



## Procurement Sub (Finance) Committee

**Date:** THURSDAY, 11 FEBRUARY 2021

**Time:** 10.30 am

**Venue:** VIRTUAL PUBLIC MEETING (ACCESSIBLE REMOTELY)

**Members:**

Hugh Morris, (Chairman)	Alderman Gregory Jones QC
Deputy Robert Merrett, (Deputy Chairman)	Jeremy Mayhew,
Randall Anderson,	Susan Pearson,
Deputy Roger Chadwick	William Pimlott,
Michael Hudson,	Deputy Philip Woodhouse
Deputy Jamie Ingham Clark,	

**Enquiries:** Antoinette Duhaney, 020 7332 1408,  
antoinette.duhaney@cityoflondon.gov.uk

### Accessing the virtual public meeting

**Members of the public can observe this virtual public meeting at the below link:**

<https://youtu.be/MKjkERKO8pU>

This meeting will be a virtual meeting and therefore will not take place in a physical location following regulations made under Section 78 of the Coronavirus Act 2020. A recording of the public meeting will be available via the above link following the end of the public meeting for up to one municipal year. Please note: Online meeting recordings do not constitute the formal minutes of the meeting; minutes are written and are available on the City of London Corporation's website. Recordings may be edited, at the discretion of the proper officer, to remove any inappropriate material.

**John Barradell**  
**Town Clerk and Chief Executive**

# **AGENDA**

## **Part 1 - Public Agenda**

1. **APOLOGIES**

2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

3. **PUBLIC MINUTES OF THE PREVIOUS MEETING**

To agree the public minutes of the meeting held on 06.11.20.

**For Decision**  
(Pages 1 - 4)

4. **PROCUREMENT SUB-COMMITTEE WORK PROGRAMME 2021**

Report of the Chamberlain

**For Information**  
(Pages 5 - 6)

5. **CITY PROCUREMENT QUARTERLY PROGRESS REPORT (FEBRUARY 2021)**

Report of the Chamberlain

**For Information**  
(Pages 7 - 10)

6. **CITY PROCUREMENT RISK MANAGEMENT - QUARTERLY UPDATE REPORT**

Report of the Chamberlain

**For Information**  
(Pages 11 - 20)

7. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**

8. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

9. **EXCLUSION OF THE PUBLIC**

MOTION - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.

**For Decision**

## **Part 2 - Non-Public Agenda**

### **10. NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**

To agree the non-public minutes of the meeting held on 06.11.20.

**For Decision**  
(Pages 21 - 26)

### **11. REPORT OF ACTION TAKEN UNDER DELEGATED AUTHORITY OR URGENCY POWERS**

Report of the Town Clerk

**For Information**  
(Pages 27 - 30)

### **12. ACTION FRAUD PROJECT: DISPUTE RESOLUTION UPDATE, TENDER OF NEW SYSTEM AND OPTIONS FOR INTERIM ARRANGEMENTS**

The Chamberlain to be heard.

**For Information**

### **13. EXTENSION OF MANAGED SERVICE TEMPORARY AGENCY RESOURCE CONTRACT**

Joint Report of the Town Clerk and the Chamberlain

**For Decision**  
(Pages 31 - 36)

### **14. MAJOR PROGRAMMES UPDATE**

Report of the Chamberlain

**For Discussion**  
(Pages 37 - 42)

### **15. DEPARTMENTAL RESPONSE TO LATEST CHIEF OFFICERS PURCHASE CARD REPORT**

Report of the Chamberlain

**For Information**  
(Pages 43 - 48)

### **16. NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**

17. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE SUB-COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

## **PROCUREMENT SUB (FINANCE) COMMITTEE**

**Friday, 6 November 2020**

**Minutes of the meeting of the Procurement Sub (Finance) Committee held at the Guildhall EC2 at 9.30 am**

### **Present**

#### **Members:**

Hugh Morris (Chairman)	Deputy Jamie Ingham Clark
Deputy Robert Merrett (Deputy Chairman)	Alderman Gregory Jones QC
Randall Anderson	Jeremy Mayhew
Deputy Roger Chadwick	Susan Pearson
Michael Hudson	

#### **Officers:**

Christopher Bell	- Chamberlain's Department
Natalie Evans	- Chamberlain's Department
Peter Kane	- Chamberlain
Ian Jarman	- Chamberlain's Department
Oliver Watling	- Chamberlain's Department
Michael Harrington	- Chamberlain's Department
Philip Mirabelli	- Comptroller and City Solicitor's Department
Ola Obadara	- City Surveyor's Department
Antoinette Duhaney	- Town Clerk's Department

#### **1. APOLOGIES**

Apologies for absence were received from Deputy Philip Woodhouse.

