

Audit and Performance Committee Report

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| Meeting: | Audit and Performance Committee |
| Date: | Monday 16 th July 2018 |
| Classification: | General Release |
| Title: | Annual Contract Review 2017/18 |
| Wards Affected: | N/A |
| Financial Summary: | N/A |
| Report of: | Chief Procurement Officer |
| Author: | Marivie Papavassiliou, Procurement Governance Manager |

1. Executive Summary

- 1.1 This report forms the Annual Contracts Review for consideration by the Audit and Performance Committee, in accordance with their Terms of Reference, specifically those listed below under Performance Monitoring:
- 23. To maintain an overview of overall contract performance on behalf of the Council.
 - 24. To review and scrutinise contracts let by the Council for value for money and adherence to the Council's Procurement Code.
- 1.2 This format of reporting focuses on the [Executive Leadership Team](#) (ELT). The ELT is made up of eight directors, including the Chief Executive, who are responsible for the overall management of the council, for setting and monitoring overall direction, ensuring high performance and for overall risk and reputation management.
- 1.3 This report is a summary of contract data taken from capitalSourcing and the recommendations recorded from the action logs of the Procurement Assurance Board (PAB) which are used to inform ELT on a quarterly basis, for Westminster contracts only.

1.4 The final element of this report highlights a number of areas where Procurement Services are working to support the Council deliver best value, in terms of Professional development of staff, Contract Management, transition to the new Integrated Business Centre for finance and HR and an update on the General Data Protection Regulations to address priorities for 2018/19.

2. Recommendations

2.1 It is recommended that the Audit and Performance Committee note the contents of this report.

3. Background, including policy context and procurement systems

3.1 The Procurement Code sets the mandatory rules on behalf of Westminster City Council (WCC) in regards to the award, management and monitoring of contracts and is aligned with the Councils overall governance practices. It applies to all Members and officers that are responsible for conducting procurement and contract management activity on behalf of the Council. The code informs users of the appropriate governance and procurement assurance processes which ensures good business practices are applied and that the Council achieves best value, whilst ensuring risks are minimised and procurement complies with relevant legislation, corporate strategies and policies.

3.2 A review of the Procurement Code was conducted during quarter 2 of 2017/18 and a number of editorial changes to clarify guidance and tighten definitions that were unclear were recommended to the Cabinet Member for Finance and Corporate Services. The updated Code was published in September 2017.

3.3 Procurement Assurance updates: During the course of 2017/18 there were no formal changes to procurement assurance processes, although a number of reviews were held to consider the following changes:

3.3.1 Capital Programme - Project Management Framework Process. A review of the initiation and delivery of all WCC Capital Projects that involve construction activity was launched. The proposed framework aimed to standardise the basic processes for project management and to achieve consistency of approach and best practice across all projects. It also proposed a centralised governance structure via the Capital Review Group, incorporating Corporate Support such as Procurement Services, Finance and Legal; in effect this would mean the appropriate governance and procurement assurance processes for construction activity would be streamlined and managed via this framework.

3.3.2 Bi-Borough Children's, Adults and Public Health services: During quarter 4 of 2017/18, it was agreed that the Contract and Commissioning Boards for Adult Social Care (ASC) and Children's Services (CS) would integrate and also include Public Health Services. As of April 2018 the procurement

assurance process for Children's, Adults and Public Health Services would be delegated to the newly formed Bi-Borough Integrated Commissioning & Contracts Board. Terms of Reference for this Board are currently being finalised

