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London Borough of Bromley

PART ONE - PUBLIC

Decision Maker:	**CHILDREN, EDUCATION AND FAMILIES PDS COMMITTEE**
Date:	**18th June 2020**
Decision Type:	Non-Urgent Non-Executive Non-Key
Title:	**Contracts Register and Contracts Database Report**
Contact Officer:	Colin Lusted, Head of Complex & Long Term Commissioning – Education, Care & Health Services. Email: Colin.lusted@bromley.gov.uk
Chief Officer:	Janet Bailey, Interim Director of Children's Services.
Ward:	All Wards

1. Reason for report

1.1 This report presents an extract from May 2020's 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 4th May 2020 and presented to E & RC PDS on 18th May 2020.

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.

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2. RECOMMENDATIONS

That the Children, Education and Families PDS Committee:

2.1 Reviews and comments on the Contracts Register as at 4th May 2020.

2.2 Note that in Part 2 of this agenda the Contracts Register 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: Children, Education and Families
4. Total current budget for this head: Controllable Budget £42.207M
5. Source of funding: Existing Relevant Budget 2020/21

Personnel

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

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

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 updating the information recorded on the database. The Register is generated from the Contracts Database which is administered by the 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 Register is a key tool used by Contract Managers as part of their daily contract responsibilities. The Contract Registers are reviewed by the Procurement Board, Chief Officers, Corporate Leadership Team, and E & RC PDS 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 212 active contracts covering all portfolios as of 4th May 2020 for the May 2020 reporting cycle as set out in Appendix 1.

3.6

Children, Education and Families

Item	Category	October 2019	January 2020	May 2020
Total Contracts	**£50k+**	**35**	**37**	**36**
Concern Flag	**Concern Flag**	**0**	**0**	**0**
Risk Index	Red	2	2	2
	Amber	4	7	4
	Yellow	15	15	16
	Green	14	13	14
Total		35	37	36
Procurement Status	Red	8	12	13
	Amber	6	6	4
	Yellow	8	4	3
	Green	10	13	15
Total		32	35	35

- *Please note one imminent contract due to start on 1 June 2020*

3.7 No contracts have been flagged as a concern.

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 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)	• Appendix 1 – Key Data (All Portfolios) • Appendix 2 - Contracts Database Background information • Appendix 3 – Contracts Database Extract PART 1

Appendix 1 Key Data (All Portfolios)

Item	Category	Oct-19	Jan-20	May-20
Contracts (>£50k TCV)	**All Portfolios**	**207**	**214**	**212**
Flagged as a concern	**All Portfolios**	**2**	**1**	**0**
Capital Contracts	**All Portfolios**	**5**	**3**	**1**
Portfolio	Children, Education and Families	35	37	36
	Adult Care and Health	72	73	72
	Public Protection and Enforcement	5	5	6
	Executive, Resources and Contracts	55	55	57
	Environment and Community Services	15	17	16
	Education, Children and Families	0	0	0
	Resources Commissioning and Contract Management	0	0	0
	Renewal and Recreation and Housing	25	27	25
	Public Protection and Safety	0	0	0
		207	214	212
Risk Index	Red	12	13	12
	Amber	72	74	69
	Yellow	83	84	84
	Green	40	43	47
Total		207	214	212
Procurement Status	Red	50	64	78
	Amber	48	40	17
	Yellow	24	19	24
	Green	85	91	93
Total		207	214	212
Procurement Status	Imminent	5	5	1
Total		5	5	1

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
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 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)
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

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.

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

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	£5k - £50k	£50k - £100k	£100k - £173k	£173k - £500k	>£500k
3 months					
6 months					
9 months					
12 months					
18 months					

Total Contract Value

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