.gov.uk](mailto:claire.martin@bromley.gov.uk)  
David Bradshaw, Head of Finance  
Tel: 020 8313 4807 E-mail: [david.bradshaw@bromley.gov.uk](mailto:david.bradshaw@bromley.gov.uk)  
Tracey Pearson, Chief Accountant  
Tel: 020 8313 4323 E-mail: [tracey.pearson@bromley.gov.uk](mailto:tracey.pearson@bromley.gov.uk)

**Chief Officer:** Peter Turner, Director of Finance

**Ward:** N/A

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1. Reason for report

Members of ER PDS requested a full report on Consultant expenditure be submitted each year. Officers have therefore looked at total expenditure in 2015/16 and expenditure to date for 2016/17 for both Revenue and Capital Budgets.

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2. **RECOMMENDATIONS**

**Members to:-**

**2.1 Note the overall expenditure on Consultants as set out in this report.**

**2.2 Refer this report onto individual PDS Committees for further consideration**

### Corporate Policy

1. Policy Status: Not Applicable
  2. BBB Priority: Not Applicable:
- 

### Financial

1. Cost of proposal: N/A
  2. Ongoing costs: All one-off expenditure met from allocated budgets
  3. Budget head/performance centre: Consultants
  4. Total current budget for this head: £N/A
  5. Source of funding: Revenue & Capital
- 

### Staff

1. Number of staff (current and additional): N/A – one-off costs
  2. If from existing staff resources, number of staff hours:
- 

### Legal

1. Legal Requirement: None:
  2. Call-in: Not Applicable
- 

### Customer Impact

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

### Ward Councillor Views

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

### **3. COMMENTARY**

- 3.1 ER PDS members requested information on the Councils expenditure on Consultants be reported each year. To do this officers have looked at the total expenditure in 2015/16 and also the expenditure for this financial year as at the end of June 2016. This work covered both Revenue and Capital expenditure.
- 3.2 The basic reason for the use of consultants is that at times the Council requires that specialised work is undertaken for specific projects. This is particularly valid when consultants are engaged to work on large scale projects. For completeness expenditure on Architects, Engineers, Surveyors and other consultants commissioned to work on Capital Projects have been included as these generally meet the definition of one-off projects. Proposed expenditure on Capital Projects will have been approved by Executive before being included in the Capital Programme.
- 3.3 The Councils Contract Procedure rules sets out the procurement process to be followed when appointing a consultant and there is also guidance available to staff about what needs to be included in the formal agreement when engaging a consultant, which as a minimum needs to confirm the overall cost, project deliverables, clear brief and reporting arrangements. Appendix 1 provides this in more detail.
- 3.4 There is an element of subjectivity as to what constitutes a “consultant” as a number of services could fall within this definition, however it is generally defined as “a person brought into the Council to carry out a specific job” which is not on-going. For the purposes of this report expenditure on medical fees, counsel and legal fees have been excluded as these are considered to be professional fees rather than consultants.
- 3.5 In looking at consultants, members need to be minded that officers will use them to carry out work on the Council’s behalf when:-
- There is no one internally with the relevant skills or experience
  - There is no capacity/resources available to undertake this work
  - Specialist skills are required
- 3.6 It is important when recruiting a consultant that the project brief sets out the reasons for the use of consultant, that officers have consider any alternative options and also to evaluate the effectiveness of the work undertaken by consultants within the authority.
- 3.7 The benefit of employing consultants is that the Council makes a saving in relation to employer National Insurance and pension contribution. Also in employing consultants the Council is under no obligation to pay consultants for days when they are not working for the Council e.g. sickness and holiday and they are only engaged for a specific period of time – however offsetting this is that these staff are often more expensive.
- 3.8 The risk in not using consultants is that the Council would have to recruit a more substantial and specialised workforce at a greater expense.
- 3.9 This report provides a detailed breakdown of all costs officers believe are consultants, broken down over Portfolio’s and service areas. This is shown in Appendix 2 (revenue) and Appendix 3 (capital). It also examines the procurement arrangements associated with engaging the consultants as part of that process.

### **4. FINANCIAL IMPLICATIONS**

- 4.1 Included in the body of the report.

## 5. LEGAL IMPLICATIONS

- 5.1 There is a considerable amount of legislation affording specific employment rights such as paid holiday, maternity leave and pay, entitlement to redundancy payments, minimum notice periods and protection from unfair dismissal, to name but a few to employees. Self-employed consultants, on the other hand, are not entitled to these enhanced statutory rights or protections.
- 5.2 In addition to statutory rights, an employer/employee relationship also implies a duty of trust and confidence between the parties concerned and suggests that neither should act in such a way as to undermine it. This notion introduces the idea of reasonableness into the way in which employers treat their employees. But the relationship between an organisation and a self-employed consultant does not have the same implied duties, with the consultant's protection relying largely on the contractual terms in place.
- 5.3 Describing a role as a consultant will not provide a definitive position and as a starting point, there are three key areas that should be evaluated:
- (i) a requirement for personal service
  - (ii) the existence of mutuality of obligation
  - (iii) the level of control that the council has over an individual.
- 5.3.1 **Personal service** - Is the individual personally required to perform services for the company? An employee is someone who is employed under a contract of service, that is, a contract that requires them to personally turn up for work and carry out the duties requested of them. A consultant, on the other hand, is engaged under a contract for services, that is, a contract under which they agree to provide the company with particular services. But, while they are obliged to ensure that these services are provided, they are not necessarily required to carry out the work personally.
- 5.3.2 **Mutuality of obligation** - Are employers obliged to offer individuals work under their agreed contract? Equally, if an employer offers an individual work, are they obliged to accept it? If they are, it could indicate an employment relationship.
- 5.3.3 **Control** - How much control does the employer have over an individual? Who decides what work needs to be done, how it should be done and when?
- 5.4 HMRC uses different, albeit similar, criteria when determining individual's employment status or otherwise. This means that an individual could be considered an employee for tax purposes and yet remain a consultant from an employment perspective. As stated above the process of engaging consultants is being tightened with the appropriate checks and balances. These will reduce or eliminate the obvious employment law risks including the accrual of the statutory protection rights set out in para 5.1 above. HR advice should be sought to ensure that each assignment/engagement is not likely to give rise to employment or "contract of services.

<b>Non-Applicable Sections:</b>	
Background Documents: (Access via Contact Officer)	Held in finance teams

## 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 <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.

Category / Supplier Name	Division /Serv. Area	15-16	16-17	Description	Procurement procedure followed	No. of quotes obtained	Date Reported to Members
		£	£				
<b>One-off specialist advice, no one with relevant specialist skills</b>							
AECOM INFRASTRUCTURE & ENVIRONMENT UK LTD	Planning	16,650	0	Sustainability Appraisal.	4 quotes sought, within relevant financial limit - rule 8.5	4	
DSP	Planning	3,950	0	Viability assessments for CIL, affordable housing and Affordable Housing update.	4 quotes sought, within relevant financial limit - rule 8.5	4	
STRATEGIC LEISURE	Planning	10,350	0	Open space audit.	Single quote under CPR 8.5.1	1	
THE LANDSCAPE GROUP LTD	Planning	1,089	0	Ecological survey.	Single quote under CPR 8.5.1	1	
ACCESS MATTERS UK	Recreation	1,350	0	Access Audit St George's RAF Memorial Chapel.	Single quote under CPR 8.5.1	1	
CS	Recreation	2,345	0	Reviewing papers, advising by telephone and drafting advice - Library Closures.	Single quote under CPR 8.5.1	1	
FOURTH STREET PLACE CONSULTANTS	Recreation	15,000	0	Biggin Hill Business Plan and Market Appraisal.	3 quotes sought, awarded by officer within	2	
LAVAT CONSULTING LTD	Recreation	1,000	0	For VAT advice with reference to the Bromley MyTime.	Single quote under CPR 8.5.1	1	
MOSAIC FUTURES LTD	Recreation	4,400	0	To undertake a feasibility study for BIDs in Beckenham and Penge town centres.	Request For Quotations under CPR 8.5	4	Yes - as part of TCM Update report to R&R PDS
MRS C.R	Recreation		2,710	Paper conservator - item of museum artwork.	Single quote under CPR 8.5.1	1	
MUSEUM OF LONDON ARCAEOLOGY SERVICE	Recreation	215	0	Training in cleaning of human remains in museum collection.	Single quote under CPR 8.5.1	1	
QUARTERBRIDGE PROJECT MANAGEMENT LTD	Recreation	7,246	0	Specialist Advice for Bromley Town Centre and updates on Bromley market Business Case.	Single quote under CPR 8.5.1	1	yes - TCM update report
RW	Recreation	594	0	Café in Crystal Palace Park - perusing papers and advising by email.	Single quote under CPR 8.5.1	1	
THE OAKLEAF GROUP	Recreation	8,097	0	Condition Surveys of Central Library.	Single quote under CPR 8.5.1	1	
TP BENNETT LLP	Recreation	8,000	1,420	Feasibility study for proposed Capital Development / Gym Centre - Chipperfield Road.	Invitation to tender	3	
<b>One-off specialist work total</b>		<b>80,286</b>	<b>4,130</b>				
<b>Insufficient in-house skills / resources</b>							
COLLIERS INTERNATIONALS UK PLC	Planning	23,470	0	Advice on best value considerations in relation to redevelopment of property and Financial Viability work for Hayes Court & 208 - 214 High street.	3 quotes in line with Financial Regulations	3	
TONY FULLWOOD ASSOCIATES	Planning	7,175	0	Review of Local Plan Management.	Single quote under CPR 8.5.1	1	
WARNER LAND SURVEYS LTD	Planning	1,790	0	Bromley Town Centre Central Area Public Realm Project - Topographical survey.	Single quote under CPR 8.5.1	1	
CALFORDSEADEN LLP	Recreation	950	0	Structural inspection of Penge Library.	Single quote under CPR 8.5.1	1	
CENTRAL MANAGEMENT	Recreation	4,945	0	Event Management Service.	Single quote under CPR 8.5.1	1	
DARCSTUDIO LTD	Recreation	1,000	0	Design services - Café Design Visualisation.	Single quote under CPR 8.5.1	1	
DV	Recreation	1,000	0	Design services.	Single quote under CPR 8.5.1	1	
GE	Recreation	7,400	0	Provide estimate rental value, advice, prepare reports and Investigations.	Single quote under CPR 8.5.2	1	
JB MARKET RESEARCH SERVICES LTD	Recreation	8,198	0	Library Consultation, paper, online and street survey.	3 quotes sought, awarded by Chief officer within relevant financial limit- rule 8.5	1	

