

## **CONTRACTS AND COMMISSIONING SUB-COMMITTEE**

Minutes of the meeting held at 7.00 pm on 2 April 2019

### **Present:**

Councillor Stephen Wells (Chairman)  
Councillor Neil Reddin FCCA (Vice-Chairman)  
Simon Fawthrop, Christopher Marlow, Gary Stevens,  
Michael Tickner and Angela Wilkins

### **Also Present:**

Councillor Ian Dunn

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

Apologies were received from Councillor Russell Mellor and Councillor Simon Fawthrop attended as substitute.

Apologies were received from Paul Feven and Dr Angela Bhan.

### **63 DECLARATIONS OF INTEREST**

There were no declarations of interest.

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

No questions had been received.

### **65 PART 1 MINUTES OF THE MEETING OF THE CONTRACTS SUB-COMMITTEE HELD ON 15TH JANUARY 2019**

The Chairman advised that when the Contracts and Commissioning Sub-Committee closed, issues would be picked up by the Executive, Resources and Contracts PDS Committee. The ER&C PDS Committee would be examining and scrutinising the full Contracts Register. A Member suggested that consideration should be given to PDS Chairmen reporting back to the ER&C PDS Committee with any problems that they had identified relating to contracts, together with any actions taken.

The Chairman of the ER&C PDS Committee expressed the view that a 'disconnect' currently existed with officers communicating issues and problems to PDS Committees. He wondered how this could be fixed and welcomed ideas. The Chairman said that in this regard, it was important that transparency existed

alongside a 'no blame' culture. He stated that he would much prefer a scenario where an officer came to him at an early stage and said that he/she was having a problem. In this way problems could be identified and resolved earlier on. He felt that input from the Interim Chief Executive in this regard could prove insightful and helpful.

The Vice Chairman (who was also Chairman of the Audit Sub-Committee) referred to problems that had been identified and lessons learnt from the work of Internal Audit and the Audit Sub-Committee. He felt that it was important that the correct method be utilised to feed back the lessons learned into PDS Committees.

The Chairman of the ER&C PDS Committee suggested that concerns of the Audit Sub-Committee may be able to be looked at by the ER&C PDS Committee. It was noted that the Audit Sub-Committee reported to the GP&L Committee and that it may not be possible for the Audit Sub-Committee to report back to both committees due to the constitutional issues around the separation of regulatory and executive powers. The Vice Chairman expressed the view that the provisions of the constitution would not be an obstacle and this view was endorsed by the Sub-Committee.

**RESOLVED that the minutes of the meeting held on 15<sup>th</sup> January 2019 are agreed and signed as a correct record.**

## **66 MATTERS ARISING**

### **CSD 19063**

The Committee noted the Matters Arising report.

**RESOLVED that the Matters Arising report is noted.**

## **67 UPDATE ON THE TRANSFORMATION BOARD**

The Interim Chief Executive (Mr Ade Adetosoye) attended the meeting to provide an update on the progress of the Transformation Board. He expressed his thanks to the Committee for their scrutiny, challenge, and support to date. He commenced by clarifying that he wished to speak about why transformation was necessary, what it was going to look like, and then to address some key questions that had previously been raised by the Sub-Committee.

It was noted that Bromley remained a commissioning council, but it was now the case that the challenge was greater than just commissioning. The Local Authority had to address growth in service demands, with diminishing funding from central government to meet these new demands. As such, there was a need to transform the way services were delivered. Through the Transformation Programme, services needed to be redesigned alongside the review of workstreams.

The Interim Chief Executive used the example of Housing, and how the various housing work streams were being looked at as part of the Transformation Programme. There was currently a funding gap of £10-£12m in the housing budget. Through the Transformation Board workstream relating to housing, different proposals would be worked up, ranging from building new homes, modular homes and reducing the number of homeless families through early intervention and identification.

Once proposals had been developed they would be presented to the relevant PDS Committees before being considered by the Executive. When ideas were approved, the commissioning of services would commence in line with established procedures.

Another aspect of the redesign phase was the review of the procurement processes to ensure that it provided clarity as well as a greater opportunity for elected Members to contribute at the service design stage.

