Report No. DRR18/029	**London Borough of Bromley**
	PART ONE - PUBLIC

Decision Maker:	**Renewal Recreation and Housing PDS Committee**
Date:	**26th June 2018**
Decision Type:	Non-Urgent Non-Executive Non-Key
Title:	**Contract Register**
Contact Officer:	Matthew Smallwood-Conway, Project Officer, Leisure and Culture Email: Matthew.Smallwood-Conway@Bromley.gov.uk
Chief Officer:	Colin Brand, Director of Regeneration Email: Colin.Brand@Bromley.gov.uk
Ward:	All Wards

1. <u>Reason for report</u>

1.1 This report presents an extract from March 2018's Contracts Register for detailed scrutiny by PDS Committee – all PDS committees will receive a similar report each contract reporting cycle.

1.2 This report is based on information covering all Portfolios, which was produced on 16 March 2018 and presented to Contracts Sub-Committee on 29 March 2018.

1.3 The Contracts Register contained in 'Part 2' of this agenda includes a commentary on each contract to inform Members of any issues or developments (there is no covering report).

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2. **RECOMMENDATIONS**

 That the 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 in Part 2 contains additional, potentially commercially sensitive, information in its commentary.**

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: Renewal and Recreation Portfolio

4. Total current budget for this head: - £9.492m

5. Source of funding: - Existing Revenue Budget 2017/18

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

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 Council has 238 active contracts with a Total Contract Value (TCV) greater than £50k and the appended Contracts Register provides summary information about the Portfolio's contracts (as of 16 March 2018 when the Contracts Database snap shot was taken).

3.2 The Register is generated from the Council's 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 New registers are produced four times a year – though the CDB itself is always 'live'.

3.5 Each PDS committee is expected to 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 the 238 contracts contained in March 2018's £50k+ Contracts Register Report (covering all six Portfolios).

Key Data (All Portfolios)

Item	Category	September 2017	November 2017	March 2018
Contracts (>£50k)	All Portfolios	**265**	**230**	**238**
Concern Flag	All Portfolios	11	14	12
Portfolio	Care Services	106	91	95
	Environment	20	21	23
	Education, Children & Families	60	43	44
	Public Protection & Safety	6	6	5
	Renewal & Recreation	19	14	10
	Resources	54	55	61
TOTALS		**265**	**230**	**238**
Risk Index	Red	19	17	16
	Amber	95	77	81
	Yellow	123	103	104
	Green	28	33	37
TOTALS		**265**	**230**	**238**
Procurement Status	Red	96	91	114
	Amber	73	55	30
	Yellow	29	26	19
	Green + New	67	58	75
TOTALS		**265**	**230**	**238**

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

Item	Category	September 2017	November 2017	March 2018
Contracts	£50k+	19	14	10
Concern Flag	⚑	0	1	1
Risk Index	Red	1	1	1
	Amber	4	4	3
	Yellow	13	8	5
	Green	1	1	1
Portfolio Total		19	14	10
Procurement Status	Red	11	9	5
	Amber	4	1	1
	Yellow	0	0	0
	Green + New	4	4	4
Portfolio Total		19	14	10

R&R has 10 (~4%) of the Council's 238 (£50k plus) contracts

3.8 The contract with Central Management Solutions for BID Development in Beckenham and Penge was due to end at the end of March 2018 in line with the BID ballot dates for both towns. If the BIDs were unsuccessful that would be the end of Central Management Solutions involvement. In Central Management Solution's contract if one or both BIDs were successful at ballot they would also assist with the establishment stage of each BID. This stage is due to be complete by the end of July 2018.

The Council arranged a review of available software in the market for current Uniform-based Planning and related Environmental Services functions using BT. They found in brief that there isn't a suitable alternative system that it is worth moving to and that the current annual maintenance fee is at a reasonable level

Contract Register Key

3.8 A key to the Contracts Register is set out in the table below.

Register Category	Explanation
Risk Index	Colour-ranking system reflecting eight automatically scored and weighted criteria providing a score (out of 100) / colour reflecting the contract's intrinsic risk
Contract ID	Unique reference used in contract authorisations
Owner	Manager/commissioner with day-to-day budgetary / service provision responsibility
Approver	Contract Owner's manager, responsible for approving data quality
Contract Title	Commonly used or formal title of service / contract
Supplier	Main contractor or supplier responsible for service provision
Portfolio	Relevant Portfolio for receiving procurement strategy, contract award, contract monitoring and budget monitoring reports
Total Contract Value	The contract's value from commencement to expiry of formally approved period (excludes any extensions yet to be formally approved)
Original Annual Value	Value of the contract its first year (which may be difference from the annual value in subsequent years, due to start-up costs etc)
Budget	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)

Projection	Expected contract spend by the end of the current financial year
Procurement Status	Automatic ranking system based on contract value and proximity to expiry. This is designed to alert Contract Owners to take procurement action in a timely manner. Red ragging simply means the contract is nearing expiry and is not an implied criticism (indeed, all contracts will ultimately be ragged 'red').
Start & End Dates	Approved contract start date and end date (excluding any extension which has yet to be authorised)
Months duration	Contract term in months
Attention ⚑	Red flag denotes Commissioning & Procurement Directorate's concern regarding procurement arrangements (also see C&P Commentary in Part 2)
Commentary	Contract Owners provide a comment – especially where the Risk Index or Procurement Status is ragged red or amber. Commissioning & Procurement Directorate may add an additional comment for Members' consideration *The Commentary only appears in the 'Part 2' Contracts Register*
Capital	Most of the Council's contracts are revenue-funded. Capital-funded contracts are separately identified (and listed at the foot of the Contracts 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.
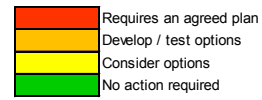
Risk Index

3.10 The Risk Index is designed to focus attention on contracts presenting the most significant risks to the Council. 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   45.4

Hide Risk Details

Ref	Risk Type	Analyses Result	Score
1	Company Size	Mutiple Suppliers / Sizes	0.6
2	Total Contract Value	>£100k <£500k	2.0
3	Annual Contract Value	>£50k <£100k	12.0
4	Budget & projected spend variance	Default Score used	10.0
5	Sector	Other	5.0
6	Contract Term (Remaining Agreed Term)	1-2 yrs	1.2
7	Contract Type	Framework Contract	4.6
8	Procurement Status Ragging		10.0

Procurement Status

3.11 A contract's Procurement Status is a combination of the Total Contract Value (X axis) and number of months to expiry (Y axis). 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. Red ragging simply means the contract is nearing expiry and it is not an implied criticism (indeed, all contracts will ultimately be ragged 'red').

Period	Procurement / Commissioning Status					
3 months	🟥	🟥	🟥	🟥	🟥	Requires an agreed plan
6 months	🟧	🟥	🟥	🟥	🟥	Develop / test options
9 months	🟨	🟧	🟥	🟥	🟥	Consider options
12 months	🟩	🟨	🟧	🟥	🟥	No action required
18 months	🟩	🟩	🟨	🟧	🟥	
	£5k - £50k	£50k - £100k	£100k - £173k	£173k - £500k	>£500k	
	Total Contract Value					

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 is set out in the 2016-18 update to Building a Better Bromley and the Contracts Database (and Contract Registers) help in delivering the aims (especially in delivering the 'Excellent Council' aim). 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. 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 the Council's active contracts may be found on Bromley.gov.uk to aid transparency (this data is updated after each Contracts Sub-Committee meeting).

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