

Report
Number:
210001

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EXECUTIVE, RESOURCES & CONTRACTS PDS COMMITTEE

Date: 3 February 2021

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

Title: Corporate Contract Register

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Ward: All Wards

1. Reason for report

- 1.1 This report presents February 2021's Corporate Contracts Register for consideration.
 - 1.2 Detailed scrutiny of individual contracts is the responsibility of the six PDS Committees but ER&C PDS takes an overview of the Council's larger value (£200k+) contracts to ensure that commissioning and procurement activity is progressed in a consistent manner. This report provides both the Council wide £200k+ register together with the £50k+ register specific to the ER&C Portfolio.
 - 1.3 The Contracts Register presented 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 Executive, Resources and Contracts PDS Committee:

- 2.1 Notes that the appended Contract Register forms part of the Council's commitment to data transparency and includes commentary some of which may be commercially sensitive.
- 2.2 Notes the content of this report.
- 2.3 Notes the recommendations for changes to the format of the report as detailed in paragraphs 3.9 to 3.12 and provides any comment.

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:
-

Financial

1. Cost of proposal:
 2. Ongoing costs: - N/A
 3. Budget head/performance centre:
 4. Total current budget for this head:
 5. Source of funding:
-

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

Corporate & PDS Contracts Registers

- 3.1 The appended Corporate Contracts Register details key information on the Council's 160 active contracts with a Total Contract Value (TCV) greater than £200k, as of 21 January 2021 when the database snap-shot was taken. Each PDS committee meeting will receive an extract from the CDB 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 the Corporate 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 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 members in May 2021.

Contract Register Summary

- 3.6 As you will see from the latest Contracts Database Register (attached) as at 21 January 2021 the Council had 160 active contracts, of which 3 of these contracts have been flagged as requiring action.

Item	Category	September 2020	November 2020	February 2021
Contracts (>£200k TCV)	All Portfolios	149	156	160
Flagged as a concern	All Portfolios	2	0	3
Capital Contracts	All Portfolios	4	3	7
Portfolio	Adult Care and Health	59	62	62
	Executive, Resources and Contracts	36	34	35
	Public Protection and Enforcement	5	5	5
	Renewal and Recreation and Housing	20	22	22
	Children, Education and Families	17	19	21
	Environment and Community Services	12	14	15
Risk Index	Red	14	17	17
	Amber	67	73	75
	Yellow	60	56	57
	Green	8	10	11
Procurement Status	Red	68	67	72
	Amber	14	17	14
	Yellow	14	12	20
	Green	53	60	54
	Imminent	2	2	3
		151	158	163

3.7 Contract Managers and Directors keep all flagged contracts under review.

3.8 For the Executive, Resources and Contracts Portfolio as of 21 January 2021 the Portfolio had 57 Contracts, of which two of those contracts have been flagged for the attention of the Contract Manager.

Executive, Resources and Contracts

Item	Category	September 2020	November 2020	February 2021
Total Contracts	£50k+	57	56	57
Concern Flag	Concern Flag	1	0	2
Risk Index	Red	3	3	3
Risk Index	Amber	12	10	10
Risk Index	Yellow	23	24	25
Risk Index	Green	19	19	19
		57	56	57
Procurement Status	Red	10	7	8
Procurement Status	Amber	4	4	4
Procurement Status	Yellow	8	7	15
Procurement Status	Green	34	38	30
		56	18	57

3.9 Appendix 1 sets out a Key to the Contracts Register, explaining the meaning of RAG ratings such as Procurement Status.

3.10 Procurement Status is an automatic status assigned by the Database based on contract value and contract end date. Its purpose is only to highlight those contracts approaching their end date. A Red or Amber status simply means that the contract end date is approaching – the status does not change regardless of any action that has or has not been taken. All contracts will become Red rated and will remain so until the contract ends or is extended.

3.11 For any contract with a Procurement Status of Red or Amber, the Commentary should be completed by the Contract Owner to provide a summary of the status of the contract. The Corporate Procurement team may also provide a view. Where there are issues with the progress of a contract, the entry can be flagged for attention by the Assistant Director Governance & Contracts and additional commentary may be provided (as per the Part 2 report) or requested.