#### **2. MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

There were no declarations.

#### **3. PUBLIC MINUTES OF THE PREVIOUS MEETING**

RESOLVED – That the public minutes of the meeting held on 7<sup>th</sup> October 2020 be agreed as a correct record.

#### **4. PROCUREMENT SUB-COMMITTEE WORK PROGRAMME 2020-21**

The Sub Committee considered a report of the Chamberlain updating the workplan for future meetings. Officers confirmed that in accordance with a resolution passed at the previous meeting, Action Fraud would be a standing agenda item for future meetings to allow Members to be kept updated with progress on this matter. Agenda items for meetings beyond February 2021, would also be listed in the work programme.

RESOLVED – That the report be noted.

5. **CITY PROCUREMENT QUARTERLY PROGRESS REPORT (NOVEMBER 2020)**

The Sub Committee considered a report of the Chamberlain updating Members on the work of City Procurement, key performance indicators and areas of progress.

Officers advised that on the whole, City Procurement was performing well despite the ongoing challenges. Although payment performance was below target, further investigation would be undertaken, and measures put in place to support improvements in performance. Throughout the reporting period, Covid-19 had continued to create significant new additional work such as grants and rebate payments, all of which were processed through the Accounts Payable Team. The comparative data on other London Boroughs was trickling through and would be presented to Members as further details emerged.

RESOLVED – That the report be noted.

6. **PROCUREMENT REGULATIONS AND BREXIT**

The Sub Committee considered a report of the Chamberlain to provide assurances to Members that City Procurement was keeping a watching brief on procurement changes post Brexit transition period.

Officers advised Members that at the current time, no substantial changes were anticipated in the short term. Officers also confirmed that any procurement activities which commenced up to 31<sup>st</sup> December 2020 would be bound by EU regulations/OJEU requirements. Any changes to regulations were unlikely likely for approximately 2 years and nor significant impact on supply chains was expected.

The Sub Committee noted that Central Government was committed to a comprehensive review of the procurement process which would favour British businesses and Officers also reported that via the Remembrancer's Office, City Procurement had given feedback to Central Government on recommended changes to the Public Contract Regulations.

RESOLVED – That the report be noted.

7. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**

Procurement Challenges – a Member raised concerns over the procurement process and delays in tendering for a contract which was the subject of a report on the Community & Children's Services agenda later that day.

In response, Officers stated that there was a process to follow and forward planning was essential, emphasising that quality could not be compromised over speed.

8. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

There was no other urgent business.

9. **EXCLUSION OF THE PUBLIC**

RESOLVED - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for items 12 – 16 on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.

10. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**

RESOLVED – That the non-public minutes of the meeting held on 7<sup>th</sup> October 2020 be agreed as a correct record.

11. **SEMI-INDEPENDENT/SUPPORTED ACCOMMODATION PLACEMENTS (16-25 YEAR OLDS) PROCUREMENT STRATEGY REPORT**

The Sub Committee considered a joint report of the Chamberlain and the Director of Community & Children's Services seeking approval of the procurement strategy, to utilise and award call-off contracts for individual placements via the Commissioning Alliance Care Place System framework.

12. **CIVIL PARKING & TRAFFIC ENFORCEMENT: OFF STREET CAR PARKS MANAGEMENT AND BARRIER EQUIPMENT REPLACEMENT, PROVISION OF CCTV ENFORCEMENT CAMERAS AND SUPPORT SERVICES FOR COLLECTING PAYMENTS AND ISSUING NOTICES PROCUREMENT STAGE 1 REPORT (WITH EXTENSION WAIVER REQUEST)**

The Sub Committee considered a joint report of the Chamberlain and the Director of the Built Environment seeking approval of a procurement strategy and evaluation criteria to be used in the selection of the preferred suppliers.