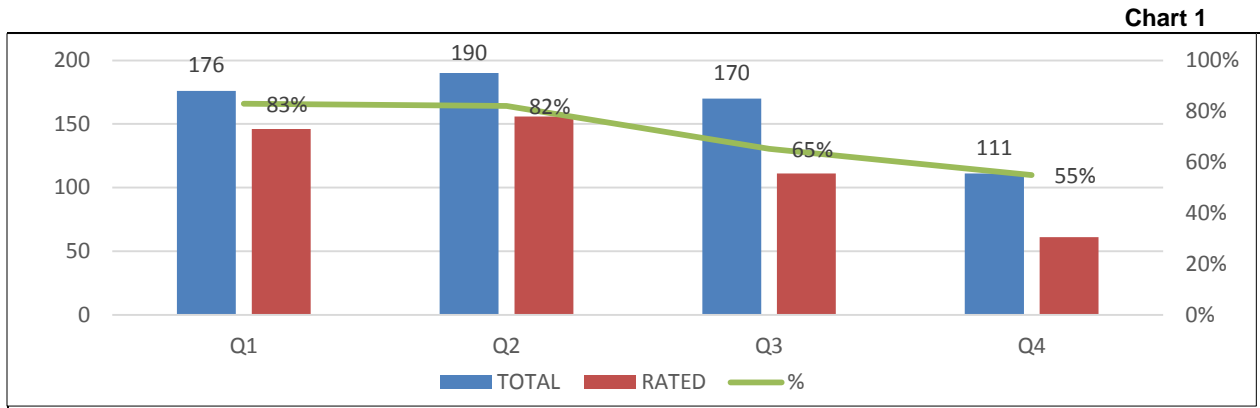
3.4 capitalEsourcing is the Councils e-Sourcing platform for procurement and contract management activity. The contract for this platform was awarded to BravoSolutions in March 2013 with the option to extend for a further 3 years. The option to proceed with the 3 year extension has been taken with the retender for a new sourcing system planned to begin at the end of 2019. The key reasons to support the extension are as follows: Over the 5 year term BravoSolutions have maintained a very good service and have either met or exceeded the KPIs set. The eSourcing platform has improved with their support to develop our usage of the portal to ensure it meets our needs and we get the best out of the contract. BravoSolutions continue to be one of the leading providers in the market, appearing in the latest 17/18 Gartner report.

4. Overall Contract Performance

4.1 The 2016/17 A&P report recognised that the current methodology for recording contract performance is transactional in nature and Contract Manager Feedback presented a general view that this method did not provide a true representation on the overall performance of a particular contract. As such, during 2017/18, Procurement Services aimed to conduct a review of Contract performance with a view to piloting a contract performance score card. This has now been incorporated into a Contract Management Programme which will be delivered during 2018/19. Item 7.1 below provides more details.

4.2 Procurement Services have continued to work with each of the Service areas to ensure overall contract performance is carried out in the system. However it is the responsibility of Contract Managers to carry out the first assessment within the capitalEsourcing system, 12 months following the service commencement date, for all contracts that have a total contract value of £100,000 or above. Compliance of contract managers making a record of contract performance ratings dropped in the last two quarters of 2017/18. This will be addressed in 2018/19 as part of the Contract Management Programme.

4.2.1 The chart below presents quarterly performance ratings over 2017/18.



4.3 The following four categories are currently used to rate overall contract performance: Exceeds expectations; Meets Expectations; Below Expectations; Critical Failure.

4.4 Directorate packs provide an extract of contract performance ratings for all active contracts currently registered on capitalEourcing that **are over £100,000**. It should be noted that this data **excludes all contracts that commenced within the last 6 months of Q4** (as performance will not have been rated.) At the time of this report, there were 127 active contracts of which 65 (51%) were assessed and performance rated:

- 59 (46%) were assessed and rated as 'Meets Expectations'
- 2 (2%) were assessed and rated as 'Above Expectations'
- 4 (3%) were assessed and rated as 'Below Expectations'
- No contracts were performance rated as 'Critical Failure'

