

<b>DECISION-MAKER:</b>	<b>GOVERNANCE COMMITTEE</b>		
<b>SUBJECT:</b>	<b>STRATEGIC CONTRACTS ANNUAL REPORT</b>		
<b>DATE OF DECISION:</b>	13 November 2023		
<b>REPORT OF:</b>	<b>HEAD OF SUPPLIER MANAGEMENT &amp; DIRECTOR OF COMMISSIONING</b>		
<b><u>CONTACT DETAILS</u></b>			
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<b>STATEMENT OF CONFIDENTIALITY</b>			
Appendix 1 and 2 to this report are 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 they contain information about council contracts and contractors which may be deemed to be confidential and commercially sensitive.			
<b>BRIEF SUMMARY</b>			
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.			
The report is produced by the Supplier Management Service (SMS) and the Integrated Commissioning Unit (ICU) on an annual basis to cover the preceding financial year.			
<b>RECOMMENDATIONS:</b>			
	(i)	Governance Committee notes the Strategic Contracts Annual Report covering the period April 2022 to March 2023.	
<b>REASONS FOR REPORT RECOMMENDATIONS</b>			
1.	The report is provided for information.		
<b>ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</b>			
2.	N/A		

<b>DETAIL (Including consultation carried out)</b>	
3.	The Council delivers a number of key services through contracts with third-party suppliers.
4.	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 to be the most strategically important to the Council. The ICU maintains separate but comparable arrangements for the commissioning, procurement and management of health and care contracts pertinent to the business of the Wellbeing and Housing and Children and Learning directorates.
5.	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 its strategic objectives now and, in the future, and achieves value-for money through its contracting arrangements.
6.	<p>The SMS and ICU are 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 and 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> <p>Managed by the SMS:</p> <ul style="list-style-type: none"> <li>• Highways Services Partnership (HSP);</li> <li>• CCTV and Intelligent Traffic Systems (known as City Watch or ROMTV);</li> <li>• Street Lighting Private Finance Initiative (PFI);</li> <li>• Leisure (Sport and Recreation);</li> <li>• Southampton Guildhall;</li> <li>• St Mary's Leisure Centre;</li> <li>• Schools Private Finance Initiative;</li> <li>• Waste Disposal; and</li> <li>• Managed Services for Temporary Agency Resources.</li> </ul>

	Managed by ICU: <ul style="list-style-type: none"> <li>• Nursing home for older people (Northlands House);</li> <li>• Nursing home for people with dementia (Oak Lodge);</li> <li>• Level 3 Sexual Health Services;</li> <li>• Substance Misuse Service for Adults; and</li> <li>• Health and Care Related Equipment Service.</li> </ul>
8.	This report considers the period from 1 April 2022 to 31 March 2023 and therefore pre-dates work currently being undertaken to ensure all contractual arrangements reflect the Council's current financial position; and where possible cost reduction opportunities are being realised. The impact of this work will be reflected in the Strategic Contract Annual Report for 2023/24.
8.	The future arrangements for a number of the Strategic Contracts and the associated services referred to within this report form part of the Strategic Procurement Programme (SPP). Governance Committee are reviewing a report concerning the SPP at the 13 November 2023 meeting.
<b>RESOURCE IMPLICATIONS</b>	
<b><u>Capital/Revenue</u></b>	
9.	N/A
<b><u>Property/Other</u></b>	
10.	N/A
<b>LEGAL IMPLICATIONS</b>	
<b><u>Statutory power to undertake proposals in the report:</u></b>	
11.	s.111 Local Government Act 1972
<b><u>Other Legal Implications:</u></b>	
12.	N/A
<b>RISK MANAGEMENT IMPLICATIONS</b>	
13.	N/A
<b>POLICY FRAMEWORK IMPLICATIONS</b>	
14.	N/A
<b>KEY DECISION?</b>	N/A
<b>WARDS/COMMUNITIES AFFECTED:</b>	Not Applicable
<b><u>SUPPORTING DOCUMENTATION</u></b>	
<b>Appendices</b>	
1.	SMS Strategic Contracts Annual Report 2022_2023
2.	ICU Strategic Contracts Annual Report 2022_2023
<b>Documents In Members' Rooms</b>	
1.	N/A
<b>Equality Impact Assessment</b>	
<b>Do the implications/subject of the report require an Equality and</b>	<b>No</b>

<b>Safety Impact Assessment (ESIA) to be carried out.</b>		
<b>Data Protection Impact Assessment</b>		
<b>Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.</b>		<b>No</b>
<b>Other Background Documents</b>		
<b>Other Background documents available for inspection at: N/A</b>		
<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>	