13. **NEW PURCHASE CARD CONTRACT & BENEFITS UPDATE**

The Sub Committee considered a report of the Chamberlain providing an update to on the new Purchase Card contract and outlining benefits of the new contract and the potential efficiencies.

14. **REPORT OF ACTION TAKEN UNDER DELEGATED AUTHORITY OR URGENCY POWERS: CONTRACT VARIATION (CENTRAL LONDON WORKS - WORK AND HEALTH PROGRAMME)**

The Sub Committee considered a report of the Town Clerk advising Members of action taken by the Town Clerk in consultation with the Chairman and Deputy Chairman, in accordance with Standing Order Nos. 41(a) and 41(b) since the last meeting.

15. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**

There were no non-public questions.

16. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE SUB-COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

The Sub Committee considered 2 items of urgent business.

**17. PROCUREMENT LEADERSHIP UPDATE**

The Chamberlain gave an oral update on staffing changes within the Chamberlain's Department.

**The meeting closed at 10.58 am**

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Chairman

**Contact Officer: Antoinette Duhaney, 020 7332 1408,  
antoinette.duhaney@cityoflondon.gov.uk**



**Procurement Sub-Committee – Work Programme 2021**

Meeting:	10/02/2021	03/03/2021	05/05/2021	09/06/2021	15/07/2021
	<b>Strategy, Policy, Continuous Improvements and Performance</b>				
	<ul style="list-style-type: none"> <li>• P-card Update Paper</li> <li>• Risk Update</li> <li>• City Procurement Qrtly Update</li> </ul>			<ul style="list-style-type: none"> <li>• Risk Update</li> <li>• City Procurement Qrtly Update</li> <li>• Procurement Targets update</li> </ul>	
	<b>Sourcing and Category Management</b>				
	<ul style="list-style-type: none"> <li>• Strategic Property Adviser and Professional Services, Markets Consolidation Programme – Procurement Strategy, Fleet Street Estate – Procurement Strategy – Construction</li> </ul>	<ul style="list-style-type: none"> <li>• Architects, Stage 2</li> <li>• Property Insurance, Stage 1 Report</li> </ul>	<ul style="list-style-type: none"> <li>• ERP, Stage 1</li> </ul>		
	<b>Contract Management and Responsible Procurement</b>				
	<ul style="list-style-type: none"> <li>• Temporary labour contract extension</li> <li>• Increase in Skanska Contract Value</li> </ul>				

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<b>Committee(s)</b>	<b>Dated:</b>
Procurement Sub Committee	11 February 2021
<b>Subject:</b> City Procurement Quarterly Progress Report (February 2021)	<b>Public</b>
<b>Report of:</b> The Chamberlain	<b>For Information</b>
<b>Report authors:</b> Nick Richmond-Smith – Assistant Director Category Management and Sourcing Darran Reid – Assistant Director Commercial Contract Management	

## Summary

The report updates Members on the work of City Procurement, key performance indicators and areas of progress.

Performance for Q1 – Q3 of 2020/21 financial year is summarised below:

- Procurement savings at end of December 2020 of £4.8m, made up of £1.3m Commercial Contract Management savings and £3.5m Sourcing & Category Management savings. We are expecting to meet and exceed FY target.
- Purchase order compliance was 98% (target of 97%).
- 93% of all supplier invoices were paid within 30 days (target of 97%).
- 87% of SME invoices were paid within 10 working days (target of 88%).
- Non-compliant waivers over £50k:
  - 5 Non-compliant waivers recorded for FY 20/21 so far.
  - A total of 3 Procurement Breach waivers have been recorded in FY 20/21 with a total value of £248k.

## Recommendations

- Members are asked to note the report.

## Main Report

### Background

1. City Procurement has four main functions: Category Management/Sourcing, Commercial Contract Management, Accounts Payable, and Policy & Compliance. This report provides an update on the progress and current performance against the service KPIs set out in the Chamberlain's Business Plan in April 2020.

## **Efficiency and Savings**

2. City Procurement is set an annual savings target at the start of each year based on the contracts to be let during the financial year that have the potential to make efficiency or cost savings and contracts let in previous years that are generating guaranteed savings in the current year. Contracts are reviewed by Category and savings set using industry benchmarks. The 2020/21 City Procurement savings target is £6.1m.