4.4.1 Table 1 below provides a breakdown of contract performance by each Directorate.

Table 1

| Service Area | Above Expectations | Below Expectations | Meets Expectations | Not Evaluated | Grand Total |
|--|--------------------|--------------------|--------------------|---------------|-------------|
| Adult Social Care | | | 12 | 19 | 31 |
| Growth, Planning & Housing | | 1 | 4 | 17 | 22 |
| City Management & Communities | | | 18 | 3 | 21 |
| Public Health | 1 | 1 | 5 | 13 | 20 |
| Corporate Services | | 1 | 11 | 2 | 14 |
| City Treasurers Department | | | 5 | 3 | 8 |
| Policy, Performance and Communications | 1 | | 2 | 4 | 7 |
| Children's Services | | 1 | 2 | 1 | 4 |
| Grand Total | 2 | 4 | 59 | 62 | 127 |

4.4.2 Of the 127 active contracts, 62 (49%) contracts were 'Not evaluated'. It is important to note that this may not reflect the actual position of each contract, but is indicating that a performance rating has not yet been input into the system. This is being addressed as part of the Contract Management Programme.

4.4.3 Of the 62 Contracts that have not been performance rated in the capitalEsourcing system, 25 have a total value over £1.5million and Table 2 provides a summary by Directorate.

Table 2

| Contract Performance - Contracts Not Evaluated over £1.5m | | | | |
|--|--|----------------------------|--------------------------|-----------------------|
| Adult Social Care – 9 contracts | | | | |
| Supplier Name | Contract Title | Contract Start date | Contract End Date | Contract Value |
| Care UK Homecare Limited | Nursing and Res Care Forrester Court | 18/08/1999 | 17/08/2023 | £56,722,425 |
| Vincentian Care Plus | Provision of Home Care Services for Westminster - Vincentians | 01/11/2015 | 30/10/2020 | £14,700,000 |
| Sage Care Ltd | Provision of Home Care Services - Sage Care Ltd | 01/11/2015 | 30/10/2020 | £13,000,000 |
| Healthvision | Provision of Home Care Services - Healthvision | 26/09/2016 | 30/10/2020 | £11,900,000 |
| London Care LTD | Provision of Home Care Services - London Care Ltd | 01/11/2015 | 30/10/2020 | £11,900,000 |
| Sage Care Ltd | Home Care Services - Contract Area 7 | 26/01/2016 | 25/01/2021 | £11,700,000 |
| Medequip Assistive Technology Ltd | C858 - Integrated Equipment and Minor Adaptations Services | 01/04/2017 | 31/03/2021 | £6,565,404 |
| Healthcare & Transport Services (HATS) Group | Passenger Transport | 21/04/2015 | 21/04/2019 | £3,898,091 |
| Central London Community Healthcare NHS Trust | WCC LD Services (Staffing) under s75 Agreement | 01/06/2016 | 31/12/2018 | £1,643,370 |
| City Management & Communities – 2 contracts | | | | |
| Supplier Name | Contract Title | Contract Start date | Contract End Date | Contract Value |
| Veolia ES (UK) Limited | Residual Waste Treatment and Disposal Contract (Contract 1) | 16/09/2017 | 31/03/2024 | £53,113,804 |
| Continental Landscapes Ltd | Management and maintenance of parks, open spaces and cemeteries for Westminster City Council v2 contract | 01/04/2017 | 31/03/2023 | £2,059,411 |
| Corporate Services – 1 contract | | | | |
| Supplier Name | Contract Title | Contract Start date | Contract End Date | Contract Value |
| Protector Forsikring ASA | WCC Property and Liability Insurance 2017 - 2022 | 01/04/2017 | 31/03/2022 | £3,035,255 |
| Growth, Planning & Housing – 6 contracts | | | | |

