

Decision Maker: ENVIRONMENT & COMMUNITY SERVICES PDS COMMITTEE

Date: Wednesday 10 October 2018

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

Title: CONTRACT REGISTER

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Chief Officer: Nigel Davies, Executive Director of Environment & Community Services

Ward: All Wards

1. Reason for report

- 1.1 This report presents an extract from September 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 24th August 2018 and presented to Contracts Sub-Committee on 19 September 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).

2. **RECOMMENDATIONS**

That the Environment and Community Services 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 **Note 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.
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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: - N/A
 2. Ongoing costs: - N/A
 3. Budget head/performance centre: Environment & Community Services Portfolio
 4. Total current budget for this head: - £30.185m
 5. Source of funding: - [Existing revenue budget for 2018/19
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Personnel

1. Number of staff (current and additional): - 147.19 FTEs
 2. If from existing staff resources, number of staff hours: - N/A
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Legal

1. Legal Requirement: Statutory Requirement:
 2. Call-in: Not Applicable:
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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

Contracts Register Background

- 3.1 The Council has 224 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 24 August 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 224 contracts contained in September 2018's £50k+ Contracts Register Report (covering all six Portfolios).

Key Data (All Portfolios)

Item	Category	March 2018	July 2018	September 2018
Contracts (>£50k TCV)	All Portfolios	238	216	224
Flagged as a concern	All Portfolios	12	4	9
Capital Contracts	All Portfolios	23	17	17
Portfolio	Care Services	95	0	0
	Adult Care and Health	0	86	91
	Public Protection and Safety	5	5	5
	Environment and Community Services	0	20	21
	Environment	23	0	0
	Education, Children and Families	44	39	36
	Resources Commissioning and Contract Management	0	58	58
	Resources	61	0	0
	Renewal and Recreation and Housing	0	8	13
	Renewal and Recreation	10	0	0
Total		238	216	224
Risk Index	Red	16	18	14
	Amber	81	80	89
	Yellow	104	82	83
	Green	36	36	38
Total		237*	216	224
Procurement Status	Red	114	98	85
	Amber	30	24	17
	Yellow	19	32	31
	Green	75	62	91
Total		238	216	224

* The March Risk Index and Procurement status 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.

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

Environment and Community Services				
Item	Category	March 2018	July 2018	September 2018
Total Contracts	£50k+	23	20	21
Concern Flag		3	0	5
Risk Index	Red	7	5	5
	Amber	7	8	9
	Yellow	6	5	5
	Green	2	2	2
Total		22*	20	21
Procurement Status	Red	16	14	14
	Amber	2	2	2
	Yellow	1	0	1
	Green	3	4	4
Total		22*	20	21

Environment has 23 (~10%) of the Council's 224 (£50k plus) contracts

* The March Risk Index and Procurement status 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.

3.8 The following contracts have been flagged by Commissioning as a concern. It should be noted that these contracts have only been flagged due to the tight timescales for tender, rather than due to any performance issues associated with the delivery of the contracts. All commissioning activity is on track.

Contract ID	Contract Name	Total Contract Value (£)	Contract End Date
320	Highways Engineering Consultancy	1,083,333	31/03/2019
3789	Openview Security Solutions	248,876	30/05/2019
14	Supply of Contract Hire (Lease) cars	1,630,000	15/05/2019
13	Vehicle and Plant Maintenance Repairs & Associated Transport Services	1,245,040	05/04/2019
11	Council Fleet Hire	213,035	15/05/2019

3.9 Contract IDs 11, 13 & 14 were presented to the Commissioning Board on the 17th September and the recommended commissioning route was agreed. Contract ID 320 is on the Commissioning Board agenda for October 2018. A business case and gateway report for Contract ID 3789 will be on the agenda for Commissioning Board during November/December 2018. Contract IDs 320, 3789 and 14 were also presented to the Contracts and Commissioning Sub-Committee on 19th September.

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 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 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 Appendix 1 – Contracts Database Background information Appendix 2 – Contracts Database Extract (September 2018)

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.

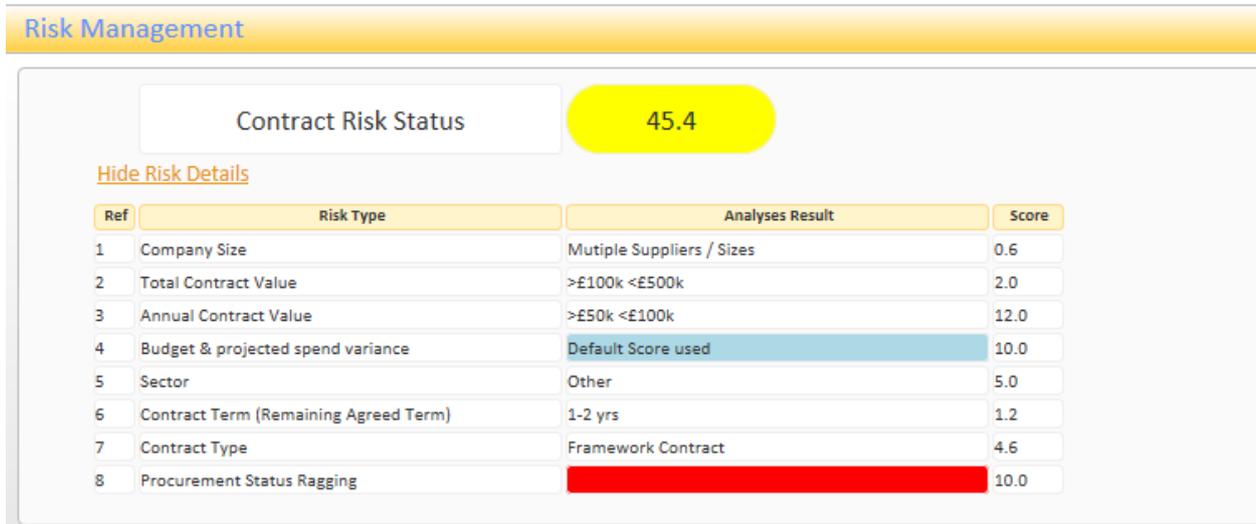
Register Category	Explanation
Risk Index	Colour-ranking system reflecting eight automatically scored and weighted criteria providing a score (out of 100) / colour reflecting the contract's intrinsic risk
Contract ID	Unique reference used in contract authorisations
Owner	Manager/commissioner with day-to-day 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 <i>The Commentary only appears in the 'Part 2' Contracts Register</i>
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

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



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