Category / Supplier Name	Division /Serv. Area	15-16	16-17	Description	Procurement procedure followed	No. of quotes obtained	Date Reported to Members
		£	£				
JB MARKET RESEARCH SERVICES LTD	Recreation	5,987	0	To undertake face to face shopper surveys in Bromley Town Centre and outlying town centres & provide committee style report on findings.	Single quote under CPR 8.5.1	1	
LOLLIPOP EVENTS LTD	Recreation	4,512	0	Event Management Service.	Single quote under CPR 8.5.1	1	
SNAPPIN' TURTLE PRODUCTIONS LTD	Recreation	16,000	0	Biggin Hill Memories and History Filming Project.	Single quote under CPR 8.5.1	1	
CS AVIATION CONSULTANCY LTD	Regeneration	11,591	0	Biggin Hill Aviation consultancy.	Single quote under CPR 8.5.1	1	As part of Biggin Hill report to Executive 17.11.15
COLE JARMAN LTD	Regeneration	45,105	7,963	Biggin Hill Noise Action Plan.	Waiver under Contract Procedure Rule 13.1- Negotiated tender- Authorised by Chief Officers/ Executive Members.	1	Hill report to Executive 11.2.15 and 15.6.16
<b>Insufficient in-house skills total</b>		<b>139,123</b>	<b>7,963</b>				
<b>Planning</b>							
AJ OAKES & PARTNERS	Planning	220	0	Professional Fees - annual calculations/negotiation and uplifts to the pricing framework rates for the contract.	Single quote under CPR 8.5.1	1	
BNP PARIBAS REAL ESTATE	Planning	6,250	0	Review of viability assessments submitted with planning application.	3 quotes sought, within relevant financial limit - rule 8.5	3	
KEMP & KEMP LLP	Planning	14,127	15,930	Planning appeals work.	Single quote under CPR 8.5.1	1	
LAMBERT SMITH HAMPTON GROUP LTD	Planning	8,212	0	Review of viability assessments submitted with planning application and appeal work.	Single quote under CPR 8.5.1	1	
READING AGRICULTURAL CONSULTANTS LTD	Planning	2,474	1,492	Review of agricultural matters for planning application/appeal.	Single quote under CPR 8.5.1	1	
LAND USE CONSULTANTS LTD	Planning	2,007	1,290	Land use Consultants for ecology surveys and reports re applications & appeals e.g. bassetts applications/Ecology Support.	Single quote under CPR 8.5.1	1	
POLE STRUCTURAL ENGINEERS	Planning	2,000	0	Review of structural matters for planning application/appeal.	Single quote under CPR 8.5.1	1	
PHD CHARTERED TOWN PLANNERS	Planning	7,852	0	Planning appeals work.	Single quote under CPR 8.5.1	1	
REGIONAL ENTERPRISE LTD	Planning	21,885	0	Assistance with planning pre-application advice.	Single quote under CPR 8.5.1	1	
RICHARD GRAVES ASSOCIATES LTD	Planning	4,032	0	Ecology Advice for planning application.	Single quote under CPR 8.5.1	1	
RM	Planning	2,550	0	Planning appeals work.	Single quote under CPR 8.5.1	1	
SS	Planning	1,418	0	Planning appeals work.	Single quote under CPR 8.5.1	1	
SUTTLE PICKETT & PARTNERS LTD	Planning	4,597	0	Structural Consultant checking of structural elements of application.	Single quote under CPR 8.5.1	1	
THE POWER SERVICE	Planning	10,340	0	Consultants Electrical Works to ascertain compliance with Part P - Building Regulation.	Single quote under CPR 8.5.1	1	
TIBBALDS PLANNING & URBAN DESIGN LTD	Planning	34,102	0	Planning appeals work.	3 quotes in line with Financial Regulations	3	
WATERMAN INFRASTRUCTURE	Planning	2,700	0	Review of transport assessment for planning application.	Single quote under CPR 8.5.1	1	
<b>Planning total</b>		<b>124,765</b>	<b>18,712</b>				
<b>GRAND TOTAL</b>		<b>344,174</b>	<b>30,805</b>				

## Summary of Capital Consultants Cost 2015-16

	Supplier Name	RENEWAL & RECREATION PORTFOLIO	Scheme	No. of Quotes	Procurement Procedure followed i.e. Full tendering, Waiver etc..	Procurement reported to Members
<b>Architects</b>						
	KINNEAR LANDSCAPE ARCHITECTS LTD	29,725.00	Penge Town Centre	All suppliers within the relevant Lot were invited to quote.	GLA TFL Framework mini competition	R&R PDS 27/10/2015
<b>Total - Architects</b>		<b>29,725.00</b>				
<b>Engineers</b>						
	TRUEFORM ENGINEERING LTD	3,038.82	Bromley North Village Public Realm Improvements	1	TfL Call -off contract (TfL Framework)	No
	JCT CONSULTANCY LTD	345.00	LIP Formula Funding	1	Only Supplier for this. Under £5,000 within CPR's 8.5.1	No
<b>Total - Engineers</b>		<b>3,383.82</b>				
<b>Surveyors</b>						
	CAD MAPS	2,250.00		3 requested	mini competition	No
<b>Total - Surveyors</b>		<b>2,250.00</b>				
<b>Multi Disciplinary / Other Consultants</b>						
	APPLEYARD & TREW	500.00	Bromley North Village Public Realm Improvements	1	Single written quotation (CPR 8.5.1)	No
	FRANKHAM CONSULTANCY GROUP LTD	9,437.63	Central Library & Churchill Theatre - chillers & controls	All suppliers within the relevant Lot were invited to quote.	Construction Related Consultancy Services 2012	No
	M&S TRAFFIC LTD	200.00	Bromley North Village Public Realm Improvements	3 requested	mini competition	No
	SAVERNAKE PROPERTY CONSULTANTS LTD	5,292.75	Pavilion Leisure Centre - redevelopment & refurbishment	Single quote	Waiver from R&R Portfolio Holder under CPR's 13.1	R&R PDS 12/10/2010
	STACE LLP	1,501.50	Central Library & Churchill Theatre - chillers & controls	All suppliers within the relevant Lot were invited to quote.	Construction Related Consultancy Services 2012 Framework	No
<b>Total - Multi Disciplinary / Other Consultants</b>		<b>16,931.88</b>				
<b>Total Consultants</b>		<b>52,290.70</b>				