| Supplier Name | Contract Title | Contract Start date | Contract End Date | Contract Value |
|--|---|---------------------|-------------------|----------------|
| Morgan Sindall Property Services | Lot 1 – Responsive Repairs and Voids Ref: Y923 | 01/07/2017 | 30/06/2027 | £129,247,350 |
| Oakray Ltd | LOT 3 - Electrical Services | 30/06/2017 | 30/06/2027 | £33,001,370 |
| Precision Lift Services Ltd | LOT 4 - Lifts Services | 30/06/2017 | 30/06/2027 | £24,223,620 |
| Morgan Sindall Property Services | LOT 1 Domestic Heating | 30/06/2017 | 30/06/2027 | £21,993,570 |
| GEM Environmental Building Services Ltd | Lot 2 Mechanical | 30/06/2017 | 30/06/2027 | £19,501,330 |
| Lawtech Group Ltd | T155 - Warwick Low Rise | 04/09/2017 | 20/08/2018 | £4,185,642 |
| Public Health - 6 contracts | | | | |
| Supplier Name | Contract Title | Contract Start date | Contract End Date | Contract Value |
| Turning Point | Lot 1 WCC Substance Misuse Treatment Service | 01/04/2016 | 31/03/2019 | £7,602,404 |
| Central and North West London NHS Foundation Trust | WCC School Health Service | 01/04/2017 | 31/03/2020 | £4,509,391 |
| change, grow, live (CGL) | Lot 2 - WCC Alcohol Specific Treatment Interventions Services | 01/04/2016 | 31/03/2019 | £3,362,471 |
| Central London Community Healthcare NHS Trust | The Provision of a Health Improvement Team Service | 01/04/2014 | 31/12/2018 | £2,208,826 |
| Central and North West London NHS Foundation Trust | Lot 2 - Screening and Contraception in the Community WCC | 01/04/2017 | 31/03/2020 | £2,173,000 |
| Turning Point | Lot 1 Sexual Health Promotion and Psychosocial Support WCC | 01/04/2017 | 31/03/2020 | £1,975,735 |
| Policy, Performance and Communications – 1 contract | | | | |
| Supplier Name | Contract Title | Contract Start date | Contract End Date | Contract Value |
| Agilisys Limited | Customer Contact Centre and Back Office Services | 23/06/2014 | 03/11/2020 | £6,310,362 |

4.4.4 Of the 127 contracts, 4 were performance rated as 'Below Expectations' and are summarised below in Table 3 below. Commentary for these assessments are summarised below.

Table 3

| Contract Performance rated Below Expectations | | | | |
|---|--|----------------------------|--------------------------|-----------------------|
| <u>Children's Services 1 contract</u> | | | | |
| Supplier Name | Contract Title | Contract Start date | Contract End Date | Contract Value |
| Caterlink | WCC School Meals Mini-competition | 11/04/2016 | 10/04/2019 | £7,500,000 |
| Within this contract there have been concerns over supplier compliance through supply to delivery of food products which did not achieve the required standards in order to be compliant with the halal meat offer. the contractor is currently with critical default notices. Following investigations an action plan and additional monitoring of the supply chain and ordering system have been put in place. Review of this plan has been completed with additional reporting required from the contractor to the LA to include evidence of compliance of the action plan. Ad hoc reviews and visits to supplier are planned for summer break and throughout the Autumn Term. (July 2017) | | | | |
| <u>Corporate Services – 1 contract</u> | | | | |
| Supplier Name | Contract Title | Contract Start date | Contract End Date | Contract Value |
| BT Global Services | Managed Services for HR, payroll and finance | 01/06/2013 | 31/05/2019 | £9,478,000 |
| Well documented below par performance of this contract relating to still outstanding transition activities and general performance. Exit plan fully in progress with transition to a new provider scheduled to complete in the Autumn September 2018 | | | | |
| <u>Growth Planning and Housing– 1 contract</u> | | | | |
| Supplier Name | Contract Title | Contract Start date | Contract End Date | Contract Value |
| Amey | Tri-Borough Total Facilities Management Contract and London boroughs framework agreement | 11/04/2016 | 10/04/2019 | £61,924,841 |
| The LINK who act as the Intelligent Client Function on behalf of the Councils monitor the performance of Amey who provide the Total Facility Management Services across the Estate in accordance with the Services Matrix. The LINK currently have raised concerns with Amey regarding Hard FM Services and this is being managed through various Boards and Senior Management meetings at CEO level. A recovery plan is agreed and this is monitored to ensure full contract compliance. (Updated 10th Aug 2017) | | | | |
| <u>Public Health– 1 contract</u> | | | | |
| Supplier Name | Contract Title | Contract Start date | Contract End Date | Contract Value |
| Central London Community Healthcare NHS Trust | Contract for the Provision of PH 0-5 and FNP -WCC | 01/10/2015 | 30/09/2019 | £12,752,356 |
| This contract is still performing 'below expectations' we are working with the supplier to improve performance. An action plan is now in place and reviewed at fortnightly meetings and it has also been escalated internally. Some improvement has been made and we anticipate that the majority of improvements will be completed by the end of June. | | | | |

