| Report No:
ES17074 | **London Borough of Bromley** |
| | **PART ONE - PUBLIC** |

Decision Maker:	**Public Protection and Safety PDS Committee**		
Date:	**27 September 2017**		
Decision Type:	Non-Urgent	Non-Executive	Non-Key
Title:	**Contract Register & Contracts Database Update**		
Contact Officer:	Dan Jones, Director of Environment		
Chief Officer:	Nigel Davies, Executive Director of Environment and Community Services		
Ward:	All Wards		

1. Reason for report

1.1 This report presents an extract from September 2017's Contracts Register for scrutiny by PDS Committee – all PDS committees will receive a similar report each cycle.

1.2 This report is based on information, covering all Portfolios, which was presented to Contracts Sub Committee on 21 September 2017.

1.3 The Contracts Register appended includes a commentary on each contract.

1.4 This report also updates PDS Committee on progress with the Council's new Contracts Database (which generates the Contract Registers among other things).

_____

2. **RECOMMENDATIONS**

 That PDS Committee:

 2.1 **reviews the appended £50k+ Contracts Register (which also forms part of the Council's commitment to data transparency) and;**

 2.2 **notes that the Contracts Register appended to this report contains additional, information in its commentary regarding the commissioning process.**

Impact on Vulnerable Adults and Children

1. Summary of Impact: The appended Contracts Register covers services which may be universal or targeted. Addressing the impact of service provision on vulnerable adults and children is a matter for the relevant procurement strategies, contracts award and monitoring reports, and service delivery rather than this report.

Corporate Policy

1. Policy Status: Existing Policy:

2. BBB Priority: Excellent Council:

Financial

1. Cost of proposal: - N/A

2. Ongoing costs: - N/A

3. Budget head/performance centre: PPS Portfolio

4. Total current budget for this head: - £1.963m

5. Source of funding: - Controllable

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: Statutory Requirement:

2. Call-in: Not Applicable:

Procurement

1.   Summary of Procurement Implications: Improves the Council's approach to contract management

---

Customer Impact

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

Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A

2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

Contracts Register Background

3.1 The appended Contracts Register details key information concerning Public Protection and Safety's Portfolio contracts with a Total Contract Value (TCV) greater than £50k (as of 11 September 2017).

3.2 The Register is generated from the Council's new Contracts Database (CDB) which is administered by Commissioning & Procurement Directorate and populated by the relevant service managers (Contract Owners) and approved by their managers (Contract Approvers).

3.3 As a Commissioning Council, this information is vital to facilitate a full understanding of the Council's procurement activity and registers are reviewed by the Commission Board, the Corporate Leadership Team, and Contracts Sub-Committee as appropriate.

3.4 It is anticipated that the information will be updated four times a year following Contract Sub Committee meetings in: September 2017; November 2017; March 2018 and June 2018.

3.5 Each PDS committee will undertake detailed scrutiny of its contracts – including scrutinising suppliers – and hold the Portfolio Holder to account on service quality and procurement arrangements.

Contract Register Summary

3.6 The table below summarises key data from September's £50k+ Contracts Register Report for all six portfolios (including this portfolio).

All Portfolios

Issue	Data	Number	Percentage
Contracts (>£50k)	All Portfolios	265	100%
Flagged as a concern 🚩	All Portfolios	11	6.1%
Contracts by Portfolio	Care Services	106	40%
	Environment	20	7.5%
	Education, Children & Families	60	22.6%
	Public Protection & Safety	6	2.3%
	Renewal & Recreation	19	7.2%
	Resources	54	20.4%
TOTALS		**265**	**100%**
Contracts by Risk Index	Red	19	7.17%
	Amber	95	35.85%
	Yellow	123	46.42%
	Green	28	10.57%
TOTALS		**265**	**100%**
Contracts by Procurement Status	Red	96	29.25%
	Amber	73	31.13%
	Yellow	29	19.81%
	Green/Black/New	67	19.81%
TOTALS		**265**	**100%**