## Summary of Capital Consultants Cost 2016-17 (Qtr 1)

	Supplier Name	RENEWAL & RECREATION PORTFOLIO	Scheme	No. of Quotes	Procurement Procedure followed i.e. Full tendering, Waiver etc..	Procurement reported to Members
<b>Architects</b>						
	KINNEAR LANDSCAPE ARCHITECTS LTD	12,075.00	Penge Town Centre	All suppliers within the relevant Lot were invited to quote.	GLA/TFL Framework mini competition	R&R PDS 27/10/2015
	ROBIN LEE ARCHITECTURE	36,809.00	Biggin Hill Memorial Museum	All suppliers within the relevant Lot were invited to quote.	ADUP Framework	No
<b>Total - Architects</b>		<b>48,884.00</b>				
<b>Multi disciplinary consultant / Other Consultants</b>						
	FRANKHAM CONSULTANCY GROUP LTD	3,780.00	Central Library & Churchill Theatre - chillers & controls	All suppliers within the relevant Lot were invited to quote.	Construction Related Consultancy Services 2012 Framework	No
	ODGERS CONSERVATION CONSULTANTS LTD	2,120.00	Crystal Palace Park Improvements	1	Single Tender (Under £30,000 within CPR's 8.5.1)	No
	REDMAN PARTNERSHIP LLP	11,870.00	Relocation of Exhibitions - Bromley Musuem	2 received	Tender through Due North (twice, only two tenders received, Chief Officer approval to proceed). All tenders evaluated on price and quality using CIPFA model.	No
<b>Total - Multi disciplinary / Other consultants</b>		<b>17,770.00</b>				
<b>Total Consultants</b>		<b>66,654.00</b>				

## Contracts Sub-Committee

8<sup>th</sup> December 2016

### Extract from Report to Audit Sub-Committee on 29<sup>th</sup> November 2016

#### 3.23 Stray Dogs Contract Follow Up

- 3.24 The original audit report was originally reported to this Committee as a Part 2 item for contract and management reasons. These are now concluded and the follow up report is summarised below.
- 3.25 The review of the stray dog contracts was commissioned by the Executive Director of ECS following issues raised by the Head of Audit in May 2015. The Internal Audit report, finalised in November 2015, identified 9 priority 1 recommendations relating to contractual arrangements with providers, contract management, compliance to contract procedure rules and financial regulations, value for money and income and expenditure procedures. The full report was presented to Audit Sub Members on the 1<sup>st</sup> December 2015 and an update on progress taken to the April Committee. Members were informed in April 2016 that management had reacted swiftly to the major issues; retendering the kennelling contract on a pay as you go basis; renegotiating the collection contract and seeking Member approval for two policies relating to rehoming and destruction of stray dogs. The update report concluded that progress had been made for three priority 1 recommendations; contractual arrangements, analytical information reported to Members and the rehoming/do not destroy policy. These recommendations were considered implemented and therefore closed. The priority 1 recommendation relating to supporting documentation held for contracts and the departmental policy to retain documents was partially implemented. Although 5 priority 1 recommendations were outstanding, Internal Audit acknowledged that significant changes and improvements had been made by the Head of Service. Given the new contract with another kennel supplier had only been operational since February 2016 it was agreed to carry out the follow up audit review after a 6 month period.
- 3.26 The follow up review was supported by audit testing on source data provided by the contractor for securing stray dogs, invoices submitted by the suppliers and records maintained by the responsible officers. Interviews were held with officers involved in the stray dog process and also management to determine progress on findings deemed to be departmental. There have been two major changes since the original report; the change in legislation requiring all dogs to be micro chipped, that came in to force on the 1<sup>st</sup> April could impact on the volume of dogs collected and sent to kennels and secondly the move to a pay as you go contract rather than block booking reserved kennels.
- 3.27 Annual payments to the stray dogs contractor for the dog collection service have remained at £63K for this financial year. The variation to contract signed

in July 2016 has formalised the additional duties that the contractor will undertake to offset the reduced number of stray dog referrals. Payments to Lodge Kennels, as at 30/8/16 is £6K; £480 has been paid to Battersea Dogs and Cat Home (BDCH). The contractor returns show that for the first quarter 2016/17 13 dogs have been collected and returned to owner, 35 dogs collected and transferred to kennels and there were 37 aborted calls. Extrapolating the kennelling costs for the first 3 months the average cost for each dog is £3.6K/35 dogs £103 which represents 10 days in kennel.

- 3.28 The follow up review concludes that of the 5 outstanding priority 1 recommendations 2 have been fully implemented relating to waivers and value for money. The 3 recommendations relating to contract monitoring, payment of invoices and collection of income are partially implemented. There are minor findings in all three areas that prevent full implementation but it is acknowledged that the service have made significant progress in all three areas that would warrant a priority 2 recommendation rather than the priority 1. For the 1 partially implemented recommendation, relating to retention of documentation, this is now considered fully implemented. The retention of documents will be routinely tested for all contracts as audit reviews are undertaken in the department.
- 3.29 As a result of the follow up audit we will not be reporting on this contract as there are no priority one issues.

**FINAL INTERNAL AUDIT REPORT**  
**ENVIRONMENT AND COMMUNITY SERVICES**

**FOLLOW UP REVIEW OF THE STRAY DOGS CONTRACT**  
**2016-17**

**Issued to:** Jim McGowan, Head of Environmental Protection  
Dan Jones, Assistant Director, Street Scene and Greenspace  
Nigel Davies, Executive Director ECS  
Claire Martin, Head of Finance, ECS

**Prepared by:** Principal Auditor

**Date of Issue:** 17th November 2016  
**Report No.:** ECS/012/01/2016

## INTRODUCTION

1. This report sets out the results of our systems based follow up audit of the Stray Dogs Contract. The audit was carried out in quarter 3 as part of the programmed work specified in the 2016/17 Internal Audit Plan, agreed by the Director of Finance and Audit Sub-Committee.
2. The controls we expect to see in place are designed to minimise the department's exposure to a range of risks. Weaknesses in controls that have been highlighted will increase the associated risks and should therefore be corrected to assist overall effective operations.

## AUDIT SCOPE

3. This follow up review of the stray dog's contract considered the progress made on implementing the agreed recommendations identified in the final Internal Audit report issued in November 2015. The review included interviews with the Head of Service, Assistant Director Street Scene and Greenspace and responsible officers in the Public Protection Division, and documented current working practices. Contractor A provided the Bromley dog register as at the 28.9.16, downloaded from the SharePoint site. From this spreadsheet stray dog collections for May and June 2016 were tested to ensure compliance to agreed procedures and contractual arrangements with each provider. All dogs returned to their owner during the sample period were checked to income records and invoices submitted by contractor B for May and June 2016 were checked to the dog register and supporting documentation. The findings of the follow review up are discussed in the paragraphs below with an opinion as to whether the recommendation has been implemented, partially implemented or is still outstanding.

## MANAGEMENT SUMMARY

4. The review of the stray dog contracts was commissioned by the Executive Director of ECS following issues raised by the Head of Audit in May 2015. The Internal Audit report, finalised in November 2015, identified 9 priority 1 recommendations relating to contractual arrangements with providers, contract management, compliance to contract procedure rules and financial regulations, value for money and income and expenditure procedures. The full report was presented to Audit Sub Members on the 1<sup>st</sup> December 2015 and an update on progress taken to the April Committee. Members were informed in April 2016 that management had reacted swiftly to the major issues; retendering the kenneling contract on a pay as you go basis; renegotiating the collection contract and seeking Member approval for two policies relating to rehoming and destruction of stray dogs. The update report concluded that progress had been made for three priority 1 recommendations; contractual arrangements, analytical information reported to Members and the rehoming/do not destroy policy. These recommendations were considered implemented and therefore closed. The priority 1 recommendation relating to supporting documentation held for contracts and the departmental policy to retain documents was partially implemented. Although 5 priority 1 recommendations were outstanding, Internal Audit acknowledged that significant changes and improvements had been made by the Head of Service. Given that the new contract with contractor B had only been operational since February 2016 it was agreed to carry out the follow up audit review after a 6 month period. This follow up review will be reported to Audit Sub in November 2016.

## FOLLOW UP REVIEW OF STRAY DOG CONTRACT 2016-17

5. The follow up review was supported by audit testing on source data provided by contractor A, invoices submitted by the suppliers and records maintained by the responsible officers. Interviews were held with officers involved in the stray dog process and also management to determine progress on findings deemed to be departmental. There have been two major changes since the original report; the change in legislation requiring all dogs to be micro chipped, that came in to force on the 1<sup>st</sup> April and could impact on the volume of dogs collected and sent to kennels and secondly the move to a pay as you go contract rather than block booking reserved kennels.
6. Annual payments to contractor A for the dog collection service have remained at £63K for this financial year. The variation to contract signed in July 2016 has formalised the additional duties that contractor A will undertake to offset the reduced number of stray dog referrals. Payments to contractor B, as at 30/8/16 is £6K; £480 has been paid to contractor C. Contractor A returns show that for the first quarter 2016/17 13 dogs have been collected and returned to owner, 35 dogs collected and transferred to kennels and there were 37 aborted calls. Extrapolating the kenneling costs for the first 3 months the average cost for each dog is £3.6K/35 dogs £103 which represents 10 days in kennel.
7. The follow up review concludes that of the 5 outstanding priority 1 recommendations 2 have been fully implemented relating to waivers and value for money. The 3 recommendations relating to contract monitoring, payment of invoices and collection of income are partially implemented. There are minor findings in all three areas that prevent full implementation but it is acknowledged that the service have made significant progress in all three areas that would warrant a priority 2 recommendation rather than the priority 1. For the 1 partially implemented recommendation, relating to retention of documentation, this is now considered fully implemented. The retention of documents will be routinely tested for all contracts as audit reviews are undertaken in the department.
8. The findings of the follow up work for the April update to Members are shown at Appendix A as well as the audit findings and opinion resulting from the work undertaken in September 2016.