4.4.5 Of the 127 contracts, 2 are rated as above expectations

Table 4

| Contract Performance rated Above Expectations | | | | |
|--|--|---------------------|-------------------|----------------|
| Public Health - 1 contract | | | | |
| Supplier Name | Contract Title | Contract Start date | Contract End Date | Contract Value |
| Paddington Development Trust | Contract for the provision of a community Champions Project.Mozart Est | 01/04/2014 | 31/03/2019 | £250,000 |
| Policy Performance & Communications – 1 contract | | | | |
| Supplier Name | Contract Title | Contract Start date | Contract End Date | Contract Value |
| Spice Innovations Limited | Time credits programme | 01/04/2015 | 30/06/2018 | £198,597 |

5. Review of contracts let by the Council for value for money and adherence to the Procurement Code

5.1 The term contracts let refers to all contracts in capitalEsourcing 2017/18 financial year). Contracts that are not registered on the system are not captured in this report

5.2 ELT is issued a quarterly contract review report which provides information on the procurement activity that has taken place in their area of remit. This gives ELT members the opportunity to scrutinise any areas of concern or non-compliance. The quarterly contract review reports are based on contract data from the capitalEsourcing system and recommendations from the action logs of the procurement Assurance Board, reporting on: contracts let and overall compliance with the Procurement Code, Extensions/variations and waivers.

5.3 **Contracts Let:** A total of 104 contracts commenced during the 2017/18 period. Directorate packs provide a detailed summary. An overview is provided below

5.3.1 Contracts let by directorate

Table 5

| Directorate | Nos of contracts |
|---|------------------|
| Growth, Planning & Housing (WCC) | 45 |
| Corporate Services | 23 |
| City Management & Communities (WCC) | 11 |
| Adult Social Care | 9 |
| Public Health | 6 |
| City Treasures Department/Finance (WCC) | 5 |
| Policy Performance and Communications (WCC) | 3 |
| Children's Services | 2 |
| Grand Total | 104 |

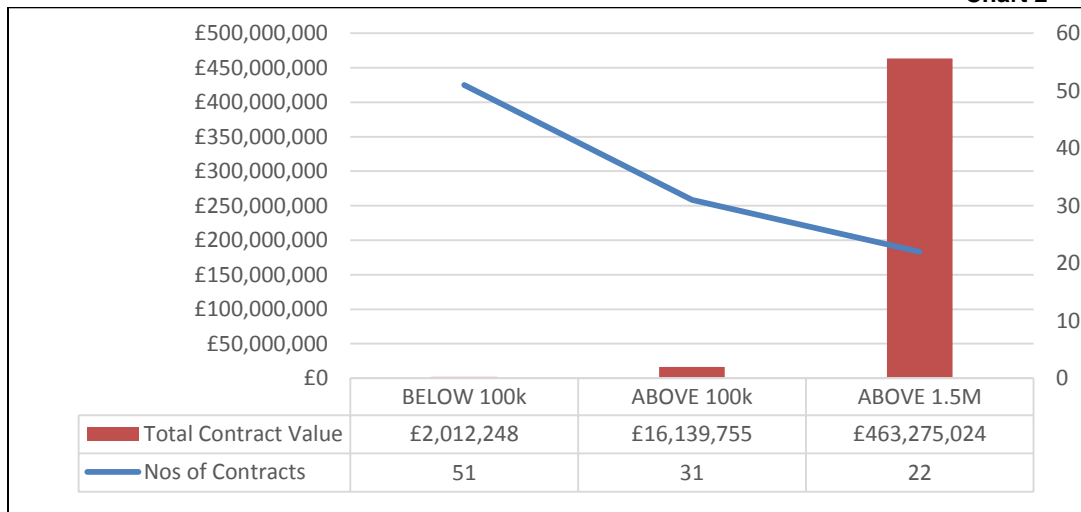
5.3.2 Contracts let by type of recommendation

