

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

**Date:** **30 November 2017**

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

**Title:** **Corporate Contract Register & Contracts Database Update**

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**Ward:** All Wards

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1. Reason for report

- 1.1 This report presents November 2017's Corporate Contracts Register for consideration.
- 1.2 Detailed scrutiny of individual contracts is the responsibility of the six PDS Committees but Contracts Sub-Committee takes an overview of the Council's larger value contracts to ensure commissioning and procurement activity is progressed in a consistent manner.
- 1.3. The Contracts Register presented in 'Part 2' also includes a commentary on each contract to inform Members of any issues or developments.
- 1.4. This report also updates Contracts Sub-Committee on progress with the Council's Contracts Database (which generates the Contract Registers, among other things).

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2. **RECOMMENDATIONS**

**That Contracts Sub-Committee:**

- 2.1 **Notes that the appended Contract Register forms part of the Council's commitment to data transparency and that the Contract Register in Part 2 includes a commentary – elements of which may be commercially sensitive.**
- 2.2 **Notes the content of this report, including progress regarding the Contracts Database.**

### Impact on Vulnerable Adults and Children

1. Summary of Impact: The Corporate Contracts Register covers all Council services: both those used by all 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 service delivery rather than this summary register.
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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: £50k initially and a further estimated £50k for next steps
  2. Ongoing costs: - N/A
  3. Budget head/performance centre: Commissioning & Procurement
  4. Total current budget for this head: £50k
  5. Source of funding: Existing revenue budget 2017/18 and potential additional £50k from 17/18 Central Contingency
- 

### Personnel

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

### 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
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### Customer Impact

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

1. Have Ward Councillors been asked for comments? N/A
2. Summary of Ward Councillors comments: N/A

### 3. COMMENTARY

#### Corporate & PDS Contracts Registers

- 3.1 The appended Corporate Contracts Register details key information concerning the Council's 161 active contracts – each of which has a Total Contract Value (TCV) greater than £200k (as of 21 November 2017, when the database snap-shot was taken).
- 3.2 The Register is generated from the Contracts Database (CDB), which is administered by Commissioning & Procurement Directorate and populated by the relevant Contract Owners.
- 3.3 As a Commissioning Council, this information is vital to facilitate an accurate, comprehensive and up-to-date understanding of the Council's procurement activity and costs.
- 3.4 Contracts Sub-Committee will receive its next Corporate Contracts Register in March 2018.
- 3.5 Each PDS committee meeting (following this meeting) will receive an extract from the Contracts Database of relevant active contracts with a TCV greater than £50k. Each PDS committee undertakes detailed scrutiny of its contracts – including scrutinising suppliers – and holds their Portfolio Holder to account regarding service quality and procurement arrangements.
- 3.6 A full list of all active Council contracts held on the Contracts Database (irrespective of value) will be uploaded to Bromley.gov.uk following this meeting as part of the Council's ongoing commitment to data transparency.

#### Contract Register Summary

- 3.7 Key data from November's Corporate Contracts Register are summarised in the table below.

Issue	Data	September 2017	November 2017
<b>Contracts (&gt;£200k)</b>	All Portfolios	179	<b>161</b>
<b>Flagged as a concern</b> 	All Portfolios	11	14
<b>Capital Contracts</b>	All Portfolios	22	15
<b>Contracts by Portfolio</b>	Care Services	82	73
	Environment	19	19
	Education, Children & Families	25	18
	Public Protection & Safety	6	6
	Renewal & Recreation	10	9
	Resources	37	36
<b>TOTALS</b>		<b>179</b>	<b>161</b>
<b>Contracts by Risk Index</b>	Red	19	17
	Amber	88	74
	Yellow	66	64
	Green	6	6
<b>TOTALS</b>		<b>179</b>	<b>161</b>
<b>Contracts by Procurement Status</b>	Red	62	57
	Amber	52	44
	Yellow	25	21
	Green/other	40	39
<b>TOTALS</b>		<b>179</b>	<b>161</b>

3.8 There are fewer contracts in the November Register (161) compared with September (179). This is because some services (e.g. Sexual Health, Community Support, Libraries) have been combined into single contracts and several capital contracts have been completed. There are currently 264 expired contracts in the CDB, which improves the Council's corporate memory.