In addition, the Interim Chief Executive highlighted that opportunities to jointly procure services with the CCG would be explored in greater detail to ensure efficiency. The Transformation workstream had within its principles the need to engage with residents, the use of technology, income generation and partnership working.

The Committee was informed that the Transformation Board met weekly and was chaired by the Interim Chief Executive. With respect to the Housing Transformation Programme, there were 10 to 12 officers currently working with him around this. The Interim Chief Executive stressed that it was necessary to move away from a 'silo' way of working. Officers needed time to work together to come up with longer term solutions.

He explained that once ideas and plans had been generated, the suggestions would be brought before PDS Committees. PDS Committees would continue to have a role to undertake in terms of scrutiny, challenge and support. In some cases, working groups would be established to explore new ideas and recommendations. After being scrutinised by the PDS Committees, plans would go to the Executive for decision.

The Chairman stressed the importance of PDS Committees being sighted on Gateway Zero and Gateway One reports. He felt that in this way, Member scrutiny would be useful and valid, especially in the case of service re-design. He stated that Members should be able to comment on embryonic ideas.

The Interim Chief Executive again stressed the importance of moving away from working in silos as well as learning from best practice at other Councils. For example, how were other local authorities managing their IT systems?

The Chairman of the ER&C PDS Committee made the observation that what may also be required was a 'Gateway Minus1' report. This could take the form of a brief two page document that outlined a plan of key matters to develop. The Interim Chief Executive welcomed the idea. It was agreed that if a 'Gateway Minus 1'

report was drafted, it should be a Part 2 report.

The Chairman stated that if a modest re-design was planned, then in many cases this may not be sufficient. Fundamental changes may be required and well-trodden routes may not be best.

Discussion turned to the 'Building a Better Bromley Document', with a Member stating that it was 'sketchy and institutional'. A discussion took place as to whether or not the document was sufficiently strong to provide enough guidance in terms of strategic policy. It was revealed that 'BBB' had expired at the end of December 2018. The Interim Chief Executive informed the Committee that the Leader of The Council had included this in his work plan in December 2018 and reassured the Committee that officers were working on this. He stressed that the key principles in the document were still relevant, but a new Corporate Plan would address some of the principles in the Transformation Programme.

The Chairman noted the transformation timeframe of three to four years. As the budget needed to be balanced quickly, he wondered if the schedule was sufficiently aggressive. The Interim Chief Executive explained that the Transformation Programme aligned with the four year budget strategy. It was not possible to deliver a four year plan in a year.

There was a discussion around the budget gap which had been identified as £32m. It was suggested that a 'double the quantum' approach be considered, and to aim for a savings target of £64m to allow for 'headroom' and to make provision for the possibility that not all of the transformation plans may be successful.

Reference was made to the 'Ideas Lab'. The Interim Chief Executive said that this had drawn to his attention matters that he was not aware of, and at the moment 63 ideas were being considered. There was a discussion related to bonus schemes and their use in the private sector. Members felt that bonus schemes were a good idea. The Interim Chief Executive confirmed that there was not a bonus scheme in place, although vouchers could be used if required. He said that he wrote personally to staff whose ideas were being considered from the 'Ideas Lab' and in some cases the staff could be invited to join a working group to participate in the implementation of the idea.

The Interim Chief Executive stated that concerning the timeline for the Transformation Programme, he would be speaking to the Democratic Services Manager to determine and clarify the 'mapping' process.

A discussion took place concerning the quality of Member scrutiny at PDS meetings.

The Chairman concluded by stating that it was important to recognise and reward talented officers who delivered results.

**RESOLVED that the update on the Transformation Programme is noted.**

## **68 UPDATE FROM COMMUNITY LINKS**

The Chief Executive of Community Links Bromley, Mr Colin Maclean, attended the meeting to provide an update.

The Committee was briefed around issues concerning commissioning and contracting with the Voluntary, Community and Social Enterprise Sector over the last three years. Mr Maclean referenced the 'Bromley Well' contract which had been co-commissioned with Bromley CCG and won by Bromley Third Sector Enterprise.