Table 6

| Type of recommendation | Nos of contracts |
|---|------------------|
| Devolved Procurements | 51 |
| Recommendation from PAB | 47 |
| Recommendation from CoCo | 4 |
| Non-Compliant <i>Note: 2 contracts were technically non-compliant with the Procurement Code as they did not follow the PAB governance process, by seeking a recommendation to proceed with the contract award. The contracts were for insurance services following a Tri-Borough procurement process. The decision to proceed with the contract awards were made by the appropriate Cabinet Member and is recorded on the Forthcoming list of Decisions</i> | 2 |
| Grand Total | 104 |

5.3.3 Contracts let by threshold

Chart 2



5.4 Extensions/Variations: There were 9 extensions of existing contracts reported to the PAB (details are in the Directorate packs)

5.5 Waivers: It is recognised that there are instances where the requirements of the Procurement Code cannot be precisely followed so a waiver of the Code must be sought. The waiver process is defined in the Procurement Code and officers must submit a waiver request using a standardised template, providing sufficient justification to key questions. Approval for contracts below £1,500,000 must be sought from the CPO and for contracts exceeding £1,500,000 (£300,000 for consultancy) a Cabinet Member decision is required. The Directorate packs provides full details of the waivers that were approved.

5.5.1 The numbers of waiver requests are presented in table 7 below:

Table 7

| | Number of Waivers | | | | |
|---------|-------------------|------|------|------|-------|
| | Qtr1 | Qtr2 | Qtr3 | Qtr4 | Total |
| 2014/15 | 20 | 19 | 28 | 37 | 104 |
| 2015/16 | 13 | 8 | 15 | 19 | 55 |
| 2016/17 | 24 | 9 | 11 | 15 | 59 |
| 2017/18 | 15 | 7 | 15 | 35 | 72 |

5.5.2 Table 8 below provides a summary of the reasons why waivers were sought, by Directorate and by type of waiver request during 2017/18. The justification for each waiver is detailed in the Directorate packs

Table 8

| Directorate / Waiver | Q1 | Q2 | Q3 | Q4 | Total |
|--|-----------|----------|-----------|-----------|-----------|
| Adult Social Care | 6 | | 8 | 15 | 29 |
| Waiver Directly award contract without competition | 5 | | 8 | 7 | 20 |
| Waiver Non-compliant contract extension | 1 | | | 8 | 9 |
| Growth, Planning & Housing (WCC) | 4 | 3 | 3 | 8 | 18 |
| Waiver Directly award contract without competition | 2 | 1 | 1 | 4 | 8 |
| Waiver Contract award with change to evaluation criteria | 2 | 2 | 2 | 1 | 7 |
| Waiver Non-compliant contract extension | | | | 3 | 3 |
| City Management & Communities (WCC) | | 2 | 2 | 4 | 8 |
| Waiver Contract award with change to evaluation criteria | | | | 3 | 3 |
| Waiver Directly award contract without competition | | 1 | 1 | 1 | 3 |
| Waiver Non-compliant contract extension | | 1 | 1 | | 2 |
| Public Health | 2 | 1 | | 3 | 6 |
| Waiver Non-compliant contract extension | 1 | | | 3 | 4 |
| Waiver Contract award with change to evaluation criteria | 1 | 1 | | | 2 |
| Corporate Services | 2 | 1 | | 3 | 6 |
| Waiver Directly award contract without competition | 2 | | | 1 | 3 |
| Waiver Contract award with change to evaluation criteria | | 1 | | 2 | 3 |
| Children's Services | 1 | | 1 | 2 | 4 |
| Waiver Directly award contract without competition | 1 | | 1 | 2 | 4 |
| Policy Performance and Communications (WCC) | | | 1 | | 1 |
| Waiver Contract award with change to evaluation criteria | | | 1 | | 1 |
| Grand Total | 15 | 7 | 15 | 35 | 72 |

