

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

**Date:** 19 September 2018

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

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

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**Ward:** All Wards

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1. Reason for report

- 1.1 This report presents September 2018'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 (£200k+) contracts to ensure that commissioning and procurement activity is progressed in a consistent manner.
  - 1.3 The Contracts Register and accompanying report are presented in 'Part 2' of this agenda and includes a commentary on each contract to inform Members of any issues or developments.
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2. **RECOMMENDATIONS**

That Commissioning and 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 presented 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 Contract 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: Estimated £60k in total
  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 2018/19
- 

### 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
- 

### 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 on the Council's 170 active contracts with a Total Contract Value (TCV) greater than £200k (as of 24 August 2018, when the database snap-shot was taken). Each PDS committee meeting will receive an extract from the CBD of its active contracts with a TCV greater than £50k.
- 3.2 The Register is generated from the Contracts Database (CDB), which is administered by Commissioning & Procurement Directorate but populated by the relevant Contract Managers.
- 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, opportunities and costs.
- 3.4 A full list of the Council's active contracts held on the Contracts Database (irrespective of value) will be uploaded to [Bromley.gov.uk](http://Bromley.gov.uk) immediately following this meeting as part of the Council's ongoing commitment to data transparency.
- 3.5 The next Contracts Register will be presented to the **11 December 2018** meeting.

#### Contract Register Summary

- 3.6 As you will see from the latest Contracts Database Register (attached) as of 24<sup>th</sup> August 2018 the Council had 170 active contracts of which 9 of those Contracts have been flagged as a concern..

Item	Category	March 2018	July 2018	September 2018
<b>Contracts (&gt;£200k TCV)</b>	All Portfolios	<b>167</b>	<b>163</b>	<b>170</b>
<b>Flagged as a concern</b> 	All Portfolios	12	4	9
<b>Capital Contracts</b>	All Portfolios	13	12	13
<b>Portfolio</b>	Adult Care and Health	0	71	76
	Care Services	75	0	0
	Education, Children and Families	22	25	23
	Environment	18	0	0
	Environment and Community Services	0	17	18
	Public Protection and Safety	5	5	5
	Renewal and Recreation	8	0	0
	Renewal and Recreation and Housing	0	7	11
	Resources	39	0	0
	Resources Commissioning and Contract Management	0	38	37
<b>Total</b>		<b>167</b>	<b>163</b>	<b>170</b>
<b>Risk Index</b>	Red	16	18	14
	Amber	79	78	87
	Yellow	66	61	63
	Green	5	6	6
<b>Total</b>		<b>166</b>	<b>163</b>	<b>170</b>
<b>Procurement Status</b>	Red	87	87	71
	Amber	25	17	10
	Yellow	13	22	23

	Green	42	37	66
<b>Total</b>		<b>167</b>	<b>163</b>	<b>170</b>

**\* The March Risk Index figures do not add up to the total number of contracts because there was an income contract that was not flagged correctly and therefore not picked up on the snap shot. This has now been rectified**

#### **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 Officers are required to update the Database with information on contracts with a TCV greater than £50k (officers may also add contracts with a TCV greater than £5k). The Database helps to ensure: that procurement activity is undertaken in a timely manner; that Contract Procedure Rules are followed; and that Members can systematically scrutinise procurement activity.

#### **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. That said, the CDB and associated registers do contain financial information, both in terms of contract dates and values and also annual budgets and projected spend.

#### **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 identifies 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](http://Bromley.gov.uk) to aid transparency (this data is updated after each Contracts Sub-Committee meeting).

