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DATE: 3 April 2017

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
TUESDAY 11 APRIL 2017 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/>

A G E N D A

- 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 Wednesday 5th April 2017.

- 4 MINUTES OF THE MEETING HELD ON 9TH FEBRUARY 2017 AND MATTERS ARISING (Pages 1 - 6)**
- 5 CORPORATE CONTRACTS REGISTER**

The Corporate Contracts Register is circulated under separate cover.

6 WORK PROGRAMME 2016/17 (Pages 7 - 10)

7 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.

8 ISSUES FROM AUDIT SUB-COMMITTEE ON 4TH APRIL 2017 (Pages 11 - 26)

Information relating to any individual.

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

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CONTRACTS SUB-COMMITTEE

Minutes of the meeting held at 7.00 pm on 9 February 2017

Present:

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

42 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

Apologies for absence were received from Councillor Keith Onslow.

43 DECLARATIONS OF INTEREST

There were no declarations of interest.

44 QUESTIONS FROM COUNCILLORS AND MEMBERS OF THE PUBLIC ATTENDING THE MEETING

No questions had been received.

45 MINUTES OF THE MEETING OF CONTRACTS SUB-COMMITTEE HELD ON 8TH DECEMBER 2016 AND MATTERS ARISING

The following “matters arising” were raised –

- The paper on contract monitoring and contract management had been re-circulated as requested (minute 36.)
- It was confirmed that Public Protection and Safety PDS Committee had received a report on the Stray Dogs contract at its meeting on 18th January. The Chairman asked officers to check that the priority 2 Internal Audit recommendations relating to the Stray Dogs Contract had now been resolved (minute 38).
- The Sub-Committee decided not to request further updates on the Services to Children at Risk of Sexual Exploitation contract (minute 41).

RESOLVED that the minutes of the meeting held on 8th December 2016 be confirmed.

46 UPDATE ON CHANGES TO WAIVERS

At its meeting on 22nd June 2016, the Sub-Committee had received a briefing from the Director of Finance on the revised waiver process, and had requested a further

report after six months. There were a variety of different types of waiver, but there were particular concerns about requests for contracts to be extended being received too late, or even after the contracts had expired. The Director of Finance returned to update the Sub-Committee on progress.

The Director informed Members that there had been considerable improvement in the situation, but that further progress was still needed. His signature was sought towards the end of the process; he was careful to examine each waiver he was asked to sign, and to record comments where appropriate. There was still a slight risk that chief officers could sign a single page on a waiver and that other parts of the document could subsequently be altered. This could be overcome by initialling each page, but the Contract Database should provide a single automated system that would help to overcome such weaknesses.

A Member commented that PDS Committees needed to be more alert to the waivers being granted, although to an extent this depended on what information was provided to them. The Executive and Resources PDS Committee at its meeting on 4th January 2017 had received a report setting out all the waivers that had been reported to Audit Sub-Committee in recent years. The Chairman noted that in some cases six or seven waivers had been sought on the same contracts – he commented that PDS Committees needed to be challenging these waivers.

The new rules and officer structures were having a real impact, which would be reinforced by the Contracts Database, which would offer an opportunity for establishing a consistent, approved process. In addition, a change of culture and attitude was still needed. Internal Audit were looking at the issue, and a report would be presented to the Audit Sub-Committee on 4th April 2017 – this would be followed by a management response.

47 STREET CLEANSING CONTRACT

At its meeting on 24th August 2016, the Sub-Committee had received a briefing from Mr John Bosley, Head of Neighbourhood Management, Environment and Community Services Department, on street cleansing contract management. Mr Bosley attended to give a further update.

Mr Bosley began by explaining that the contract had been extended and was now due to expire in March 2019. The contractor provided monthly reports within ten days of the end of each month, and a system of monthly contract management meetings and fortnightly supervisory meetings to resolve day to day issues was in place and working well. Much of the data came from Fix my Street or through the Customer Service Centre, and was fed into the Confirm system.

