

 Finance and Audit Scrutiny Committee 26 September 2017		Agenda Item No. 7
Title	Review of Finance Contract Register	
For further information about this report please contact	Mike Snow 01926 456800	
Wards of the District directly affected	N/A	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	N/A	
Background Papers		

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

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	11 September 2017	Andy Jones
Head of Service	11 September 2017	Mike Snow
CMT	11 September 2017	
Section 151 Officer	11 September 2017	Mike Snow
Monitoring Officer	11 September 2017	Andy Jones
Finance	11 September 2017	John Roberts
Portfolio Holder(s)	11 September 2017	Cllr Peter Whiting
Consultation & Community Engagement		
Insert details of any consultation undertaken or proposed to be undertaken with regard to this report.		
Final Decision?		Yes/No
Suggested next steps (if not final decision please set out below)		

1. **Summary**

- 1.1 This report sets out the Finance Contract Register for review by the Finance & Audit Scrutiny Committee, 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 Finance Contract Register attached at Appendix 1 and make observations on it as appropriate.

3. **Reasons for the Recommendation**

- 3.1 The review of the Finance Contract 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 **Fit for the Future (FFF)**

The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects.

The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal in relation to the Council's FFF Strategy.

FFF Strands		
People	Services	Money
External		
Health, Homes, Communities	Green, Clean, Safe	Infrastructure, Enterprise, Employment
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities	<u>Intended outcomes:</u> Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and ASB	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/ productivity of local economy Increased employment and income levels
Impacts of Proposal		
No direct impact	No direct impact	No direct impact
Internal		
Effective Staff	Maintain or Improve Services	Firm Financial Footing over the Longer Term
<u>Intended outcomes:</u> All staff are properly trained All staff have the	<u>Intended outcomes:</u> Focusing on our customers' needs Continuously improve	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting

appropriate tools All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours	our processes Increase the digital provision of services	Continued cost management Maximise income earning opportunities Seek best value for money
Impacts of Proposal		
Some of the contracts should enhance the knowledge of staff of the relevant areas so as to help them to be more effective.	The Benefits, Council Tax and Business Rates system helps to ensure these key services are provided efficiently for customers.	The contracts are varied. Many do seek to contribute improving the Council's overall financial standing, whilst ensuring compliance with legislation and good governance.

4.2 Supporting Strategies

Each strand of the FFF Strategy has several supporting strategies and the relevant ones for this proposal are explained below:-

- Medium Term Financial Strategy
- Treasury Management and Investment Strategies.
- Anti-Fraud Strategy
- Code of Procurement Practice

4.3 Changes to Existing Policies

The proposals in this report do not propose any changes to existing policies.

4.3 Impact Assessments

No Applicable.

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 aspects 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 does not recommend a particular option therefore there are no alternative options.

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. Finance Contract Register

- 9.1 The latest version of the Finance elements of the Corporate Contract Register is set out as Appendix 1.
- 9.2 The Finance Contract Register has 17 current contracts. These are actively managed by the relevant officers. The Register is regularly reviewed by the Finance Management Team and at on-to-one meetings. Many of the contracts have been arranged in collaboration with other local authorities, or through the use of frameworks.
- 9.3 Contracts in progress. The following notable contracts are due to end in the next 6 months:-
- Procurement portal system (Intend). New contract with Intend agreed in partnership with neighbouring councils. New contract to commence 1 November 2017.
 - Treasury Management Advisors (Capita Asset Services). Contract to be extended for further two years under terms of original contract.
 - External Audit (Grant Thornton). New contract being agreed for participating authorities by PSAA. PSAA have recently proposed Grant Thornton to carry on as Council's auditors.
 - ICT Internal Audit (TIAA). New contract being procured in partnership with neighbouring councils. New contract to commence April 2018.