### SIGNIFICANT FINDINGS (PRIORITY 1)

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Of the 9 priority 1 recommendations identified in the Internal Report for Stray Dogs, finalised in November 2015, 6 have been completed and the recommendations considered closed. For the remaining 3 recommendations shown as partially implemented in this report, significant progress has been made. Each of these three recommendations had multiple elements and the division has achieved full implementation of some of the elements; in the case of contract monitoring, the recommendations relating to occupancy and block booking became redundant when the service moved to a pay as you go basis. The findings identified during this follow up review for these 3 partially implemented recommendations are now considered to be priority 2 and as such the recommendations will be removed from the priority 1

## **FOLLOW UP REVIEW OF STRAY DOG CONTRACT 2016-17**

list reported to Members. The Stray Dogs contract has now been transferred to an Environmental Health Officer with defined roles and responsibilities for monitoring, income and expenditure processes. During the course of the follow up, findings were discussed with responsible officers and the need to develop a spreadsheet to handle the data that is generated for this service. It is also suggested that the division consider the training needs of both officers, specifically Financial Regulations and Contract Procedure Rules.

### **DETAILED FINDINGS/MANAGEMENT ACTION PLAN**

10. Any new findings and re-recommendations are detailed in Appendix B of this report and require management comment. Appendix A provides information on the recommendations that are being followed-up and Appendix C give definitions of the priority categories.

### **ACKNOWLEDGEMENT**

11. We would like to thank all staff contacted during this review for their help and co-operation

No	Recommendation	Management Comment	Target Date	Responsibility	Follow-up comments	Status
1	<p><b>Review the formal contract arrangements with contractor A for the collection and transfer of stray dogs.</b></p> <p><b>Acknowledging that the provision of kennelling is currently under review; formalise a contract for this service once the provider has been selected.</b></p> <p><b>Review the contractual terms to ensure that the Authority has the option to renegotiate service provision.</b></p> <p><b>Retain a copy of the contracts within the department for reference and monitoring purposes</b></p> <p><b>Ensure that any variation to service provision is supported by an adequate audit trail and formalised with the service provider.</b></p> <p><b>Priority 1</b></p>	<p>A desktop review of the contractor A contract has been completed and a meeting has been arranged with the Company to discuss possible variations to the contract.</p> <p>Fourteen local kennels were contacted with the view of providing this service. Six responded stating that they were not interested in taking on local authority stray and abandoned dogs and three companies stated that they were prepared to consider providing this service through until April 2017, as per the Executive report for co-terminosity of contracts.</p> <p>The contract will be for the sixteen or seventeen months through until April 2017, with proposal to review every March.</p> <p>The contracts have historically been held by the Legal Department. However it is now</p>	Oct/Nov 2015	Head of Environmental Protection (HoEP)	<p><b>Audit Sub Update April 2016</b></p> <p>The follow up of this recommendation has indicated that following negotiations with contractor A, the existing provider for the dog collection service, a variation to contract has issued but at the time of this report still under negotiation. Although there is a reduction in the number of dogs any saving will be offset against additional services; liaising and updating contractor C and transporting any dog to the overflow unit in Brands Hatch. Contractor A will also provide emergency cover if the nominated kennels is full at a negotiated cost of £14.50 per kennel per day. The fixed cost element of the collection service was £63,565 for 2015/16 and will remain the same for 2016-17.</p> <p>Fourteen local kennels were contacted to tender for the kennelling provision. Responses were received from 6, of which 4 registered an interest and supplied a competitive quote. Providers were asked to quote on a pay as you go basis but would need to keep a number of kennels open to meet the Council's statutory duty. Two quotes were comparable, the third from contractor B, significantly cheaper. Contractor B met the criteria. The number of dogs collected and taken to kennels had been decreasing since 2012/13 and with the change in legislation for all dogs to be microchipped, strays should be reunited with their owners before kennelling and therefore the capacity at the nominated kennels should be adequate but to cope with any spikes in demand contractor A will provide emergency kennelling.</p> <p>Contractor B has been given a 2 month order for kennelling with a view to issuing a 12 month order if the initial period is successful. This will allow an end date of April 2017 to comply with the Executive directive for contracts to be co terminus. Given the lower unit price of £10 and an average of 6 dogs a day for Bromley the maximum payable to this provider should be £21,900 pa. The specification for kennelling provision was issued with the i-Proc order to</p>	Completed

No	Recommendation	Management Comment	Target Date	Responsibility	Follow-up comments	Status
		<p>proposed that a contracts file will be set up, which will hold copies of the contract and all relevant monitoring and review records.</p> <p>The contracts file will contain all contract variations and all associated paperwork.</p>			<p>ensure that basic terms and conditions can be applied.</p> <p>A copy of the variation to contract and the specification is retained in the contract folder held in the shared area. Access to amend and delete is limited to the contract owner and line report to ensure the documents are protected. The development of the contract monitoring document for Public Protection will require managers to specify both hard and soft copies of contracts.</p> <p><b>September 2016</b></p> <p>A 12 month I-Proc for 2016-17 was issued to both Contractor B and Contractor C. The variation to contract was signed by Contractor A and Bromley July 2016.</p>	
2	<p><b>Establish contract folders in the team's shared area for a soft copy trail of all key information.</b></p> <p><b>The Authority must, independent to the contractor's advice, evidence service delivery changes in terms of need and cost to verify that value for money options have been evaluated. Documentation should be evidenced that both parties accept the service changes.</b></p> <p><b>Ensure that all officers transfer relevant e-mails to the contract folder</b></p>	<p>This is being carried out; see comment above.</p> <p>All service delivery changes will be evidenced in writing by both parties and stored in the contracts file in order to provide an audit trail.</p> <p>All documentation, computerised notes, emails, faxes, letters and any other</p>	Nov/Dec 2015	HoEP	<p><b>Audit Sub Update April 2016</b></p> <p>This recommendation related to the loss of information when key officers left the organisation and the availability of contract information in a shared area. Variation to service delivery had been verbal or confirmed by e-mail but was not then available for audit inspection. The follow up of this recommendation has shown that the HoEP confirmed a change in working practice to ensure that all matters relating to contracts were supported by e-mail, stored in the contract folder in the shared area. The EDM confirmed that the contract monitoring summary that is being developed for Public Protection will detail all variations and links to the supporting documentation, waiver committee report as appropriate.</p>	Partially Implemented

No	Recommendation	Management Comment	Target Date	Responsibility	Follow-up comments	Status
	<p><b>in a timely manner to ensure continuity of information.</b></p> <p><b>Ensure that any information pertinent to a contract is recovered from an officer due to leave the Authority.</b></p> <p><b>The Department should review their retention of documents policy to ensure it complies with Financial Regulations. This includes any information that is held within e-mails.</b></p> <p><b>Priority 1</b></p>	<p>communications will be transferred to and stored in the contracts file.</p> <p>The storage and recovery of officer held information is a Departmental and prior to review, corporate matter and advice is being sought as to how this should be progressed.</p> <p>To protect the contracts locally in the interim, all paperwork associated with the contracts will be stored on the contracts file where it cannot be deleted. This is subject to a departmental Review; see above comments</p>			<p><b>September 2016</b></p> <p>Internal Audit were given access to the Environmental Protection shared drive and confirmed that the contracts folder contains contract information appertaining to the management of the stray dogs contract. Following the previous Internal Audit review and subsequent management review the Lead Practitioner in the Environmental Protection Team was nominated as the contract lead for stray dogs and the manager for all associated administrative tasks. This officer recently left the Authority and responsibility now passed to an Environmental Health Officer. The handover was adequately supported by the trail of documentation held in the contracts folder.</p>	Completed
3	<p><b>Ensure that analytical information reported to Members can be evidenced to supporting source data. This relates to the 15% saving quoted to be achieved by procuring kennelling direct from Contractor D, not evidenced.</b></p> <p><b>[Priority 1]</b></p>	<p>As identified in this audit, a considerable amount of evidentiary material was missing, subsequent to the Contract monitoring officer being made redundant and leaving the Authority.</p> <p>As per recommendation 2 above, the contracts file will contain all necessary evidence, including the analytical information and will be stored such that it cannot be deleted/removed/destroyed without the appropriate Managerial authority.</p>	Oct 2015	HoEP	<p><b>Audit Sub Update April 2016</b></p> <p>This relates to the 15% saving quoted to be achieved by procuring kennelling direct from contractor D that was not evidenced. Management approached the former contract manager, responsible for the information provided and it was established that contractor A were planning to impose a 15% admin charge for processing contractor D invoices. As this recommendation relates to an event in the past and the process covered by the move to shared contract folders, this priority 1 recommendation is considered closed.</p>	Completed

