

**Decision Maker:** EXECUTIVE, RESOURCES & CONTRACTS PDS COMMITTEE

**Date:** 25 May 2021

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

**Title:** Corporate Contract Register

**Contact Officer:** Laurence Downes, Assistant Director of Governance and Contracts  
Tel: 020 8313 4805 E-mail: [laurence.downes@bromley.gov.uk](mailto:laurence.downes@bromley.gov.uk)

**Chief Officer:** Mark Bowen, Director of Corporate Services  
Tel: 020 313 4461 E-mail: [mark.bowen@bromley.gov.uk](mailto:mark.bowen@bromley.gov.uk)

**Ward:** All Wards

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1. Reason for report

- 1.1 This report presents May 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 Part 1 Contract Register forms part of the Council's commitment to data transparency. The Part 2 Contract Register includes commentary some of which may be commercially sensitive.
- 2.2 Notes the content of this report and the accompanying Part 2 report.

### 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:
  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
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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

#### Corporate & PDS Contracts Registers

- 3.1 The appended Corporate Contracts Register details key information on the Council's 151 active contracts with a Total Contract Value (TCV) greater than £200k, as of 30 April 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](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 members in September 2021

#### Contract Register Summary

- 3.6 As you will see from the latest Contracts Database Register (attached) as at 30 April 2021 the Council had 151 active contracts, of which 2 of these contracts have been flagged as a concern.

Item	Category	November 2020	February 2021	May 2021
<b>Contracts (&gt;£200k TCV)</b>	<b>All Portfolios</b>	<b>156</b>	<b>160</b>	<b>151</b>
<b>Flagged as a concern</b>	<b>All Portfolios</b>	<b>0</b>	<b>3</b>	<b>2</b>
<b>Capital Contracts</b>	<b>All Portfolios</b>	<b>3</b>	<b>7</b>	<b>7</b>
Portfolio	Adult Care and Health	62	62	64
	Executive, Resources and Contracts	34	35	26
	Public Protection and Enforcement	5	5	5
	Renewal and Recreation and Housing	22	22	22
	Children, Education and Families	19	21	18
	Environment and Community Services	14	15	16
Risk Index	Higher Risk	90	92	81
	Lower Risk	66	68	70
Procurement Status (RAG rated where contracts are approaching end date)	Red	N/A	N/A	2
	Amber	N/A	N/A	42
	Green	N/A	N/A	37
	Neutral	N/A	N/A	70

- 3.7 Contract Owners and Directors keep all flagged contracts under review.
- 3.8 For the Executive, Resources and Contracts Portfolio as of 30 April 2021 the Portfolio had 48 Contracts, of which two of those contracts have been flagged for the attention of the Contract Owner.

## Executive, Resources and Contracts

Item	Category	November 2020	February 2021	May 2021
Total Contracts	£50k+	56	57	48
Concern Flag	Concern Flag	0	2	2
	Higher Risk	13	13	9
	Lower Risk	43	44	39
Procurement Status for Contracts approaching end date	Red	N/A	N/A	2
	Amber	N/A	N/A	3
	Green	N/A	N/A	6
	Neutral	N/A	N/A	37

- 3.9 Appendix 1 sets out a Key to the Contracts Register, explaining the meaning of RAG ratings such as Procurement Status.
- 3.10 At its meeting of 3 February 2021, Executive, Resources and Contracts PDS agreed changes to the format of the Contract Register report, reflecting feedback from PDS Committees. The changes to the format of the report are summarised as follows:
- i. A Risk Index is automatically assigned to each contract to reflect intrinsic risk, based on a number of factors such as contract value, length of contact and type of provider. The Risk Index has been amended to simpler classifications of 'Higher Risk' and 'Lower Risk' to avoid confusion with a RAG rating.
  - ii. A Procurement Status is automatically assigned to each contract to reflect the time remaining on each contract and where, as a result, procurement action may be required. A colour index was previously used; however this was often misinterpreted as a RAG rating and so has been removed. For all contracts flagged by the Register as approaching their end date, a commentary on the status of the contract will continue to be provided by the Contract Owner and the Corporate Procurement team. In addition, a manual RAG rating has been assigned by the Assisant Director Governance & Contracts to all relevant contracts to reflect the RAG status of the contract. The definitions of the manual RAG ratings are as follows:
    - Red – as per the current Flagged 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. Progress needs to be monitored but there are not necessarily any issues;
    - Green – appropriate procurement action has been successfully taken (and there should be no issues other than mobilisation as necessary) or there is still sufficient time to commence and complete a procurement action. For example, a tender has been completed and contract award approved; or an extension option has been authorised; or there is still significant time remaining before action needs to commence.

- Neutral – the contract has not been flagged by the Database as approaching its end date. No commentary or RAG rating is required at this time.

Members are asked to consider the changes to the report and provide further feedback as necessary on their effectiveness or any further adjustments required.

## **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 such as contract dates and values .

## **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).

<b>Non-Applicable Sections:</b>	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
<b>Risk Index</b>	Ranking system reflecting eight automatically scored and weighted criteria providing a score (out of 100) reflecting the contract's intrinsic risk – reported as either Higher Risk or Lower 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>Procurement Status</b>	<p>For all contracts automatically ranked by the Database as approaching their end date, a manual RAG rating is assigned by the Assistant Director Governance &amp; Contracts to reflect the status of the contract. The RAG ratings are as follows:</p> <p>Red – there are potential issues with the contract or the timescales are tight and it requires close monitoring.</p> <p>Amber – appropriate procurement action is either in progress or should be commencing shortly.</p> <p>Green – appropriate procurement action has been successfully taken or there is still sufficient time to commence and complete a procurement action.</p>
<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 or Red RAG indicates that there are potential issues, or that the timescales are tight and it requires close monitoring. Further commentary may be provided in the Part 2 report.
<b>Commentary</b>	<p>Contract Owners provide a comment where contracts approach their end date. Corporate Procurement may add an additional comment for Members' consideration</p> <p><i>The Commentary only appears in the 'Part 2' Contracts Register</i></p>
<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 ordered by Procurement Status, Portfolio, and finally Contract Value. Capital contracts appear at the foot of the Register and 'contracts of concern' (to Corporate Procurement) 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). The Risk Index is reported as either 'Higher Risk' or 'Lower Risk'.

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 The Database will highlight contracts approaching their end date through a combination of the Total Contract Value and number of months to expiry . For all contracts highlighted by the Database as potentially requiring action soon, a commentary is provided on the status of the contract and a manual RAG rating is assigned.