Mr Maclean stated that there were several key learning points from the Bromley Well contract. The first of these was that LBB and the CCG used a staged process and a period of 'competitive dialogue' which had proved helpful. Another important issue was in respect of the Council's contractual arrangements. The Council was now paying contracts monthly in arrears and this was a problem for smaller charities with a limited turnover and cash flow issues.

A significant problem for charities and the voluntary sector was the introduction of contracts incorporating a 'Performance Bond'. This required considerable legal and financial costs, as well as posing significant risks. It was the case that many charities would not be able to meet the requirements of the Performance Bond. It was also the case that this was a practice that was not normally used across the voluntary sector nationally.

The Assistant Director for Governance and Contracts stated that Performance Bonds were typically required for higher value contracts (£200k or above). The Bromley Well contract was of a high value (£2.1M per annum) which was why a Performance Bond was applicable; but many voluntary sector contracts were for lower values and so Performance Bonds may not be an issue in many cases. In terms of procuring services from the voluntary sector, the Assistant Director for Governance and Contracts reminded the Committee of CPR 3.5.5 which allowed for a flexible approach to procurement from voluntary sector organisations, subject to Value for Money considerations. It was agreed that a briefing note on Voluntary Sector procurement in the Council would be presented to the next ER&C Committee and that the Chief Executive of Community Links Bromley should be invited to that meeting.

Mr Maclean explained the structure of Bromley Third Sector Enterprise and the Committee learned that the model was based on five core members and associate members; there were currently 23 associate members. Mr Maclean commented on best practice and learning from research. He referenced the work undertaken by 'Collaborate CIC' which was an independent think tank working across all sectors to examine complex whole systems process and explore solutions. The Committee was informed that Bromley Third Sector Enterprise now existed as a Single Point of Access to the VCSE and its origins could be traced back to public sector commissioners in Bromley.

Members agreed that it was important to encourage the local sector to work and contract with the Council as it was mutually beneficial. It provided social and economic benefits all round and supported an 'asset based' approach. It was important to communicate effectively with the third sector so that they understood the implications around changes to Council policies. Mr Maclean praised the consultation that had taken place on 'Ageing Well Bromley' and said that it was an inclusive process that had been well received.

Mr Maclean referred to the contract that LBB had with Community Links Bromley. He mentioned that this was a short term contract which did not have much advance clarity. Because of this it was hard for Community Links Bromley to plan effectively and to deliver services pro-actively. He said that other Councils were moving such contracts onto a longer term footing. The example given in the report was Sutton Council who had just awarded a seven year contract to Community Action Sutton.

The ER&C PDS Chairman commented that a six month contract was unusual and was normally only applied when contracts were being aligned. He expressed an interest in working more closely with smaller organisations as they were more flexible to work with and involved less risk. It was important to promote working with smaller organisations. He also felt that it was important that LBB used flexibility in the way that it made payments to charities.

Members were appraised that the process of mapping the scale and extent of the Voluntary, Community and Social Enterprise Sector was becoming more systematic and purposeful. It was noted that the asset mapping work was due to be carried out again in the near future.

The Chairman commented that working with the CCG was not always straightforward and he wondered if Community Links could function as an intermediary between the CCG and LBB.

Mr Maclean stated that what was now required was a refresh process. Charities wanted to understand the direction of travel in the borough, and they wanted to understand the strategic view of the local authority.

A discussion took place around social prescribing and the need for better IT and databases for social prescribing purposes.

A Member stated that he welcomed the idea of LBB working more with small charities. He agreed that the Performance Bond should be waived and that LBB should be more flexible in terms of contract payments. He said that LBB should move away from a rigid procurement mindset. Another Member agreed and highlighted that policy decisions would need to be made. It was also suggested that in due course, Mr Maclean should present at a meeting of the Executive, Resources and Contracts PDS Committee.

Mention was made of Bromley and Croydon Womens' Aid and the extraordinary work that they did.

**RESOLVED that Colin Maclean be invited to attend the next meeting of the Executive, Resources and Contracts PDS Committee, and that a briefing note on voluntary sector contracts be presented to the Committee.**

**69 UPDATE ON THE LEVEL AND TYPE OF DATA AND INFORMATION ACCESSIBLE FROM THE CONTRACTS DATABASE**

The Assistant Director for Governance and Contracts (Mr Laurence Downes) presented a paper concerning the document storage function of the Contracts Database (CDB). The Chairman was also interested to learn more about the progress being made with the population of the database.