5.5.3 Waiver requests for direct awards and/or non-compliant contract extensions have remained consistently high over the last two reporting periods and stem from two main service areas;

- o Growth Planning & Housing – the majority of the waiver requests can be broadly summarised under the need to maintain expertise and service continuity for urgent or additional services/works

- o Adult Social Care – the majority of the waiver requests were submitted during quarters 3 & 4. A significant number are a result of the restructuring from a Tri-Borough to Bi-borough Service, to ensure service continuity whilst commissioning strategies are reviewed.

5.5.4 Waiver requests for a change to the mandatory evaluation criteria have also increased this year; either due to use of Framework agreements whereby the terms stipulate alternative criteria OR following extensive market research, a robust justification has been submitted. It has been agreed that ‘frameworks’ will no longer require a waiver request going forward

5.5.5 The volume of waiver requests are being addressed through a number of areas. For example, forward plans for procurement activity will be formally reviewed on a quarterly basis by the Integrated Bi-Borough Commissioning and WCC Procurement Boards. This will improve alignment with Directorates business plans / commissioning activities and in addition, the contract management programme as outlined under 7.1 will support improvements in this area.

5.6 Exemptions: There are instances when conducting a procurement exercise may not represent best value and examples of such circumstances are defined within the Procurement Code. If there is an identified exemption, a waiver request is not required however officers must present their case for approval. Three procurement exemptions were approved during the 17/18 reporting period and are detailed in the Directorate Packs.

5.7 The data above presents an overall view of contract activity for the 17/18 period and is dependent on the source of information input into the capitalE sourcing system and decisions recorded from the actions logs of the Procurement Assurance Board. This data is also dependent on service areas sharing their future needs with Procurement Services to enable the team to develop suitable sourcing strategies.

5.8 2017/18 value add (Procurement and Contract management activity)

5.8.1 Westminster City Council is committed to ensuring the best value for money for the services it delivers. . During 2017/18 three key objectives were set for the Corporate Services Business Plan. Table 9 below summarises the ideal targets that were set and final outcome

Table 9

| Procurement Objective 2017/18 | Ideal target | Outcome |
|-------------------------------|--------------|---------|
|-------------------------------|--------------|---------|

| | | |
|--|------------|------------|
| Number of contracts awarded that include the benefits of Responsible Procurement | 90% | 87% |
| Waivers of the Procurement Code | 50 | 72 |
| Savings delivered (in year) | £2,000,000 | £6,780,048 |

6. Professional Development

- 6.1** The 2016/17 A&P report stated that the majority of Procurement Services are either qualified or part qualified and studying for full membership of the Chartered Institute of Procurement & Supply. The report also stated that the CPO was due to sponsor the introduction of a Public Commercial Apprenticeship programme, and this was implemented during quarter 1. The programme leads to a CIPS level 4 qualification and is offered to existing staff with contracts / procurement / commissioning roles as an opportunity to develop their commercial skills. 2 permanent members of the procurement services team are now studying towards this qualification.
- 6.2** During 2017/18 Procurement Services recruited four apprentices and 1 graduate. As part of the apprentice's professional development 3 apprentices have also embarked on the Public Commercial Apprenticeship programme.
- 6.3** An ongoing training programme ensures that all team members are kept up to date with procurement related skills and legislation. For example, all members of the team, including procurement professionals from Adult Social Care and Children's Services were offered the opportunity to attend an OJEU refresher course.