No	Recommendation	Management Comment	Target Date	Responsibility	Follow-up comments	Status
4	<p><b>Review the current arrangements for a rehoming service as the Authority currently part fund a rehoming officer employed by the provider.</b></p> <p><b>Declare the non-statutory element as a potential saving within the service. Formalise the Authority's policy for rehoming stray dogs as a non-statutory service.</b></p> <p><b>Evidence Member opinion that the Authority has a "do not destroy" policy and how this is to be implemented in terms of service, to ensure minimal cost to the Authority. [Priority 1]</b></p>	<p>The Manager of this service has ceased funding the rehoming service at the kennels and has approached contractor C with regard to re homing the LB Bromley abandoned and stray dogs.</p> <p>Negotiation has been entered into with contractor c for them to take the dogs and rehome them for a one off fee of £40 per dog, (subject to various conditions), which is 50% lower than the quotes received from the Private Kennels.</p> <p>This has not been considered as a potential saving as the cost of euthanasia was generally considered higher than the cost of re homing. This has been confirmed in the recent quotes obtained from three kennels on a pay as you go basis where the euthanasia option is estimated to be £15,000 more than re homing. This will be included in the January PDS Report.</p> <p>In the past the Members of Public Protection and Safety PDS have expressed the requirement for a non-</p>	Dec 2015/Jan 2016	HoEP	<p><b>Audit Sub Update April 2016</b></p> <p>The audit review identified that the service was paying £13.5K pa for a rehoming officer employed by the previous nominated kennels. A follow up of this recommendation has shown that this practice ceased and contractor C was approached to take on this function. A flat fee of £40 per dog has been agreed and there are contingency plans with contractor A should contractor C be closed to new dogs for any period of time.</p> <p>Members of the Public Protection and Safety PDS at their meeting on 20<sup>th</sup> January 2016 agreed to formalise two policies; the euthanasia of banned breeds or those dogs unsuitable for re-homing and secondly the kennelling of dogs deemed fit to be rehomed that had not been claimed after the statutory period.</p>	Completed

No	Recommendation	Management Comment	Target Date	Responsibility	Follow-up comments	Status
4 Con		<p>destruct policy. However, this needs to be evidenced as it does not appear in the recorded Minutes of the meetings.</p> <p>In view of this recommendation to declare a saving on this non-statutory element of the service and to formalise the Authority's Policy, of rehoming or destroying all such dogs in achieve this saving, a formal Report will be put before members at the January PDS to make this decision.</p> <p>This was not a recommendation discussed with JM and it should be noted that a policy of destruction for healthy, unwanted dogs would result in the existing Dog Warden contractor refusing to work with Bromley and closing down the contract and most kennels, including contractor C also refusing to work with Bromley Council. Being associated with a Borough that has a positive policy to destroy healthy dogs is unacceptable to most of the people/companies in this business and it is unlikely that Bromley would be able to provide a service.</p>				

No	Recommendation	Management Comment	Target Date	Responsibility	Follow-up comments	Status
5	<p><b>Review contract monitoring for this service to ensure compliance to CPR 23.</b></p> <p><b>For a service that is procured as block booked units, management must evidence that utilisation is regularly monitored to evidence continued need and thus value for money. Underutilisation is a cost to the Authority and should be addressed in contract monitoring meetings.</b></p>	<p>A review of the Contract Monitoring Rules in CPR section 23.5 is to be carried out for the whole Department as part of a wider Corporate review. Appropriate action to ensure full compliance with CPR 23.5 will be taken, subject to advice from Procurement</p> <p>The use of block booking does not provide for any refund for underutilisation. The kennels are pre booked for the exclusive use of the Council in order to meet their Statutory responsibility. They were paid for whether vacant or occupied in order to ensure LB Bromley exclusivity as previously explained. However, in view of the Audit comments, this procedure has been dropped and the Council will now book the kennels on a pay as you go basis.</p> <p>The action plan provides more detail on this new proposal as there is a risk that the Authority may have no kennel in which to place some dogs and a number of back up plans will need to</p>	Oct 2015 and Jan 2016 for ownership issues	HoEP	<p><b>Audit Sub Update April 2016</b></p> <p>A meeting was held with the Environmental Development Manager (EDM) who had been tasked with reviewing the departmental issues relating to contract management and compliance to contract procedure rules. The EDM and the HoEP are currently producing the contract management summary for Public Protection in line with the document produced for Environment and Community Services; recognised as an example of good practice for contract management and monitoring.</p> <p>The follow up of this recommendation has shown that as the kennelling contract was awarded to contractor B on a pay as you go basis the monitoring of usage/occupancy is important and the service monitor actual usage patterns to identify if more favourable terms can be negotiated at a later date. The service will reconcile data from contractor A to the kennelling returns. The team have developed a spreadsheet to record each dog collected to then track the dog through to outcome, including costs and income due. KPI's for contractor A would be identified once the draft variation to contract has been returned.</p> <p>At the time of the follow up review, no contract monitoring meetings had been held; the new service and kennelling arrangements have only been operational since the end of January 2016. It is planned to hold quarterly monitoring meetings with both providers, the minutes to be scanned and stored in the contract folder in the shared area.</p> <p>The EDM confirmed that the contract monitoring summaries, published for Environment and Community and currently being reviewed for Public Protection, will collate all the information required for effective monitoring.</p>	Progress to implement

No	Recommendation	Management Comment	Target Date	Responsibility	Follow-up comments	Status
5 Co	<p><b>The department must account for the monthly occupancy sheets prior to payment of an invoice and interpret the data recorded to identify underutilisation.</b></p> <p><b>The duration of kennelling for each dog should not exceed statutory requirements or locally agreed limits, (as evidenced by a contract), when the ownership has passed to the kennels.</b></p>	<p>be put in place to protect the Council's position in the case that several dogs are collected at in a short period of time and there are no vacant kennels available. The statistics have been analysed and the risk calculated as approximately 10% of the time the Council will not be able to meet its statutory duty and the action plan describes the processes that are being put in place to address this risk. There will be no underutilisation as the proposal is to move to a pay as you go system.</p> <p>All invoices will continue to be checked to occupancy and reconciled with contractor A statistics, on a monthly basis, prior to payment.</p> <p>The duration of occupancy is of no concern to the Council once ownership is passed to a third party as all subsequent costs are also transferred with ownership.</p> <p>Local Authority has a Statutory duty to kennel the dog for seven days and on day eight must decide whether to put the dog up for rehoming or to destroy the dog.</p>			<p><b>September 2016</b></p> <p>The EDM confirmed that all Public Protection contracts are now included in the contract monitoring summary for Environmental Services. Contract monitoring for the whole Council is being further developed so that the contract summaries held as Word documents on Sharepoint, will be a database that will upload and collate information from other sources such as FBM. Managers will be responsible for the information held on the database and updating as necessary. The database will provide the contract information to be reported to all PDS Committees and Contracts Sub Committee to allow continuity and accuracy. The timescale for this project is early 2017.</p> <p>The Technical Support Team Manager in the Street Scene and Greenspace division has developed a dashboard reporting tool to enable more effective contract monitoring. The system has been trialled with the street cleansing contract and will be rolled out to all contracts within the division including PP. Information is collected from all sources and used to identify trends, peaks and troughs; contract managers will be asked to explain variances.</p> <p>The procurement of kennels from the provider is still on a pay as you go basis. Information is transferred from contractor A's schedule to Uniform and then checked to the monthly invoices received for each dog held at the nominated kennels. There is no apparent register of dogs submitted by the kennel provider to summarise the duration of kennelling or the outcome. This was discussed with the Public Protection team and has been raised at the next contract monitoring meeting with contractor A as discussed below.</p> <p>There were 5 invoices received from contractor C since the new contractual arrangements, relating to 12 dogs. The information shown on these invoices was not consistent</p>	Partially implemented