### Contract Register Key

3.9 A key to understanding the Corporate Contracts Register is set out in the table below.

Register Category	Explanation
<b>Risk Index</b>	Colour-ranking system reflecting eight automatically scored and weighted criteria providing a score (out of 100) / colour reflecting the contract's intrinsic risk
<b>Contract ID</b>	Unique reference used in all related committee reports and authorisations
<b>Owner</b>	Manager/commissioner with day-to-day budgetary / service provision responsibility
<b>Approver</b>	Contract Owner's manager, responsible for approving data quality
<b>Contract Title</b>	Commonly used or formal title
<b>Supplier</b>	Main contractor or supplier responsible for service provision
<b>Portfolio</b>	Relevant Portfolio for receiving procurement, contract monitoring and budget monitoring reports
<b>Total Value</b>	Total Contract Value i.e. the contract's value from commencement to expiry of formally approved period (i.e. exc. any extensions which have yet to be approved)
<b>Original Annual Value</b>	Value of the contract its first year (which may be difference from the value in subsequent years, due to contract start-up costs etc)
<b>Budget</b>	Approved budget for the current financial year. May be blank due to: finances being reported against another contract; costs being grant-funded, complexity in the finance records e.g. capital (also applies to Projection)
<b>Projection</b>	The expected spend by the end of the current financial year
<b>Procurement Status</b>	Automatic ranking system (green, yellow, amber, red) based on value and proximity to expiry designed to alert Owners to take procurement action. Red ragging typically means the contract is nearing expiry and is not a criticism (as all contracts will ultimately become red).
<b>Start &amp; End Dates</b>	Approved contract start date and end date (excluding any extension which has yet to be authorised)
<b>Months duration</b>	Contract term in months
<b>Attention </b>	Red flag denotes Commissioning & Procurement Directorate concern regarding procurement arrangements (also see C&P Commentary)
<b>Commentary</b>	Contract Owners provide a comment where either the Risk Index or Procurement Status is ragged red or amber. Commissioning & Procurement Directorate may add an additional comment for Members' consideration if appropriate <i>The Commentary only appears in the Part 2 register</i>
<b>Capital</b>	Most of the Council's contracts are revenue-funded but capital contracts are separately identified (and listed at the foot of the Contracts Register) because different reporting / accounting rules apply

### Contract Register Order

3.10 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.

### Contract Database Next Steps

3.11 Now that Workstream One (creating the Database and Contracts Register reporting system) has been completed, work has now started on the subsequent workstreams. In addition to the Authorisation Process (which will require contracts and changes to contracts to be electronically authorised), work is starting on a contract documents file storage system as part of the CDB.

#### 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.

7.3 A sum of £50k was originally set aside for the development of the Contract Database and to date not all of this has been fully committed. The next stage will be more complex as it relates to the Authorisation Process, to address the issues raised by Internal Audit, and so a further sum is likely to be required for this to be fully implemented. It is proposed that £50k is set aside from Central Contingency to be used as required.

#### 8. PERSONNEL IMPLICATIONS

8.1 There are no direct personnel implications but the Contracts Database is useful in identifying those officers directly involved in managing 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 the Council's contracts may be found on [Bromley.gov.uk](http://Bromley.gov.uk) to aid transparency.

<b>Non-Applicable Sections:</b>	None
Background Documents: (Access via Contact Officer)	Contracts Register Reports to <a href="#">E&amp;R PDS</a> Contracts Register Reports to <a href="#">Contracts Sub-Committee</a>