<b>Non-Applicable Sections:</b>	None
Background Documents: (Access via Contact Officer)	Contracts Register Reports to <a href="#">Contracts Sub-Committee</a> Appendix 1 – Contracts Database Background information

## Appendix 1 Contracts Register Key and Background Information

### Contract Register Key

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

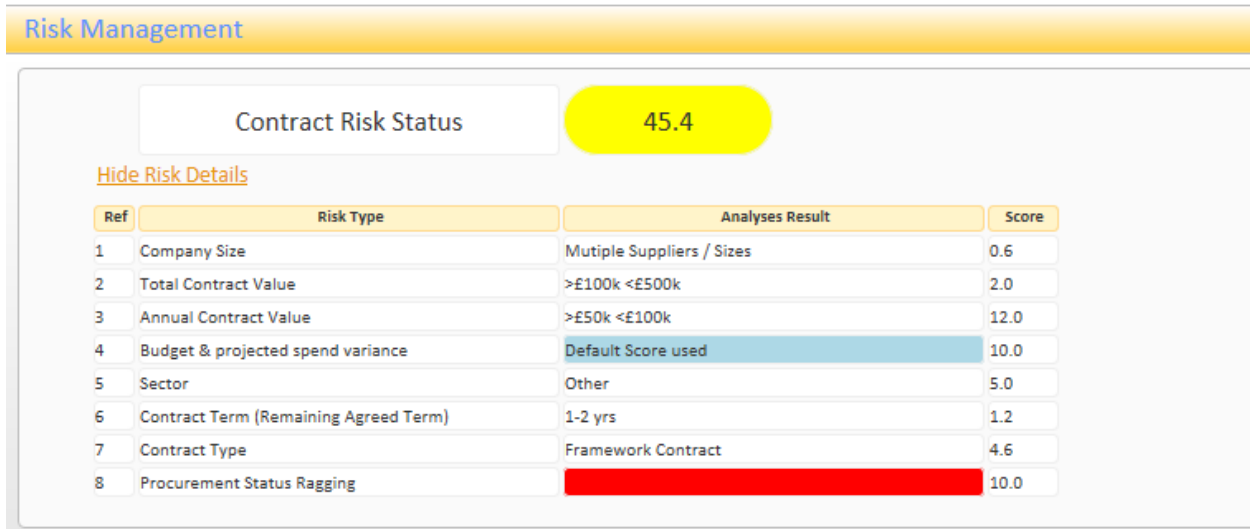
Register Category	Explanation
<b>Risk Index</b>	Colour-ranking system reflecting eight automatically scored and weighted criteria providing a score (out of 100) / colour reflecting the contract's intrinsic risk
<b>Contract ID</b>	Unique reference used in contract authorisations
<b>Owner</b>	Manager/commissioner 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 of service / contract
<b>Supplier</b>	Main contractor or supplier responsible for service provision
<b>Portfolio</b>	Relevant Portfolio for receiving procurement strategy, contract award, contract monitoring and budget monitoring reports
<b>Total Contract Value</b>	The contract's value from commencement to expiry of formally approved period (excludes any extensions yet to be formally approved)
<b>Original Annual Value</b>	Value of the contract its first year (which may be difference from the annual value in subsequent years, due to 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>	Expected contract spend by the end of the current financial year
<b>Procurement Status</b>	Automatic ranking system based on contract value and proximity to expiry. This is designed to alert Contract Managers 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').
<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's concern regarding procurement arrangements (also see C&P Commentary in Part 2)
<b>Commentary</b>	Contract Managers 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 <i>The Commentary only appears in the 'Part 2' Contracts Register</i>
<b>Capital</b>	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

1.2 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

- 1.3 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.



## Procurement Status

- 1.4 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').

		Procurement / Commissioning Status					
Period	3 months						<div style="display: flex; align-items: center;"> <div style="width: 20px; height: 20px; background-color: red; margin-right: 5px;"></div> Requires an agreed plan  <div style="width: 20px; height: 20px; background-color: yellow; margin-right: 5px;"></div> Develop / test options  <div style="width: 20px; height: 20px; background-color: orange; margin-right: 5px;"></div> Consider options  <div style="width: 20px; height: 20px; background-color: green; margin-right: 5px;"></div> No action required                 </div>
	6 months						
	9 months						
	12 months						
	18 months						
		£5k - £50k	£50k - £100k	£100k - £173k	£173k - £500k	>£500k	
		Total Contract Value					