Mr Downes reported that the Contracts Database (CDB) should be used to store key contract documents. This was important for reasons concerning compliance, audit and organisation—so that documents could be located swiftly and efficiently if required. He had undertaken two sample checks on the database between November 2018 and March 2019, and these had shown significant improvements in the use of the document storage facility. If there were gaps, these related primarily to older contracts. It was explained that if a document was not currently located on the database, it was not an indication that the document did not exist.

The Assistant Director for Governance and Contracts referred to two pie charts in the document that related to:

- Contract Documents for all Portfolios as at March 2019
- Authorisation Documents for all Portfolios as at March 2019

The Committee was pleased to note that the sample showed that 95% of key contract documents had been uploaded and 84% of authorisation documents had been uploaded. The Assistant Director commented that there may not be added value in applying resources to follow up older contracts where they may be due for retender soon in any case. He intended to seek full compliance for all contracts from April 2017.

The Chairman expressed the view that the PDS Committees could not do their jobs properly without a properly updated Contracts Register. The Chairman was pleased with the progress that had been made. The Chairman of the ER&C PDS Committee asked that a further sample check report concerning progress made with the full population of the CDB in relation to contract documents only, be submitted to the July 2019 Executive, Resources and Contracts PDS Committee.

The Chairman stated that as the PP&E PDS Committee and the RR&H PDS Committee had fewer contracts in their portfolio, compliance should be able to be achieved more quickly in these areas.

The Chairman of the ER&C PDS Committee felt that it was important to access the contract documentation for old contracts as well as the new contracts. The Chairman responded that whilst this was important, the most important thing was that officers had access to all of the live and current contracts to work from. The Assistant Director for Governance and Contracts commented that he would take a

view on the life time of the contracts, and when they were due for renewal and re-tender.

Committee members agreed that if officers did not provide the relevant documents so that they could be added to the contracts database, then there should be some form of accountability. A discussion followed about who should be held accountable and asked to attend the ER&C PDS in these circumstances.

**RESOLVED that:**

- 1) Officers should be requested to provide contract documentation for inclusion in the contracts database as soon as possible.**
- 2) In cases where the relevant documentation was not provided, based on a further sample check, then the responsible Director or Assistant Director should be invited to attend the ER&C PDS Committee to explain why this was the case.**
- 3) The Head of Performance and Corporate Contracts check if Members now had access to the CDB, and would arrange relevant training for Members as required.**
- 4) A further sample check report concerning the progress made with the full population of the CDB is submitted to the July 2019 ER&C PDS Committee.**

*Post Meeting Note: Resolution 3*

*The Head of Performance and Corporate Contracts has confirmed that Members can access the Contracts Database and will be arranging a training session for Members.*

**70            CONTRACTS REGISTER UPDATE REPORT AND CONTRACTS  
DATABASE EXTRACT--PART 1**

Members noted the Part 1 Contracts Register Update report and the Part 1 Contracts Database Extract.

**RESOLVED that**

- 1) The Commissioning and Contracts Sub-Committee notes the report including the progress made regarding the Contracts Database.**
- 2) The Committee notes that the appended Contract Register formed part of the Council's commitment to data transparency and that the Contract Register presented in Part 2 includes a commentary – elements of which may be commercially sensitive.**

**71 WORK PROGRAMME**

Members noted the Work Programme report, and also the fact that there would be no more to add to the Work Programme as the Committee would no longer be meeting.

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

**RESOLVED** that the press and public be excluded during consideration of the items of business listed below as it was 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.

**73 CONTRACTS REGISTER REPORT AND CONTRACTS DATABASE EXTRACT--PART 2**

The minutes for this item have been noted in the Part 2 section of the minutes.

**74 EXEMPT MINUTES OF THE MEETING OF CONTRACTS SUB-COMMITTEE HELD ON 15TH JANUARY 2019**

The exempt minutes of the meeting of the Committee that was held on 15<sup>th</sup> January 2019 were agreed and signed as a correct record.

The meeting ended at 9.59 pm

Chairman