The contractor was required to engage an independent company to carry out a customer satisfaction survey. In addition to personal interviews, a thousand surveys were posted out, and about two hundred and fifty were returned. The results of the 2016 survey were broadly similar to 2015, and 71% of respondents were satisfied with the service. A Member asked whether responses from Penge and Crystal Palace could be examined, as she was aware that one of the biggest

issues in the area was street cleansing. It was explained that the survey did not address particular locations, other than Bromley and Orpington town centres, and other areas could not be added to the survey without compromising the consistency of the data. However, it might be possible to address this separately – Mr Bosley acknowledged that the Crystal Palace area was the most resource-intensive for his service.

A Member asked about arrangements for payments to the contractor, and suggested seeking quarterly payments in arrears. In this case, the contractor was paid in arrears on the 18th of each month, which was normal for this type of contract.

The Chairman thanked Mr Bosley for his assistance to the Sub-Committee.

48 MANORFIELDS/ORCHARD & SHIPMAN CONTRACT Report CS17088

Sara Bowrey, Director of Housing, attended the meeting to brief the Sub-Committee on the Orchard and Shipman contract to procure and manage temporary accommodation, which included the Bellegrove and Manorfields temporary accommodation schemes. The contract had originated in 2011, but had been renewed in January 2016.

An Internal Audit report had been issued regarding the Refurbishment of Manorfields in June 2016; this was reported to Audit Sub-Committee in July and 9th November 2016. The report included two priority one recommendations, relating to retention of documents and compliance with Contract Procedure Rules. A Post Works Evaluation report had been submitted to Care Services PDS Committee on 10th January 2017 which also addressed the issues raised in the Internal Audit report.

Members were concerned that the cost of the refurbishment had increased from just over £600k to around £800k due to planning requirements and to additional works which were outside the scope of the original specification. However, grant funding of £430k obtained from the GLA had reduced the overall cost of the project to the Council. Members were also concerned that the Council's Property Division had been unable at the time to manage the capital project due to workload issues. In view of the urgent need to implement the scheme to provide much needed temporary accommodation and reduce the requirement for costly nightly paid accommodation placements, the Executive had appointed Orchard and Shipman to manage the project on the Council's behalf under their existing accommodation management contract. Now that Property Services had been outsourced this situation was unlikely to happen again.

49 CORPORATE CONTRACTS REGISTER

The latest corporate Contracts Register had been circulated before the meeting.

50 CONTRACT MANAGEMENT SYSTEM - DEMONSTRATION

The Sub-Committee received a presentation from officers on the Contract Database. The Database should help to address a number of Member concerns, including tendering not always being carried out in a timely manner, procurement rules not being followed and commissioning activity appearing to happen in isolation.

The Contract Database was being populated with information previously contained in the Contract Register and the Contract Monitoring Summaries. Directors and Managers would see their key contract data (e.g. supplier, value, start and end dates etc.) at-a-glance when they opened the application. A ragging system and alerts would remind managers of the need to take timely procurement action. More generally, dashboards would provide an overview of the system.

The Database would communicate with other LB Bromley systems and also allow access to other sites, such as Companies House (for the Company Annual Finance Check). The Database allowed advanced searches to be performed and reports to be generated. There was also the potential to accommodate a number of workflows to prompt action (e.g. in respect of waivers). Once all the sections had been populated (including the contract documents themselves), each contract would have been summarised and be accessible, which would improve the Council's organisational memory. Managers would be responsible for maintaining their own records and Assistant Directors/Heads of Service would be responsible for approving changes. The system could be accessed through the Council desktop, but not through Council I-pads.

The system would be going live in April, and would be fully operational by around September. It would take several months for all the required data to be added.

Members were generally supportive of the proposed system and made a number of observations:

- The Sub-Committee could receive paper copies of contracts ragged reds & amber only (rather than all contracts.)
- There might be potential for the system to be sold to other councils. This could be pursued once the system was properly established.
- There was a need to distinguish between the various types of waiver (e.g. Extension Beyond Term, Single Tender, and Contract Variation.)
- There may be a need to flag commercially confidential contract data to prevent unauthorised access – this was primarily tender prices.
- Popular searches/reports could be standardised (i.e. part of the menu.)
- Contract variations and change controls needed to be on the system.
- The RAG status should be completely automated, and officers should not be able to manipulate this.
- Given that the Council was moving towards greater use of Performance Data (e.g. KPIs associated with contract outcomes), the CDB could hold performance data.
- There was also interest in identifying what risks each contract presented to

- the Council.
- Exit Plans (required to be produced at the start of a new contract - to be rollout on expiry) could also have a workflow (e.g. alerts generated and documents stored.)

