

 <b>FINANCE &amp; AUDIT SCRUTINY COMMITTEE</b> <b>7<sup>th</sup> MARCH 2017</b>		<b>Agenda Item No.</b> <b>6</b>
<b>Title</b>	Review of Development Services Contracts Register by Finance & audit Scrutiny Committee	
<b>For further information about this report please contact</b>	Tracy Darke Head of Development Services Tel: 01926 456501 Or Mike Snow Head of Finance Tel: 01926 456800	
<b>Wards of the District directly affected</b>	N/A	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?</b>	No	
<b>Date and meeting when issue was last considered and relevant minute number</b>	N/A	
<b>Background Papers</b>	None	

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	No
<b>Included within the Forward Plan? (If yes include reference number)</b>	No
<b>Equality Impact Assessment Undertaken</b>	No

<b>Officer/Councillor Approval</b>		
<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Chief Executive/Deputy Chief Executive	24/2/17	Chris Elliott/Bill Hunt
Head of Service	24/2/17	Tracy Darke
CMT	24/2/17	Bill Hunt
Section 151 Officer	24/2/17	Mike Snow
Monitoring Officer	24/2/17	Andrew Jones
Finance	24/2/17	Mike Snow
Portfolio Holder(s)	24/2/17	Cllr Stephen Cross & Noel Butler
<b>Consultation &amp; Community Engagement</b>		
N/A		
<b>Final Decision?</b>		Yes
<b>Suggested next steps (if not final decision please set out below)</b>		

## 1. **Summary**

- 1.1 This report sets out the process for the review by Finance & Audit Scrutiny Committee of the Development Services Contracts Register, and highlights any issues which need to be addressed in the next 12 months.

## 2. **Recommendation**

- 2.1 That Finance & Audit Scrutiny Committee should review the Development Services Contracts Register attached at Appendix 1 and make observations on it as appropriate.

## 3. **Reasons for the Recommendation**

- 3.1 The review of Development Services Risk Register allows members of the Finance and Audit Scrutiny Committee the opportunity to consider the robustness of the register, make appropriate suggestions on how the register could be improved, and consider the document within the context of promoting sound procurement practice across the Council.

## 4. **Policy Framework**

- 4.1 **Policy Framework** – Under the Council’s Code of Procurement Practice, details of all contracts for the supply of goods, services and supplies should be held on the Council’s central Contracts Register. The Code also states the tender process to be used by officers when procuring goods and services.
- 4.2 **Fit for the Future** – By following the Council’s Code of Procurement Practice in procuring goods, services and supplies, officers will be contributing to the Council’s vision, and key policy priorities included within the Sustainable Community Strategy. The following specific benefits should arise:-
- The Council will be sure it is obtaining value for money from its expenditure, in the provision of all its services for local council tax payers.
  - Opportunities will be given to local employers to tender for Council contracts, thus contributing to the Prosperity Agenda.
  - It will be demonstrable that the Council, and officers, are operating fairly, in an open and transparent manner.

## 5. **Budgetary Framework**

- 5.1 There are no direct budgetary implications arising from this report. All of the Council’s expenditure should be made in accordance with the requirements of the Council’s Code of Procurement Practice. This should help the Council to ensure that it achieves value for money from its expenditure through the correct tendering of contracts, and the subsequent management of those contracts.

## 6. **Risks**

- 6.1 It is important that all procurement across the Council complies with the relevant procurement regulations and directives and also the Council’s Code of Procurement Practice. By following this approach the Council will reduce the risk of challenge.
- 6.2 Contract Management is an important element of procurement. Contracts need to be properly managed to ensure compliance with the contract, whilst

considering all relevant aspect that may affect the performance of the contract. Also, it is important that contract managers pro-actively plan ahead to ensure the procurement of future contracts is properly managed.

## **7. Alternative Option(s) considered**

7.1 This report is not concerned with recommending a particular option in preference to others so this section is not applicable.

## **8. Background**

8.1 The Terms of Reference for the Finance and Audit Scrutiny include "Promote value for money and good procurement practice". This is a role that the Committee has actively pursued. In carrying out this role the Committee appointed three of its members to act as Procurement Champions to assist and advise the Procurement Manager. Partly as a result of these actions, the status and knowledge of procurement has increased substantially across the organisation in recent years.

8.2 In March 2014 the Finance and Audit Scrutiny Committee requested that it review each departmental Contract Register in turn. These reviews were intended to follow the approach used to review the Risk Register, whereby the relevant Portfolio Holder and Head of Service are available to answer the Committee's questions.

## **9. Development Services Contract Register**

9.1 The latest version of the Development Services elements of the Corporate Contracts Register is set out as Appendix 1.

### **9.2 Contract Management in Development Services**

9.2.1 With the recognised need to improve information held on the Contracts Register, officers now work very closely with Procurement officers to discuss the best approach for the variety of contracts and procurement activities required within the service area. Responsibility for the day-to-day management of individual contracts is delegated within the respective part of the service area. There are contract arrangements that have been inherited and the original contract is not readily available. However, progress has been made to address this.

9.2.2 Primarily, the greatest need for the service area is to procure specialist consultancy services. This is done in various ways, either through established frameworks, a formal tender process, or Service Level Agreements.

9.2.3 Specialist advice is required as part of the consideration of planning applications and appeals, such as viability assessments, retail assessments and agricultural appraisals, and there is often a need to call on such consultants at short notice. Often, the number of consultants available to undertake such specialist work at short notice can be limited as is the case with agricultural consultants. The need for such advice varies over time and arises from the nature and complexity of planning applications received. For that reason, the service does not involve a contract but is included in the contracts register for information. The approach from officers is to take advice from the procurement team on any purchases over £500.

- 9.2.4 The commissioning of specialist legal advice in connection with public inquiries relating to planning appeals is undertaken through the District Council's service level agreement with Warwickshire County Council. That work is commissioned by the County Council. In terms of best value, it is often more cost effective to use the same barrister who understands our policies and knows the issues within the district as there will be less preparatory work.
- 9.2.5 There are a number of consultants that we have used for the local plan process, and whilst we may have a contract in place for these to carry out a specific piece of evidence work, there is often an agreed day rate, as we may require further work to be done, eg. Community Infrastructure Levy viability work. These have been procured either through the tendering process, or have been consultants that we have used through other Council's framework.
- 9.2.6 One of the areas we have made improvements on this is where a particular consultant is commissioned separately by different parts of the service area and yet collectively the amount spent may exceed thresholds, requiring a different approach to the procurement of the consultant.
- 9.3 Procurement training
- 9.3.1 Training on procurement and contract management is recognised as essential for officers commissioning work across the service area to ensure it is done in line with the Council's Code of Procurement Practice. To that end, officers have either undergone training or have arrangements in place to do so. There is room for improvement and as a result of the Contracts Register now capturing all our contracts, this has resulted in better monitoring, and the opportunity to identify where further work is necessary. It is a quarterly standing agenda item on our Service Area team meetings to ensure that it is kept up to date and is identified in our Service Area Plan. Furthermore, we have Procurement surgery sessions in the service area that assists Managers through the process when faced with procuring goods and services.