7. Further developments planned for 2018/19

- 7.1 Contract Management Programme:** Contract Management is currently devolved across Directorates with no standardised approach and varying degrees of ownership. The role and responsibilities of a Contract Manager are not well understood and management information regarding a contracts performance is poor. A Contract Management Framework exists however there is limited awareness and it is too generic in its current form
- 7.1.1** A proposed approach to improve Contract Management and provide increased assurance for the Councils contracts, was approved late September 2017 by the Executive Leadership Team.
- 7.1.2** The scope of the programme covers all contracts with a total value of £25,000 and includes all Adult Social Care, Children's Services, Public Health and ICT contracts as well as Westminster contracts let by City West Homes.

7.1.3 The Programme is focussed on standardisation based on best practice. It aims to build on the tools and processes already in place to improve Contract Management across the Organisation through:

- The introduction of a more commercial and risk based approach
- Driving the right supplier relationships and empowering contract managers
- Improving the type and quality of data we hold
- Addressing audit recommendations
- Cost efficiencies

7.1.4 Much of quarters 3 & 4 of 17/18 have been focused on the programme planning & readiness, engagement with key stakeholders, project development and mobilisation to support the programme launch.

7.1.5 A Programme management Office has been set up and there is a clear Governance structure in place with the Executive Director of Corporate Services as Executive Sponsor. The Programme Management Office will collect updates from all project leads, track completion of project activities and report status to the Advisory Board. Each project lead will have subject matter expert support or additional sub-teams as required.

7.1.6 There are a total of 15 projects which have been arranged into 3 phases based on their priority. The programme has been well received across the Council and all priority 1 projects now have nominated Directorate representatives, project leads and subject matter experts.

7.2 Integrated Business Centre for finance and HR: This autumn the Council will be switching from the BT/Agresso Managed Service to our new HR, finance and payroll solution, hosted by Hampshire County Council. Procurement Services are supporting this transition, taking a lead on the Purchase'to'Pay element of the system.

7.2.1 Procurement Services recognise the fact that there is a gap between the levels of spend recorded within the current 'Agresso system' compared to the number of contracts held in the capitalEsourcing system.

7.2.2 This disparity is being addressed as part of the move to the new Integrated Business Centre and as part of the Contract Management Programme both of which will be implemented during 18/19. The aim is to close this gap by developing a more integrated approach of procurement activity across our systems. Contract data will be extracted from the capitalEsourcing system and populated into finance back office system of the Integrated Business Centre. This will enable the Council to have greater visibility of 'contracted' vs 'off contract spend' the benefits of which will highlight opportunities to rationalise and bring spend under contract where appropriate.

7.3 General Data Protection Regulations (GDPR). GDPR will come into effect in the UK and across Europe on the 25th May 2018. The changes represent the most significant reform of data protection laws for twenty years and have widespread implications for local government including all departments that collect and process personal data.

7.3.1 GDPR specifies that any processing of personal data, by a data processor, should be governed by a contract with certain provisions included as outlined under Article 28. Procurement Services are currently supporting the Bi-Borough GDPR programme, leading a contract audit exercise to identify existing contracts that will be in place beyond May 25th and where personal data is processed, to ensure they are updated and aligned with the new regulations. Working closely with Legal Services and the Information and Data Quality Team, Contract Managers have been provided with contract data extracts from capitalEsourcing, a standard contract variation template and a number of GDPR sessions have been held to support with specific queries.

7.3.2 It has been difficult to monitor exact numbers and progress as teams address the volume of contracts to review and vary. The April update to ELT presented low numbers of contracts identified (23%) however, individual teams have subsequently confirmed further progress has been made and there is a need to update their respective logs.

7.3.3 It is unlikely the Council will have all contracts updated & aligned with the new regulations before the end of May, however, remediation plans are underway and being rolled out across all service areas to give the Council assurance that this work will be completed to a high standard. The key mitigations are to ensure teams are maintaining a record of progress against each contract, documenting as evidence any negotiations with our third party suppliers. Additional GDPR sessions are planned to work through each team's contract audit logs.