The Director of Finance endorsed the approach and observed that the Contract Database could potentially be developed to accommodate more detailed information on Performance Management and Risk Management.

The Chairman noted that the Contract Database would produce the Contract Register for the April 2017 meeting and suggested that officers be invited to return to subsequent meetings as the system's capabilities were developed.

Members agreed that the Contract Register should be presented to Contracts Sub-Committee four times a year to align with the Budget Monitoring cycle (to allow contract spend projections to be updated): the dates for 2017/18 were: 13 June 2017; 21 September 2017; 30 November 2017 and 29 March 2018.

The Chairman concluded by thanking the officers for a very useful demonstration.

51 WORK PROGRAMME 2016/17
Report CSD17007

The Sub-Committee noted that the next meeting was on 11th April 2017. It was suggested that the Sub-Committee look at contract exit strategies. The Chairman asked Members to alert him of any issues that they considered should be followed up by the Sub-Committee, particularly matters arising from PDS meetings.

The Meeting ended at 9.40 pm

Chairman

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Report No.
CSD17053

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: **CONTRACTS SUB-COMMITTEE**

Date: **11th April 2017**

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

Title: **WORK PROGRAMME 2016/17**

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

Chief Officer: Mark Bowen, Director of Corporate Services

Ward: N/A

1. Reason for report

- 1.1 This report offers the Sub-Committee an opportunity to consider its work programme and prioritise issues that should be scrutinised; five dates are scheduled in 2017/18 as part of the Council's programme of meetings.

2. **RECOMMENDATION**

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
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Corporate Policy

1. Policy Status: Existing Policy:
 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: Not Applicable
 4. Total current budget for this head: Not Applicable
 5. Source of funding: Not Applicable
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Personnel

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

1. Estimated number of users/beneficiaries (current and projected): Not Applicable
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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 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. For 2017/18, five dates are included in the main programme of meetings – Members can add to these dates, or remove dates as necessary. At present, other than a review of the Commissioning Directorate due at the next meeting, only the standard items (Work Programme and Contracts Register) are listed, and Members are invited to consider which are the key issues that they need to focus on for the coming year. The following issues have been mentioned for follow up or investigation at future meetings –
- Audit Report on Waivers
 - Exit Strategies
 - CAMHS (Child and Adolescent Mental Health Services)
- 3.3 Members will recall that the Director of Commissioning and Head of Corporate Procurement have previously run briefing sessions for Members on Contracts and Commissioning, providing key information about procedures in Bromley and an update on the latest information and approaches. The sessions were well received, and thirty nine out of sixty Councillors attended one of the sessions. The last session was on Thursday 13th October, and attracted four Members. Further sessions can be arranged if necessary to encourage the remaining twenty one Councillors to attend one of these sessions.

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

Work Programme

Proposed Date	Issue	Officer
2017/18		
<u>Meeting 1</u> 13 th June 2017	Review of the Commissioning Directorate	Director of Commissioning
	Corporate Contracts Register	Head of Corporate Procurement
	Work Programme	DS Manager
<u>Meeting 2</u> 21 st September 2017	Corporate Contracts Register	Head of Corporate Procurement
	Work Programme	DS Manager
<u>Meeting 3</u> 30 th November 2017	Corporate Contracts Register	Head of Corporate Procurement
	Work Programme	DS Manager
<u>Meeting 4</u> 6 th February 2018	Corporate Contracts Register	Head of Corporate Procurement
	Work Programme	DS Manager
<u>Meeting 5</u> 29 th March 2018	Corporate Contracts Register	Head of Corporate Procurement
	Work Programme	DS Manager

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

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