3.12 Experience has shown that the Procurement Status is often perceived negatively, i.e. that a Red status is perceived to indicate a problem with the contract or that urgent action is required; or that the volume of contracts with a Red status does not give sufficient indication to Members on which contracts to focus attention. It is proposed that future reports are amended as follows:

- i. All contracts with an automatic Procurement Status of red/amber will continue to require commentary from the Contract Owner and Corporate Procurement;
- ii. Corporate Procurement will manually adjust the Procurement Status of all automatic red/amber contracts to a clearer traffic light RAG rating. The Procurement Status of all other contracts will be manually adjusted to neutral.
- iii. The proposed manually adjusted Red, Amber and Green rating is as follows:
 - o Red – as per the current For Attention status; there are potential issues with the contract or the timescales are tight and it requires close monitoring. For example, a decision on a procurement action is past due or there is a risk that procurement action cannot be completed before the contract end date;

- Amber – appropriate procurement action is either in progress or should be commencing shortly. For example, a tender is underway or an authorisation to extend a contract needs to be in place shortly.
- Green – appropriate procurement action has been taken and there should be no issues other than mobilisation as necessary. For example, a tender has been completed and contract award approved; or an extension option has been authorised.

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.

4. 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'.

5. PROCUREMENT IMPLICATIONS

- 5.1 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.

6. FINANCIAL IMPLICATIONS

- 6.1 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. 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.

7. PERSONNEL IMPLICATIONS

- 7.1 There are no direct personnel implications but the Contracts Database is useful in identifying those officers directly involved in managing the Council's contracts.

8. LEGAL IMPLICATIONS

- 8.1 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.
- 8.2 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 – Contracts Database Background information Appendix 2 – Contracts Database and PDS Extract PART 1

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 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').
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 Managers provide a comment – especially where the Risk Index or Procurement Status is ragged red or amber. Corporate 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

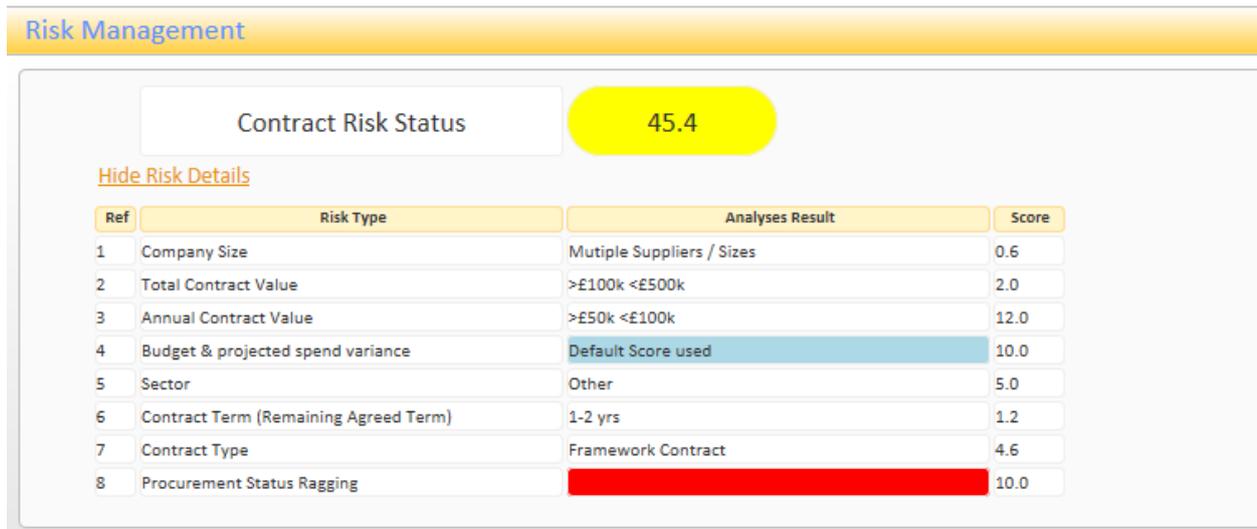
Contract Register Order

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').

