

**BUSINESS SUPPORT  
OVERVIEW AND SCRUTINY COMMITTEE  
15 DECEMBER 2010**

**FORWARD PROCUREMENT PLAN AND CONTRACT  
REGISTER**

Report from: Deborah Upton (Assistant Director for Housing and  
Corporate Services)

Author: Frederick Narmh (Strategic Procurement)

**Summary**

This report seeks to present members with a brief overview of the importance of the Council's Forward Procurement Plan (FPP) and Contracts register and how its uptake and use can ensure an effective contract monitoring is achieved.

**1. Policy Framework**

1.1 The specific requirements for all Directorates to maintain an up to date contracts register and Forward Procurement Plan (FPP) is in line with the Council's Procurement Rules, agreed by Full Council.

**2. Background**

2.1 Whilst considering the Risk Management Strategy and the 6 monthly review of the Council's Corporate Business Risk Register at the previous committee meeting on 4 November 2010 Members of the committee requested that they receive a report setting out details of the Council's forward procurement plan and contracts register.

**3. The Forward Procurement Plan**

3.1 The Council maintains an 18-month rolling Forward Procurement Plan ("FPP"). Details of projects with an estimated contract term value exceeding £100,000 are recorded on the FPP. Project details recorded on the FPP are as set out below:

- Name of Project Manager
- Project Title

- Value of the intended procurement activity
  - The month when the project is intended to be delivered at each of the Council's Gateway 1, 2,3,4 stages
  - Project status – up to date status narrative
  - Strategic context
  - Planned project progress in the form of green, amber and red traffic lights
- 3.2 Officers across the Council are required to ensure details of their projects as stated above are recorded on the plan at the point of project conception. The Council Directorates maintain Directorate forward plans and these to the Strategic Procurement team on a monthly basis for incorporation into the FPP.
- 3.3 The FPP is published on a monthly basis and stands as a standard agenda item for discussion at meetings of the Procurement Board and Officer Scrutiny Panel. Officers are called upon to provide responses to queries on their projects as and when necessary at said meetings.
- 3.4 In order to provide a level of transparency of the Council's procurement activities and to raise the awareness of Suppliers to the Council's procurement activities, the FPP is published on the Council's website and is therefore open for public inspection.

#### **4. The Contracts Register:**

- 4.1 The Council's Contracts register details all procurement activities with an estimated contract term value in excess of £100,000. The register is held by the Council's Strategic Procurement team. Upon completion of a procurement activity, Officers are required to ensure their Directorate contract registers are updated to include details of completed contracts. Updated contract registers are forwarded to the Council's Strategic Procurement team on a monthly basis.
- 4.2 Each Directorate maintains a contracts register and has a designated point of Officer contact.
- 4.3 The absence of a Contracts Register could result in the following;
- Duplication of contracts being set up by departments across the Council with a consequential waste of corporate resources.
  - Disaggregating of spend by Council Officers that could result in non-compliance with related Procurement regulations
  - Loss of potential synergies and the associated benefits that accrue from this
  - Loss of an effective spend analysis tool to identify where savings can be achieved
  - The Council's ability as an employer of choice will be compromised without an effective contract register, which effectively allows potential suppliers to view details of existing and forthcoming contracts
  - Escalation of maverick spend
  - Absence of useful information on contracts to assist with management decision making processes in relation to planning of intended procurement activities

- Non compliance with Government initiatives such as the need to promote transparency in public sector operations in relation to how public money is spent on contractual activities
  - Reduced level of corporate accountability by the Council in its role as a custodian of the public purse.
- 4.4 The absence of a FPP will mean that the Council will encounter some level of difficulties in its bid to utilise effective procurement practices such as shortened timescales that are provided under EU Procurement regulations through the use of Prior Indicative Notices (PINS).
- 4.5 The absence of a FPP would also mean a loss of scrutiny by the Council's Procurement Board and Officer Scrutiny.

## **5. Legal and Financial implications**

- 5.1 All local authorities are now faced with getting more for less from their budgets and delivering cashable savings through efficiency gains. Having visibility of existing contracts, expiry dates and contact points allows the Council to plan and align its intended procurement activities with a view to collaboratively approaching the market. This also supports the achievement of many objectives such as increased buying power, informing people in service areas of the availability of corporate contracts and the sharing of scarce contract management resources. For high value and/or high risk contracts, it also supports the sharing of knowledge and information to underpin better contract relationship management and best practice procurement.
- 5.2 The register allows contract information when accurately updated, to be shared internally; in collaboration with other authorities, or regionally through a local Centre of Excellence.
- 5.3 In relation to the internal benefits of the Contracts register referred to above the following specific advantages are recognised;
- Provision of internal visibility so that individuals and departments can see the availability of corporate contracts and benefit from negotiated rates or improved service levels
  - As a planning tool, the Contracts register provide managers with useful information about their business unit's contracts and how well they are creating and managing contracts.
  - Ability to upload existing contract data from standard spreadsheet on request
  - Automatic alerts to contract manager and department when contracts are due to end
  - Visibility of national and regional contracts which could provide reduced unit costs.

Maintaining a Contracts register supports the National Procurement Strategy requirement to make contract information accessible to all stakeholders and 'stimulate markets'.

- 5.4 The Contracts register and FPP together allow for transparency in the Council's procurement activities. Government has set out the need for greater transparency in public sector operations. This includes commitments

relating to public expenditure, intended to help achieve better value for money.

- 5.5 Both the FPP and the corporate contracts register are publicly available documents the purpose of which is to reinforce the openness and accountability of the Council's decision-making process. The publication of the corporate contracts register is not intended to indicate any recommendation or preference for any particular organisation that does, or does not, appear on the list.
- 5.6 There are no financial implications arising directly from this report however it is vital that the Council maintains an up to date contract register to ensure the efficient and effective use of the Council's resources. The register currently records contracts with a total value of approximately £93 million, and effective and an efficient FPP and contract register will capture the entire spend across the Council on a single portal.

## **6. Recommendation**

- 6.1 The Committee is asked to note the report.

### **Lead officer contact**

Deborah Upton, Assistant Director (Housing and Corporate Services)  
Tel: (01634) 332133 Email: [deborah.upton@medway.gov.uk](mailto:deborah.upton@medway.gov.uk)

### **Background papers**

Forward Procurement Plan

Medway Council contacts register.