No	Recommendation	Management Comment	Target Date	Responsibility	Follow-up comments	Status
5 Co	<p>Any negotiation to reserve a fixed number of kennels must be supported by a financial analysis to consider the occupancy rates, length of stay and alternative cost of paying an enhanced rate for kennelling above reserved units.</p> <p>If the kennelling contract necessitates reserved units, consideration should be given to a credit clause to offset for periods of non-occupancy. As a minimum the contract negotiations should demonstrate arrangements that are fair to both parties.</p> <p>The data from contractor A should be reconciled to the dog register maintained by contractor D (or alternative kennelling contractor) to ensure that the total number of dogs agrees.</p>	<p>At present I am unaware of any local authority that has such a destruction policy and who pay to kennel only for the statutory seven days for healthy dogs but this matter will be put to Members for them to make a decision at the January 2016 PDS.</p> <p>This is no longer happening; see comments above.</p> <p>This is no longer happening; see previous comments.</p> <p>This will now be carried out monthly.</p>			<p>with the kennel invoice and contractor A spreadsheet. Each provider allocates their own reference number and for the 3 dogs checked to May and June invoices the date of seizure and description of the dog differed.</p> <p>The Environmental Health Officer who has recently taken over responsibility for this contract is looking to develop a spreadsheet to record all pertinent information and track the outcome of each dog, tying in expenditure and income details as appropriate from all providers.</p> <p>The audit testing on the kennelling invoices for May and June 2016 showed that 10 dogs went to kennel in each month. Of these 20 cases:-</p> <ul style="list-style-type: none"> <li>10 dogs were kennelled for less than 7 days, 5, 8 to 30 days, 3, 31 to 60 days and 1 dog was kennelled for 84 days. There was no evidence to support that contractor C had been approached to take the dogs once the statutory 7 days had expired. It was not clear which provider should notify contractor C that a dog is going to need transfer and rehoming or that LBB monitor that this part of the process is followed.</li> </ul>	New Rec.

No	Recommendation	Management Comment	Target Date	Responsibility	Follow-up comments	Status
5 Co	<p><b>Contract monitoring should be effective to ensure that key performance indicators are met and that any defaults are identified.</b></p> <p><b>Contract meetings should be minuted and available on the shared area. Similarly, if contract meetings are to be held for exception purposes only this should be evidenced as mutually agreed and regularly post that both parties agree that no issues are arising.</b></p> <p><b>[Priority 1]</b></p>	<p>This has always been carried out. A check revealed only one failure by contractor A to meet the 95% pick up rate within four hours, where they achieved 88.8%. This was due to two dogs being held in a veterinary surgery that was not open at the time of receipt of the call and as such no further action was taken. However, this process has been tightened up to ensure that the new kennels meet their required standards and all such comments are recorded within the contracts file.</p> <p>This is in place and all subsequent documentation will be held on the Contracts file.</p>			<p>Contract monitoring meetings are now planned with contractor A quarterly, although only the July meeting will be on site at the Council offices, the other three meetings will be a telephone conference call. The minutes of the monitoring meeting for July 2016 were reviewed and evidenced a range of topics covered and action points noted. These minutes indicated that “the register is dual managed with contractor A updating the collection and movement details and LBB updating the outcome from kennels. The minutes of the telephone conference call on 10/10/16 were evidenced and showed a similar level of detail. These minutes raised the issue of the dog register and a suggestion that the next contract should “account for the kennel to update the register with the outcome of the dog”. In the interim period either LBB issue the provider with a SharePoint licence or update the online register with the outcome as advised by the kennel.</p> <p>A change in contract manager in the Public Protection team prompted a joint visit to the nominated kennels on the 15<sup>th</sup> June 2016. The site visit was to ensure that the handover was effective and satisfy the requirements for contract monitoring of the kennel provider.</p>	

No	Recommendation	Management Comment	Target Date	Responsibility	Follow-up comments	Status
6	<p><b>The department must review the waiver process to ensure that all documents comply with CPR.</b></p> <p><b>The roles and responsibilities of each officer involved in the process should be clarified specifically the need for all appropriate officers to authorise the waiver. The initiating officer should ensure that appropriate officers have authorised the waiver to evidence scrutiny by Legal and Finance.</b></p> <p><b>The department should review the administrative arrangements for the waiver process to ensure that all waivers are “captured” and held by a responsible officer.</b></p> <p><b>Reconciliation to the departmental contract register should ensure that continuing a contract past the expiry date is supported by a waiver.</b></p> <p><b>The authorising officer must ensure that the waiver adequately details the reason for the waiver and that there is documented evidence to support this. Similarly the report must demonstrate that continuing with a provider will not be at a cost to the Authority and value for money is still achieved.</b></p> <p><b>The Chief Officer should only authorise a waiver that has been seen</b></p>	<p>The Department will conduct a full review of the waiver process after advice is sought from Procurement and Legal and a new procedure will be developed.</p> <p>The roles and responsibilities of each officer within the Council will be clarified as part of the review and training will be arranged on the new procedure.</p>	Jan 2016	HoEP and CO	<p><b>Audit Sub Update April 2016</b></p> <p>A follow up of this recommendation has shown that at service level, the HoEP has developed a procedure and work flow to ensure that the appropriate officers receive, review and authorise any waiver. This includes the type of information to be included in the justification section; the reason for the waiver and assurance of continued value for money. The cumulative spend and whole life costs will also be specified. A line specific to the Head of Finance has been included to evidence that finance have cleared the information reported. Once all comments have been received from the Chief Officer, legal and finance the HoEP will ensure that the document is signed and filed.</p> <p>At a departmental level, the EDM confirmed that a system exists for extensions on the ECS Business Management team site, on One Bromley, this includes the waiver register, contract procedure rules for waivers and exemptions and the waiver template. This information has been available on the departmental team site but it was accepted that officers needed to be reminded of the process and where to access and log forms.</p> <p>Internal Audit review all waivers collated and reported to this committee. For the 6 waivers declared by Environment and Community Services for this cycle there are no issues arising regarding authorisations.</p> <p><b>September 2016</b></p> <p>At a corporate level, waivers have been reviewed and rolled out to officers as part of the new Contract Procedure Rules.</p> <p>A review of the authorised corporate procurement templates held by ECS between March 2016 and September 2016 identified that Public Protection has not</p>	<p>Progress to implement</p> <p>Implemented</p>

No	Recommendation	Management Comment	Target Date	Responsibility	Follow-up comments	Status
	<p><b>and initialled by the Head of Finance as per the DMT minutes for 26.11.13</b></p> <p><b>This review has identified that the waiver process is not clearly understood by officers. The department should identify and instigate training to eliminate the ambiguities of this process, namely the status of a contract once expired but procurement with the same contractor is continued.</b></p> <p><b>Officers should identify whole life costs and cumulative spend to ensure that the waiver document accurately reflects actual spend with the preferred contractor.</b></p> <p><b>[Priority 1]</b></p>				<p>submitted any waivers during this period. There was an authorised template to extend a contract for the CCTV service and this had been duly completed, signed and dated and will be considered during the CCTV follow up audit.</p> <p>An Internal Audit review of waivers reports is currently being undertaken to confirm that the process to waive any requirements for competitive bids has been carried out as set out in Contract Procedure Rules.</p>	
7	<p><b>The Department must ensure that the procedures to receipt and approve invoices for payment are robust and compliant to Financial regulations.</b></p>	<p>This will form part of the Departmental Review to ensure that robust procedures for receipting and approving invoices exist and are adhered to. However, it is recognised that not every entry of every line has been checked over the last ten years that were audited and the Department will identify a resource to carry out this function into the future.</p>	<p>Oct 2015 Jan 2016</p>	<p>CO and HoEP</p>	<p><b>Audit Sub Update April 2016</b></p> <p>I-Proc orders have now been raised in advance of the service being procured but as the new contract started in February 2016 no invoices had been received. The roles and responsibility of the officer tasked with the payment of invoices has been clarified and this will be tested during the follow up. The contractor has been made aware of the documentation that will be required to support any variable fees charged to the Authority on the monthly invoice.</p>	<p>Progress to implement</p>

No	Recommendation	Management Comment	Target Date	Responsibility	Follow-up comments	Status
	<p><b>The need to pay for any service in advance should be with the approval of the Director of Finance.</b></p> <p><b>The role of the officer responsible for expenditure should be agreed. Compliance to agreed tasks should be regularly reviewed and challenged specifically for expenditure that was raised by management as queries.</b></p> <p><b>An order should be raised in advance of the committed expenditure and not after the invoice has been received. [Priority 1]</b></p>	<p>The purchase of any advance services within the Division has been stopped. An alternative method of providing the service is to be instigated.</p> <p>The budget holder is identified as the HoEP and his role within the expenditure of this budget will be defined by the Senior Management of the Department. Such Senior Management will then identify tasks, be responsible for the review and will challenge any management queries.</p> <p>Orders are now raised in advance of expenditure <b>not</b> after the invoice has been received.</p>			<p><b>September 2016</b></p> <p>The payment of invoices has now been transferred to the administrative officer who is also tasked with the collection of income. The combination of both income and expenditure processes has allowed an element of continuity for the collection and kenneling of dogs, a familiarity of each case and the benefit of seeing each case through from start to finish.</p> <p>I Proc orders have been raised for the financial year 2016-17; contractor C £5,000 and contractor B £12,000. As at the end of August 2016, £6K has been paid to the kennels and £480 to contractor C.</p> <p>The process for receipting and checking invoices is now supported by a written procedure available in a shared folder.</p> <p>Interviews with the administrative officer and the line manager indicated an understanding of Financial Regulations and the checks that are now undertaken before each invoice is passed for payment.</p> <p>May and June 2016 were selected as sample months for audit testing. Following the audit report and the commencement of the contract with the nominated kennels, the manager requested monthly invoices for each dog held by the provider. The invoices detail start and end dates and specify "interim" invoice for dogs that are held over the month. Vet fees are broken down over each charge category and are supported by scanned copies of the invoice from the vet and receipt of payment by the kennels</p> <p>9 dogs were taken to kennels in May (1 to Slough), 10 in June. The invoices were checked to the agreed fees and</p>	<p>Partially implemented</p>