3.7 Key information, for this Portfolio, extracted from September's £50k+ Contracts Register.

Public Protection & Safety Portfolio

Issue	Data	Number	Percentage
Contracts	£50k+	**6**	**100%**
Concern Flag	🚩	0	0%
Risk Index	Red	0	0%
	Amber	2	33.4%
	Yellow	4	66.6%
	Green	0	0%
Portfolio Total		**6**	**100%**
Procurement Status	Red	3	50%
	Amber	1	16.66%
	Yellow	1	16.66%
	Green/Black/New	1	16.66%
Portfolio Total		**6**	**100%**

PP&S has 6 (2.3%) of the Council's 265 contracts (valued at greater than £50k)

Contract Register Key

3.8 A key to the Corporate Contracts Register (which was output from the Contract Database for the first time on 11 September 2017) is set out in the table below.

Register Category	Explanation
Risk Index	A colour-ranking system reflecting eight automatically scored and weighted criteria providing a final score (out of 100) / colour (red, amber, yellow, green) reflecting the contract's intrinsic risk
Contract ID	Each contract has a unique reference which is to be used in related committee reports and authorisations
Owner	Manager / commissioner with budgetary / service responsibility
Approver	Owner's manager, responsible for approving information quality
Contract Title	Commonly used or formal title
Supplier	Main contractor or supplier responsible for service provision
Portfolio	Relevant portfolio for receiving procurement, contract monitoring and budget monitoring reports
Total Contract Value (TCV)	Contract's value from commencement to expiry of formally approved period (i.e. excluding any extensions which have yet to be approved)
Original Annual Value	Value of the contract its first year (which may be difference from the value in subsequent years due to contract commencement costs etc)
Budget	Approved budget for the current financial year
Projection	The expected spend by the end of the financial year
Procurement Status	Automatic ranking system based on value and proximity to expiry designed to alert Owners to take procurement action. Red ragging typically means the contract is nearing expiry.
Start & End Dates	Approved dates excluding extensions yet to be authorised
Months duration	Contract term in months
Attention 🚩	Red flag to denote Commissioning & Procurement Directorate concern (also see Commentary)
Commentary	Owners provide a comment where Risk Index or Procurement Status is ragged red or amber. C&P Directorate has added a comment where appropriate *Commentary only appears in the Part 2 report*

Capital	Most of the Council's contracts are revenue-funded but capital contracts are separately identified (and listed at the foot of the register) because different reporting / accounting rules apply

Contract Register Order

3.9 The Contracts Register is output in Risk Index order. It is then ordered by Procurement Status, Portfolio, and finally Contract Value. Capital contracts appear at the foot of the Register and contracts of concern (to Commissioning & Procurement Directorate) are flagged at the top.

Risk Index

3.10 The Risk Index is designed to focus attention on contracts presenting the most significant risks to the Council. All contracts involve some risk and these may be broadly categorised in relation to finance, service, health & safety, reputation or compliance.

3.11 Risk needs to be controlled to an acceptable level (our risk appetite) rather than entirely eliminated and so the issue is how best to assess and mitigate contract risk. Contract risk is assessed (in the CDB) according to eight separate factors and scored and weighted to produce a Risk Index figure (out of 100). These scores are ragged to provide a visual reference.

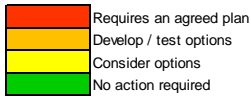## Risk Management

Contract Risk Status — 71.7

Hide Risk Details

Ref	Risk Type	Analyses Result	Score
1	Company Size	Large Organisation (> 250)	1.8
2	Total Contract Value	>£5m <£50m	6.0
3	Annual Contract Value	>£1m plus	30.0
4	Budget & projected spend variance	Default Score used	10.0
5	Sector	Private Sector	10.0
6	Contract Term (Remaining Agreed Term)	1-2 yrs	1.2
7	Contract Type	Term Contract	5.7
8	Procuremant Status Ragging		7.0

Procurement Status

3.12 A contract's Procurement Status is a combination of its Total Contract Value and number of months to expiry. The table below is used to assign a ragging colour. Contracts ragged red, amber or yellow require action – which should be set out in the Commentary.

