

CONTRACTS SUB-COMMITTEE

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

Present:

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

1 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

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

2 DECLARATIONS OF INTEREST

There were no declarations of interest.

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

No questions had been received.

4 TERMS OF REFERENCE

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

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

5 WAIVERS - UPDATE FROM THE DIRECTOR OF FINANCE

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

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

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

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

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

6 CONTRACTS FINANCIAL MANAGEMENT SYSTEM

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

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

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

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

7 CONTRACT SUMMARIES

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

8 CONTRACTS REGISTER

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

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

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

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

9 CHANGES TO CONTRACT PROCEDURE RULES
Report CSD16097

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

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

RESOLVED that the proposed changes be supported.

10 MEMBER TRAINING UPDATE
Report CSD16096

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

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

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

11 WORK PROGRAMME AND MEETING DATES 2016/17
Report CSD16095

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

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

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

The Meeting ended at 9.19 pm

Chairman