

<b>DECISION-MAKER:</b>	<b>GOVERNANCE COMMITTEE</b>
<b>SUBJECT:</b>	<b>STRATEGIC CONTRACTS ANNUAL REPORT</b>
<b>DATE OF DECISION:</b>	<b>26 September 2022</b>
<b>REPORT OF:</b>	<b>HEAD OF SUPPLIER MANAGEMENT</b>

<b><u>CONTACT DETAILS</u></b>			
<b>Executive Director</b>	<b>Title</b>	<b>Executive Director – Finance and Commercialisation and S151 Officer</b>	
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### **STATEMENT OF CONFIDENTIALITY**

Appendix 1 to this report is confidential in accordance with paragraph number 7(A) of the Council's Access to Information Procedure Rules in Part 4 of the Council's Constitution as it contains information about Council contracts and third-party suppliers which may be deemed to be confidential and commercially sensitive.

### **BRIEF SUMMARY**

This report provides the Governance Committee with an overview of the performance, governance and contractual matters relating to the Council's most strategically important contracts, excluding those managed by the Integrated Commissioning Unit (ICU).

The report is produced by the Supplier Management Service (SMS) on an annual basis to cover the preceding financial year.

### **RECOMMENDATIONS:**

	(i)	That the Governance Committee notes the Strategic Contracts Annual Report covering the period April 2021 to March 2022 as attached as Appendix 1.
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### **REASONS FOR REPORT RECOMMENDATIONS**

1.	The report is provided for information.
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### **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

	N/A
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### **DETAIL (Including consultation carried out)**

2.	The Council delivers a number of key services through contracts with third-party suppliers.
3.	The SMS is comprised of contract management, procurement and commercial specialists and has responsibility for the procurement, contract

	management and supplier performance for what are known as the 'Strategic Contracts'. These are the contracts deemed be the most strategically important to the Council.
4.	This joined-up approach to contract management and procurement is designed to ensure that the Council procures, puts in place and appropriately manages contracts which meet the Council's strategic objectives now and, in the future, and achieves value-for money through its contracting arrangements.
5.	A separate arrangement is in place for health and care commissioning, procurement and contract management all of which are managed by the ICU and are not detailed within this report.
6.	<p>The SMS is responsible for the management of all aspects of the 'contract lifecycle' and performance of the Strategic Contracts including: -</p> <ul style="list-style-type: none"> <li>• Relationship management;</li> <li>• Contract strategy;</li> <li>• Contract changes and negotiation;</li> <li>• Issue dispute resolution;</li> <li>• Continuous improvement;</li> <li>• Performance monitoring and financial deductions;</li> <li>• Contract compliance, benefits realisation and value-for-money monitoring activities;</li> <li>• Formal and informal governance;</li> <li>• Capital programmes;</li> <li>• Insurance;</li> <li>• Provider facilities and premises;</li> <li>• Finance governance;</li> <li>• Technical management and approvals;</li> <li>• Works orders;</li> <li>• Safety, health, environmental and quality monitoring;</li> <li>• Engagement activities and</li> <li>• Employment practices and equalities obligations.</li> </ul>
7.	<p>The current portfolio of Strategic Contracts consists of the following: -</p> <ul style="list-style-type: none"> <li>A. Highways Services Partnership (HSP);</li> <li>B. CCTV and Intelligent Traffic Systems (known as 'CityWatch');</li> <li>C. Street Lighting Private Finance Initiative;</li> <li>D. Leisure (Sport and Recreation);</li> <li>E. Southampton Guildhall;</li> <li>F. St Mary's Leisure Centre;</li> <li>G. Schools Private Finance Initiative;</li> <li>H. Waste Disposal;</li> <li>I. Commercial Waste;</li> <li>J. Managed Services for Temporary Agency Resources and</li> <li>K. Client Case Management System (known as 'CareDirector').</li> </ul>
8.	This report considers the period from 1 April 2021 to 31 March 2022 and therefore pre-dates the volatility of the energy market and associated inflationary pressures that are currently being experienced.

	<p>Due to the Council's energy procurement strategy it has, to date, been protected from the worst of the increases in energy pricing; however, the Council has and will continue to see unprecedented price rises for the foreseeable future.</p> <p>It is anticipated that these will have an impact on the Strategic Contracts during the current financial year and the ramifications of this will be reflected in the Strategic Contract Annual Report for 2022/23.</p>
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9.	<p>A number of the Strategic Contracts referred to within this report form part of the Strategic Procurement Programme (SPP). The SPP is the term used to capture upcoming non-health and care requirements/projects which are strategically significant in terms of value, operational considerations, reputation or political importance.</p> <p>The SPP is made up of arrangements which need to be implemented and operational by end of the 2025/26 Financial Year including:</p> <ol style="list-style-type: none"> <li>1. Services which are currently outsourced;</li> <li>2. Services which have recently been brought in-house on an interim basis and require a decision on the future delivery model; and</li> <li>3. Planned strategic requirements which have yet to fully establish a delivery model.</li> </ol>
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**RESOURCE IMPLICATIONS**

**Capital/Revenue**

	N/A
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**Property/Other**

	N/A
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**LEGAL IMPLICATIONS**

**Statutory power to undertake proposals in the report:**

	S101 Local Government Act 1972 and S1 Localism Act 2011
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**Other Legal Implications:**

	N/A
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**RISK MANAGEMENT IMPLICATIONS**

	N/A
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**POLICY FRAMEWORK IMPLICATIONS**

	N/A
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**KEY DECISION?**

N/A

**WARDS/COMMUNITIES AFFECTED:**

Not Applicable

**SUPPORTING DOCUMENTATION**

**Appendices**

1.	Strategic Contracts Annual Report 2021_2022 - exempt
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**Documents In Members' Rooms**

1.	N/A	
<b>Equality Impact Assessment</b>		
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.		No
<b>Data Protection Impact Assessment</b>		
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.		No
<b>Other Background Documents</b>		
Other Background documents available for inspection at: N/A		
<b>Title of Background Paper(s)</b>	<b>Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)</b>	