Procurement / Commissioning Status

Period	£5k - £50k	£50k - £100k	£100k - £173k	£173k - £500k	>£500k
3 months					
6 months					
9 months					
12 months					
18 months					

Total Contract Value

- Requires an agreed plan
- Develop / test options
- Consider options
- No action required

Contracts Database

3.13 The Contracts Database (CDB) was developed from the former contract registers previously received by Contracts Sub and the individual Contract Monitoring Summaries. Those documents, while useful, had limited utility and it was agreed to develop a database rather than rely on a collection of documents and spreadsheets.

3.14 The Contracts Database aims to improve the Council's contract management (in response to procurement rules not always being followed) and corporate memory by creating a live documentary system with all key contract information being accessible from one location.

3.15 The CDB can be accessed (directly or from Team Contract Management) from any LB Bromley computer (or via CITRIX) using the secure 'single sign-in' system. It is the Contract Owners' responsibility to ensure that contract records are kept up-to-date, accurate and fully populated. In particular, Contract Owners will ensure their records are updated for each contract reporting cycle. It is the 'Approvers' responsibility to approve the 'commentary' at each reporting cycle and to generally quality-assure the contract information.

3.16 The Contract Owners and Approvers were trained in how to use the Contracts Database during July and August 2017 and the activity was generally well received. Indeed, many suggestions were volunteered regarding how to improve the Database's utility and these may be incorporated into its future development.

3.17 Contracts are listed as a single line summary in a 'directory format' (not dissimilar to the Contracts Register). More detailed information is held for each contract in the following sections

- Main Contract Details
- Dates & Values
- Financials
- Supplier Details
- Council Contacts
- Supplier Contacts
- Contract Register Commentary
- Contract Documents
- Risk Management
- Linked Services/Contracts (to be developed)
- Linked Strategies/Plans (to be developed)
- Regulatory Requirements (to be developed)
- Approver Sign-off (to be developed)

Contract Database Next Steps

3.18 Now that Workstream One has been completed, the Programme Board will take a view on the priority order in which to address the Programme's next stages which include: alerting; authorisation; credit-checking; usability; monitoring; document storage; insurance and funding.

4. IMPACT ON VULNERABLE ADULTS & CHILDREN

4.1 The Corporate Contracts Register covers all Council services: both those used universally by residents and those specifically directed towards vulnerable adults and children. Addressing the impact of service provision on the vulnerable is a matter for the relevant procurement strategies, contracts, and delivery of specific services rather than this summary register.

5. POLICY IMPLICATIONS

5.1 The Council's renewed ambition for the borough is set out in the 2016-18 update to Building a Better Bromley and the Contracts Database (and associated Contract Registers) help in

delivering all of the aims but especially in delivering the aim of being an 'Excellent Council'. For an 'Excellent Council', this activity specifically helps by 'ensuring good contract management to ensure value-for-money and quality services'.

6. PROCUREMENT IMPLICATIONS

6.1 Most of the Council's (£50k plus) procurement spend is now captured by the Contracts Database. The database will help in ensuring that procurement activity is undertaken in a timely manner, that Contract Procedure Rules are followed, and that Members are able to scrutinise procurement activity in a regular and systematic manner.

7. FINANCIAL IMPLICATIONS

7.1 The Contracts Database and Contract Registers are not primarily financial tools – the Council has other systems and reports for this purpose such as FBM and the Budget Monitoring reports.

7.2 However, the CDB and registers do contain financial information both in terms of contract dates and values and also budgets and spend for the current year.

8. PERSONNEL IMPLICATIONS

8.1 There are no direct personnel implications but the Contracts Database is useful in identifying those officers directly involved in manging the Council's contracts.

9. LEGAL IMPLICATIONS

9.1 There are no direct legal implications but the Contracts Database does identify those contracts which have a statutory basis and also those laws which should be complied with in delivering the contracted services.

9.2 A list of all (irrespective of value) the Council's contracts may be found on Bromley.gov.uk to aid transparency.

Non-Applicable Sections:	None
Background Documents: (Access via Contact Officer)	Contracts Register Reports to Contracts Sub-Committee