

## London Borough of Bromley

Report No.  
ES19049

### PART ONE - PUBLIC

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**Decision Maker:** ENVIRONMENT AND COMMUNITY SERVICES PDS  
COMMITTEE

**Date:** 28 August 2019

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

**Title:** CONTRACT REGISTER

**Contact Officer:** Sarah Foster, Head of Performance Management and Business Support  
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**Chief Officer:** Colin Brand, Director of Environment & Public Protection

**Ward:** All Wards

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#### 1. Reason for report

- 1.1 This report presents an extract from July 2019 Contracts Register for detailed scrutiny by PDS Committee – all PDS committees will receive a similar report each contract reporting cycle, based on data as at 17<sup>th</sup> June 2019 and presented to E&RC PDS on 3<sup>rd</sup> July 2019.
- 1.2 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 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.
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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: - £31.2m
  5. Source of funding: - Existing controllable revenue budget for 2019/20
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### Personnel

1. Number of staff (current and additional): - N/A
  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 Contracts Database is fully utilised by all Contract Managers across the Council as part of their Contract Management responsibilities, which includes the updating the information recorded on the database. The Register is generated from the Contracts Database which is administered by Commissioning & Procurement Directorate and populated by the relevant service managers (Contract Owners) and approved by their managers (Contract Approvers).
- 3.2 As a Commissioning Council, this information is vital to facilitate a full understanding of the Council's procurement activity and the Contracts Registers is a key tool used by Contract Managers as part of their daily contract responsibilities. The Contract Registers are reviewed by the Commissioning Board, Chief Officers, Corporate Leadership Team, and Contracts Sub-Committee as appropriate
- 3.3 The Contracts Register is produced four times a year for members– though the CDB itself is always 'live'.
- 3.4 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

- 3.5 The Council has 205 active contracts covering all portfolios as of 17<sup>th</sup> June 2019 for the July reporting cycle as set out in Appendix 1.
- 3.6

Environment and Community Services			
Item	Category	April 2019	July 2019
<b>Total Contracts</b>	£50k+	<b>21</b>	<b>14</b>
<b>Concern Flag</b> 	Concern Flag	<b>3</b>	<b>0</b>
Risk Index			
	Red	5	3
	Amber	9	4
	Yellow	5	4
	Green	2	3
<b>Total</b>		<b>21</b>	<b>14</b>
Procurement Status			
	Red	16	1
	Amber	1	1
	Yellow	0	2
	Green	4	10
<b>Total</b>		<b>21</b>	<b>14</b>

- 3.7 Contracts may be flagged for attention due to the tight timescales for tender (rather than any performance issues associated with the delivery of the contract). During this contract cycle, there are no ECS contracts flagged for attention.
- 3.8 The Parks Security Contract (Contract ID 4) has been awarded to Veolia Environmental Services and will commence on 1<sup>st</sup> April 2020 (forming part of the Environmental Services

Contract - Lot 3 Street Environment). The Contract Title will be 'Part D: Security: Parks, Open Spaces, Countryside Sites and Public Highway'.

- 3.9 The contract for the Confirm software (contract ID 3805) is due for renewal in July 2020 and an option to use the G Cloud framework is currently being explored.
- 3.10 The Contract for the supply of Leased Cars (contract ID 4885) is a call-off facility which commenced on 16<sup>th</sup> May 2019 with 'on-line' access via a web portal to 20 vehicle lease companies offering instant quotations.
- 3.11 Contract ID 4865 for depot security commenced on 1<sup>st</sup> April 2019 and now serves the Central Depot only.
- 3.12 It should be noted that where Nigel Davies (Executive Director of Environment and Community Services) is stated as the Contract Approver in the CDB extract (Appendix 1), this responsibility transferred to Colin Brand (Director of Environment and Public Protection) as of 5<sup>th</sup> August 2019 and will be updated before the next CDB 'snapshot' is taken.