No	Recommendation	Management Comment	Target Date	Responsibility	Follow-up comments	Status
					<p>charges; the main issues arising were:-</p> <ul style="list-style-type: none"> <li>• 1/19 - kennel fees for 28 days charged should be £280 but £800 levied as exceptional circumstances and the dog had a litter of puppies. Although the budget holder had authorised the additional spend there was no audit trail on the invoice to support payment.</li> <li>• 1/19 – kennel fees for 2 days; narrative states “transfer to Greenwich” and “dog found in Greenwich”. Insufficient detail to confirm Bromley’s liability.</li> <li>• Kennel fees exceeding the statutory 7 days; for the 3 cases that spanned monthly invoices there was no evidence that contractor C had been contacted for a place or the status of a possible transfer for rehoming.</li> </ul> <p>The 5 invoices submitted by contractor C identified 3 dogs that had been transferred in the sample months checked. The information on these invoices did not tie up with the data from the other two contractors; the seizure date was different and contractor C allocates their own reference number. The date that the dog was transferred did tally to the departure date from the kennels. Contractor C have charged a £15 transfer fee and £25 vet fee per dog however this has not been verified as correct given the I-Proc order does not specify the agreed rate. The I-Proc order refers to “agreed schedule of rates” and this has now been made available to the administrative officer responsible for the payment of invoices.</p>	New Rec.

No	Recommendation	Management Comment	Target Date	Responsibility	Follow-up comments	Status
8	<p><b>The Department should review the procedures to identify all income due and ensure that controls are robust to collect that income.</b></p> <p><b>Collect the £1,524.97 income due from contractor A for quarter 1 2014/15.</b></p> <p><b>Consider the policy to collect payment prior to the dog being returned, as stated on the website and how this can be enforced.</b></p> <p><b>[Priority 1]</b></p>	<p>A review is currently in process.</p> <p>The incumbent dog Warden contractor currently releases confined dogs on payment of outstanding debt directly to them on behalf of the Council. In accordance with Audit recommendations, it will be proposed to Members in the January Committee Report that all owners are invoiced</p> <p>This has been invoiced, along with all of the 2015/16 outstanding income and payment is awaited.</p> <p>In a significant number of cases, it is not practicable to receive payment before returning the dog to the owner. However, a new procedure is being set up with contractor A, whereby they will endeavour to recoup all fees prior to the return of the dog if it is within the first three days and returned from their kennel or if a dog is returned to the owner from the Bromley nominated kennel between 3 and 10 days. In all other instances,</p>	<p>Oct 2015 Jan 2016</p>	<p>HoEP</p>	<p><b>Audit Sub Update April 2016</b></p> <p>The team have reviewed the task of income collection and have introduced a process to monitor dogs collected and returned to ensure all income due can be identified and recovered. As previously discussed it is anticipated that the majority of dogs will be identified and returned to their owner before incurring kennel fees, however owners will be expected to pay the £25 statutory fee. As with expenditure, the arrangements for income will need to be operational for 6 months before audit testing can effectively assure that the recommendation has been implemented. The £1,524.97 owing from contractor A is still outstanding due to delays in the processing of the invoice by the Exchequer contractor.</p> <p><b>September 2016</b></p> <p>Interviews with the administrative officer and the line manager indicated an understanding of Financial Regulations with regard to the collection of income. An exchange of emails with contractor A in August 2016 identified that the need for all owners to be charged the statutory £25 (even if the dog is returned directly to the owner) needed to be clarified. In practice, LBB are invoicing all owners of micro chipped dogs as the owner details are available and recorded by contractor A. The contract monitoring minutes for October 2016 record that this issue has been discussed with the contractor and agreed. Contractor A have been requested to inform all owners, as the dog is returned, that a £25 fee will be levied by the Council.</p> <p>The charging policy for stray dogs is set out on the Bromley website including the statutory payment of £25 for dogs that are identified and returned on the same day. The kenneling fee is shown as £15; this should be corrected to £10 to reflect the cost paid to the provider.</p> <p>May and June 2016 were selected as the sample months for audit testing. The dogs returned to owner (RTO) should be charged the statutory fee of £25; dogs returned from the</p>	<p>Progress to implement</p> <p>Partially Implemented</p> <p>New Rec.</p>

No	Recommendation	Management Comment	Target Date	Responsibility	Follow-up comments	Status
8 Co		LBB will invoice the owner after the dog has been returned			<p>kennels will be required to contact contractor A offices and pay by debit/credit card before the dog is returned, the fee is £25 statutory fee, £100 return fee (reduced by 50% if microchipped) and £10 per night in kennels.</p> <p>May:- 25 calls - 10 aborted/10 dogs to kennel/5 RTO June 27 calls – 14 aborted/10 dogs to kennel/3 RTO</p> <p>For the 8 RTO tested, 7 had been identified from the contractors record and an invoice request submitted to the Exchequer contractor. The missing RTO was a dog that was collected on the 3/5 and the 11/5 but each occasion should have been charged. As previously reported, once the invoice has been requested it is the responsibility of the Exchequer contractor and the debtors process to recover income.</p> <p>For the 20 dogs taken to kennel, 11 were claimed by their owner and returned. In all cases contractor A have collected the fees due. The HoEP evidenced the quarterly statement submitted by the contractor for April to June 2016 but had not undertaken any reconciliation at the time of the audit. Audit checks identified 2 cases for £145 and £185 that had not been declared on the schedule. It was also identified that contractor A were collecting £25 and £100 as statutory fees and the overnight kennel rate although only £125 statutory fees were being declared on the schedule.</p> <p>Finance provided a Discoverer report from ORACLE to detail all transactions on the stray dogs income code. The sample of 7 requests for invoice was checked; 1 was open and 6 had been paid and closed. The £1524.97 outstanding fees from quarter 1, 2014/15 due from contractor A could not be found in the accounts. The contractor confirms that all fees have been submitted to Bromley. The HoEP is currently liaising with the Income Team, (Exchequer contract) to account for all income collected matched to request for debtor invoices raised by the stray dogs team.</p>	New Rec

No	Recommendation	Management Comment	Target Date	Responsibility	Follow-up comments	Status
					Once the quarterly schedules are received from contractor A, the fees collected should be reconciled to the master sheet retained by the team to ensure all income is collected. This task will be undertaken by the administrative officer.	
9	<p><b>This review has identified significant shortcomings regarding value for money issues. The department should regularly bench mark the costs and income of this service and formally report these findings. Any contractual arrangements should demonstrate value for money. For a variable service, provision needs to be regularly reviewed to assure that ongoing value is achieved.</b></p> <p><b>[Priority 1]</b></p>	<p>The Audit value for money argument primarily revolves around what Audit refers to as “underutilisation” of kennels. As previously stated by the Service Manager, the whole purpose of pre –booking kennels was to guarantee that LBB had vacant kennels where their stray and abandoned dogs could be placed in order to comply with the Statutory obligations. As evidenced to the Auditor, this was known over a year ago by Procurement and Finance and was not challenged as a Policy.</p> <p>With regard to the practicalities of running this service, the kennel owner has to turn away customers in order to keep the allocated kennels vacant for the Council and as such would not then agree to a rebate because the Council did not fill them to capacity, 100% of the time. This is in line with the Procedures of other Local Authorities and the private sector.</p>	Jan 2016	HoEP	<p><b>Audit Sub Update April 2016</b></p> <p>One of the main issues arising from the audit review was that the block booking of 9 kennels, pre-paid did not offer value for money. The change in service delivery to pay as you go should offer improved value for money as actual usage is charged. The recent tender exercise identified a cheaper provider for the kennelling element, a reduction from £15 per unit to £10 per unit, however the 2 month pilot will be used to measure the performance of this supplier before committing to a 12 month contract.</p> <p>The HoEP continues to bench mark against neighbouring Authorities and this information will be made available in any reports or waivers that may be presented.</p> <p><b>September 2016</b></p> <p>The new contractual arrangements with contractor B and the variation to contract with contractor A have now been operational for 9 months. The follow up review of the stray dogs contract has evidenced significant progress in all areas of service delivery; contract monitoring, payment of invoices and collection of income. With improved checking and recording the team is now routinely monitoring value for money issues. The contract has now been assigned to a manager within the division and the roles and responsibilities defined to ensure that trends and performance are measured.</p> <p>The move from block booked kennels to “pay as you go” has achieved the savings identified in the original audit report and allowed the Authority to meet their statutory duties. Extrapolating the kenneling costs for the first 3 months of 2016/17, the average cost for each dog is £3.6K kennel costs/35 dogs = £103 per dog, which represents 10</p>	<p>Progress to implement</p> <p>Implemented</p>

