

Appendix 1 - Major Contracts Board Terms of Reference

1. Background

At the meeting of Resources and Governance Overview and Scrutiny Committee held in July 2022, it was agreed that a Major Contracts Oversight Board be established, made up of relevant officers and including the Exec Member for Finance.

The purpose of this Board is to:

- Review the Council's approach to insourcing and the approach to making a decision
- Review the pipeline for major contracts and forward plan for extensions and re procurements
- Oversee feasibility studies for future contract option appraisals
- Ensure the Council's major contracts are performance managed and be updated on any performance and cost issues
- Evaluate major contracts for the supply of goods, services or works (parameters of evaluation to be inserted – e.g. scope for savings, investment, VFM, effectiveness, social value, environmental issues etc).

2. Classification of Contracts

Contract registers are maintained within each directorate of the council and they include classification of "Gold", "Silver" and "Bronze" depending on a range of factors including complexity, risk, value, profile etc.

The Council's Social Value, Contracts and Commissioning Leads Group meets regularly to consider issues and developments. The agenda for these meetings will include review of all contracts classified as "Gold" within these portfolios.

There are a range of other factors to consider within the definition of a major contract. Areas of interest may include:

- Major contracts which deliver outsourced services on behalf of the Council
 - Waste contracts updates – Biffa and Redgate being current suppliers.
 - Leisure contracts updates (GLL)
 - Security (Mitie)
 - FM and minor repairs (Equans)
 - Housing Operations repairs (Equans)
- Review of performance and pipeline for Gold and Silver contracts
- Capital major projects are subject to a specific monitoring regime and are outside of the scope of this Board. The Board may periodically review the NWCH performance.
- Highways major contracts. Highways are establishing an Improvement Board which will have oversight of contracts, but this Board will periodically review the framework performance.
- PFI contractual performance and exit strategies on expiry.

Given the size of the potential scope, it is proposed that there are standing items with short contractual summaries, followed by deeper dives into particular contract(s), which would be agreed in advance.

The Board will have the potential to co-opt other Executive Members and officers to join the board where the contract falls within their remit.

3. Operation

Meeting will initially take place bi-monthly until the Board is established and operational so frequency of meetings will be reviewed after 6 months.

Discussion will include relevant topics as decided by the Board but will include a deep dive into particular contract(s) agreed in advance.

Standing items on Agenda to include:

Timely review of the pipeline of expiring contracts, (or those coming up for extension) allowing 12 months for a potential re-procurement with view to:

- considering options for next iteration or extension
- seeking efficiencies
- reviewing performance and identification of issues

4. Membership

Standing Membership – Executive Member for Finance, Deputy Chief Executive and City Treasurer, Strategic Director Neighbourhoods, Deputy City Treasurer, Deputy City Solicitor and Deputy Monitoring Officer and Head of Integrated Commissioning and Procurement.

Other reps including Director Housing Operations, Director Capital Programmes etc to be invited as required along with Executive Portfolio holders.