#### **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 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](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)	<ul style="list-style-type: none"><li>• Appendix 1 – Key Data (All Portfolios)</li><li>• Appendix 2 - Contracts Database Background information</li><li>• Appendix 3 – Contracts Database Extract PART 1</li></ul>

## Appendix 1: Key Data (All Portfolios)

Item	Category	April 2019	July 2019
<b>Contracts (&gt;£50k TCV)</b>	All Portfolios	<b>214</b>	<b>205</b>
<b>Flagged as a concern</b> 	All Portfolios	<b>8</b>	<b>4</b>
<b>Capital Contracts</b>	All Portfolios	<b>9</b>	<b>9</b>
<b>Portfolio</b>			
	Adult Care and Health	82	82
	Renewal and Recreation and Housing	10	12
	Public Protection and Safety	7	5
	Environment and Community Services	21	14
	Education, Children and Families	36	36
	Resources Commissioning and Contract Management	58	56
<b>Total</b>		<b>214</b>	<b>205</b>
<b>Risk Index</b>			
	Red	11	10
	Amber	83	74
	Yellow	83	82
	Green	37	39
<b>Total</b>		<b>214</b>	<b>205</b>
<b>Procurement Status</b>			
	Red	72	55
	Amber	24	23
	Yellow	49	45
	Green	69	82
<b>Total</b>		<b>214</b>	<b>205</b>
Procurement Status	Imminent	3	0
<b>Total</b>		<b>3</b>	<b>0</b>

## Appendix 2 - 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.

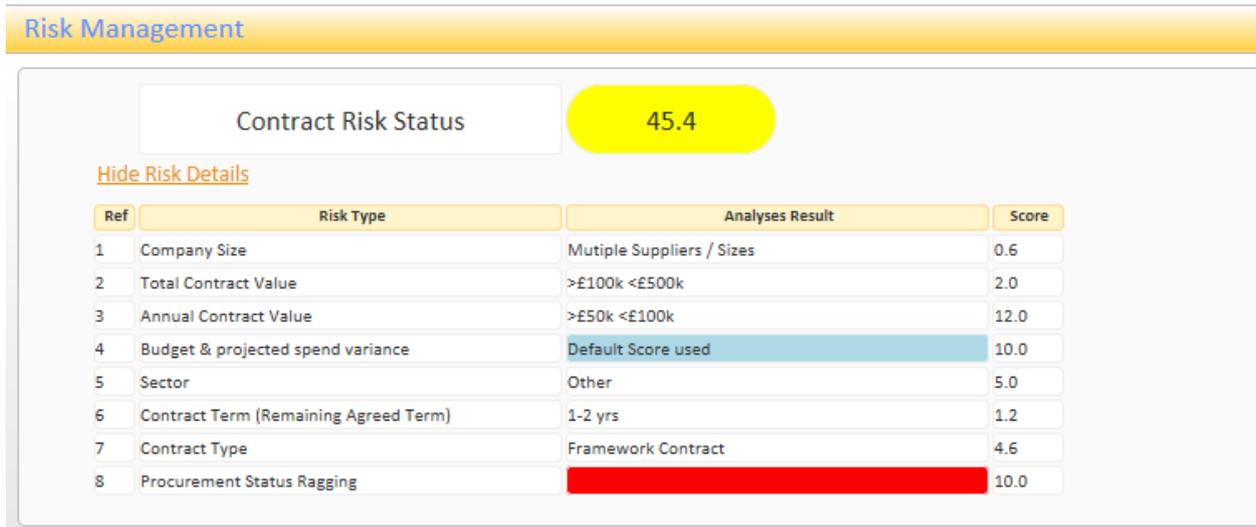
Register Category	Explanation
<b>Risk Index</b>	Colour-ranking system reflecting eight automatically scored and weighted criteria providing a score (out of 100) / colour reflecting the contract's intrinsic risk
<b>Contract ID</b>	Unique reference used in contract authorisations
<b>Owner</b>	Manager/commissioner 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 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').
<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 indicates that there are potential issues, or that the timescales are tight and it requires close monitoring. (also see C&P Commentary in Part 2)
<b>Commentary</b>	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>
<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					