No	Recommendation	Management Comment	Target Date	Responsibility	Follow-up comments	Status
9 Co		<p>However, it is proposed to move the Council to a pay as you go system with no guaranteed kennels pre-booked.</p> <p>Also, in accordance with this Report, the proposed kennel for the Council to accept will be the cheapest quote. However, it must be noted that it only has six kennels available for Council use. There will be a subsequent risk that the Council will not be able to meet its statutory obligations if six or more dogs are required to be kennelled. For a seven day statutory hold that is less than one dog per day in the same week, whereas the Council has regularly exceeded this.</p> <p>However, analysis of the audit statistics shows that the Council is at risk of failing to meet its statutory duty for 10 % of the time and this may be considered satisfactory to Members at a time when the Division is only committed to a basic Statutory minimum. This will be put to Members for decision at the Committee meeting in January 2016.</p> <p>There are a number of</p>			<p>days in kennel.</p> <p>The legislation that now requires owners to microchip their dogs came into effect 1<sup>st</sup> April 2016. The October 2016 minutes of the meeting with contractor A recorded that 60% of the dogs collected for the first quarter to June. Being able to identify the dog at the first point of contact allows an early return to the owner and for the Council to invoice the owner to recover fees. Returned dogs that are not chipped are issued with a warning letter and the Authority has held microchipping events to increase take up.</p> <p>The HoEP submitted a report to the Commissioning Board on the 5/9/16 proposing to seek one contractor to take on the whole stray dog service, collection, kenneling and collection of income. Benchmarking costs with neighboring boroughs will be part of the process to retender the service as one entity.</p>	

No	Recommendation	Management Comment	Target Date	Responsibility	Follow-up comments	Status
9 Co		<p>changes to the dog warden contract to be discussed with the provider and will be supported by a variation to contract. These include for contractor A to provide kennelling at their base for the first three days, which will reduce the pressure on the nominated kennels as over 50% of dogs are returned immediately. This percentage may increase when the legislation for owners to microchip their dogs comes into force.</p> <p>A process map has been compiled to support the stray dog service. This shows that contractor C will be notified on the day of seizure to reserve a space; average waiting time is currently 7-10 days.</p>				

Original recommendation No.	Recommendation	Priority	Management Comment	Responsibility	Agreed Timescale
5	<p>The data from contractor A should be reconciled to the dog register maintained by the kennelling contractor to ensure that the total number of dogs agrees.</p> <p>The team should consider developing the spreadsheet to record all key information to be able to trace the dog through the process.</p> <p>The team should clarify which contractor is responsible for referring any stray dog still in kennels and likely to exceed the statutory period. Cases exceeding the 7 day period should be monitored to ensure that the dog can be transferred to contractor C at the earliest opportunity.</p>	<p>2*</p> <p>2</p>	<p>Arrangements have been put in place for contractor A to provide a Licence for the nominated kennels to access their spreadsheet and update the information so that the details and in particular the numbers are the same for both contractors.</p> <p>See comments above.</p> <p>The contractor responsible for this function is contractor B. They are required to contact contractor C immediately after the statutory period has expired and then ring daily thereafter to check if a place has become available. As this could involve hundreds of calls, it has been agreed that the kennel will send a weekly update for the status of each dog and the reason that contractor C have given if they have not been rehomed so that the Council can monitor the process.</p>	<p>HoEP</p> <p>HoEP</p>	<p>December 2016</p> <p>December 2016</p>

7	<b>The Department must ensure that the procedures to receipt and approve invoices for payment are robust and compliant to Financial regulations.</b>	2*	Procedures have been set up to receipt and approve invoices for payment. They are overseen by a Manager and are checked to ensure that they are both robust and compliant to Financial regulations.	HoEP	December 2016
	<b>Any variations to agreed schedule of rates should be authorised by the appropriate officer and supporting documentation available to support that variation.</b>	2	Due to the dynamic and often urgent nature of variations to schedules of rates e.g a stray bitch having ten puppies in the kennels, the authorisation has been verbal in the past. However, the Managers will ensure that any such variations will be confirmed in writing in order to be able to provide the necessary supporting documentation.	HoEP	December 2016
8	<b>The Department should review the procedures to identify all income due and ensure that controls are robust to collect that income.</b>	2*	Arrangements are being made for officers to have access to Oracle and the Discoverer reports so that income may be checked to ensure that it has been received.	HoEP	December 2016
	<b>The schedule of fees collected by contractor A should be received quarterly and reconciled to the Bromley spreadsheet. The contractor should be asked to account for the two missing cases identified in the audit testing and for Bromley to confirm that the total value of fees collected is passed on to the Authority.</b>	2	For the two cases identified by audit, the fees had not been collected when the dog was returned to the owner and should have been invoiced by the Authority; two invoices have now been raised. All of the income	HoEP	December 2016

	<p>The Bromley website should be updated to reflect the charge that will be levied for kenneling</p>		<p>entries will now be checked manually against the quarterly remittance received from contractor A to ensure that they have not missed any payments made to them and this will subsequently be checked again by a Manager.</p> <p>There are current changes to fees being considered at present and the website will be updated once this has been agreed.</p>	<p>HoEP</p>	<p>December 2016</p>
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Definition of priority categories.

**Priority 1**

**Required to address major weaknesses and should be implemented as soon as possible**

**Priority 2**

**Required to address issues which do not represent good practice**

**Priority 3**

**Identification of suggested areas for improvement**

Report No.  
CSD16170

London Borough of Bromley

PART ONE - PUBLIC

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

**Date:**                   **Thursday 8 December 2016**

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

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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 note the dates of meetings for the remainder of the year.

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2.   **RECOMMENDATION(S)**

**That the Sub-Committee considers its work programme and indicates any particular issues that it wishes to consider.**

### Impact on Vulnerable Adults and Children

1. Summary of Impact: Not Applicable
- 

### 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: Not Applicable
  4. Total current budget for this head: Not Applicable
  5. Source of funding: Not Applicable
- 

### Personnel

1. Number of staff (current and additional): 8 (7.2fte)
  2. If from existing staff resources, number of staff hours: Not Applicable
- 

### Legal

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

### Procurement

1. Summary of Procurement Implications: Not Applicable
- 

### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Not Applicable
- 

### 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. 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 briefing 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. A briefing session was held on Thursday 22<sup>nd</sup> September 2016 at 2.30pm. Four Councillors attended this session, bringing the total number trained to thirty nine out of sixty. A further session was arranged for Thursday 13<sup>th</sup> October 2016 at 7pm, but there was no take-up for this session so it was cancelled. Further sessions can be arranged in the New Year if necessary to encourage the remaining twenty one members to attend one of these sessions.

<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 4</u></b> Thursday <b>8<sup>th</sup> December 2016</b>	Use of Consultants – Reference from R&R PDS	DS Manager
	Update on the Stray Dogs Contract (from meeting 2)	Assistant Director Streetscene/Greenspace & Public Protection
	Contract for Support for Children at Risk of Sexual Exploitation (from meeting 3)	Interim Director of Children’s Services
	Work Programme	DS Manager
<b><u>Meeting 5</u></b> Tuesday <b>31<sup>st</sup> January 2017</b>	Corporate Contracts Register	Head of Corporate Procurement
	Contract Management System – Live Demonstration	Director of Commissioning
	Update on measures to Reduce the use of Waivers (from meeting 1)	Director of Finance
	Further Update - Street Cleansing Contract (from meeting 2)	Contracts Manager (Waste & Refuse Service)
	Manorfields Contract – Update (from meeting 3)	Head of Audit
	The Priory Contract – Update (from meeting 3)	Assistant Director, Leisure & Culture
	Work Programme	DS Manager
<b><u>Meeting 6</u></b> Tuesday <b>11<sup>th</sup> April 2017</b>	Corporate Contracts Register	Head of Corporate Procurement
	Work Programme	DS Manager
<b><i>June 2017?</i></b>	Review of the Commissioning Directorate	Director of Commissioning

# Agenda Item 9

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

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