## **2020/21 Efficiencies and savings as at 31 December 2020**

3. Sourcing & Category Management achieved procurement savings of £3.5m at the end of Q3 FY 20/21. Additionally, Commercial Contract Management has achieved efficiencies and savings to the value of £1.3m, giving total savings for Q1 – Q3 of £4.8m.
4. These savings have been achieved despite the loss of some tendering during the COVID due supporting the services COVID response, and a depleted market in some categories.

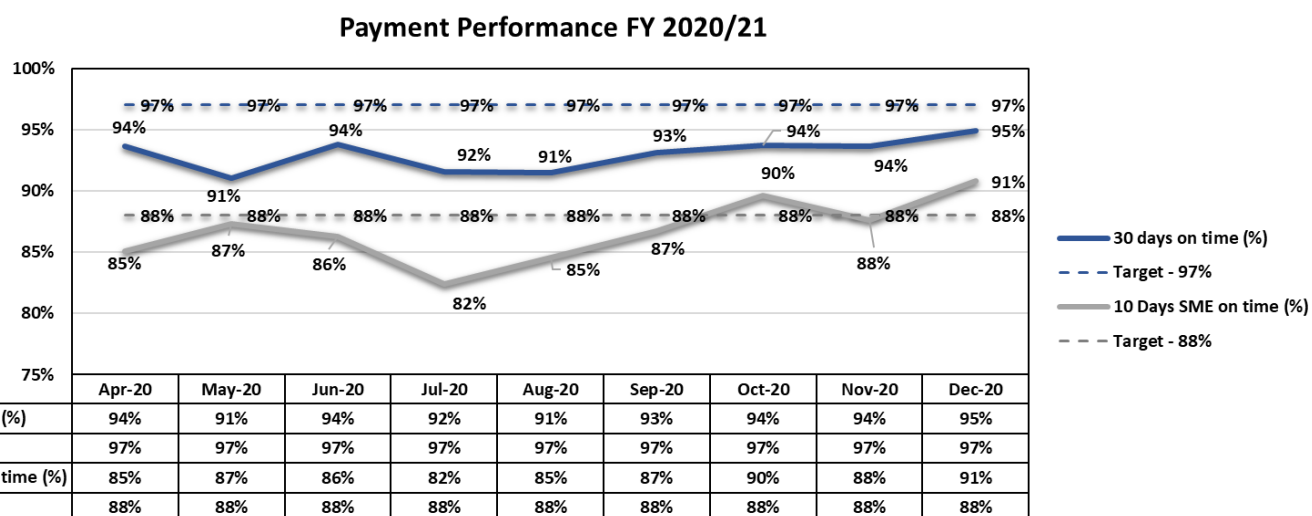
## **Accounts Payable Performance – Compliance with No PO No Pay Policy**

5. We continue to achieve high levels of compliance with 98% PO compliance for Period Q1 – Q3 FY 20/21, therefore exceeding our target of 97%.

## **Payment Performance**

6. The Corporation's 30-day invoices paid-on-time performance for Q1 – Q3 FY 20/21 is 93%, below the target of 97%. Our 10-day SME invoice payment performance for Q1 – Q3 FY 20/21 is 87%, falling just short of the 88% target. There have been a number of factors impacting results this year including increased work for Accounts Payable assisting other parts of the organisation (including all Covid-19 relief payments) and carrying vacancies to balance budget.
7. We are pleased to report that payment performance is steadily increasing and we are now achieving figures of 94% or 95% on a monthly basis, increasing our overall figure for FY 20/21, so the target of 97% for the year is still a possibility. The same can be said for the 10-day target for SME invoices, as we have achieved or exceeded the goal of 88% in the last few months.
8. Furthermore, a comparison of Q3 FY 19/20 and Q3 of the current year shows that our 10-day payment performance is actually better in the latter quarter, when we exceeded the 88% target in both October (90%) and December (91%), achieving 89% for quarter, 3 percentage points higher than Q3 FY 19/20, despite the challenges of additional work, reduced resources and a more testing working environment. This improvement can at least partly be attributed to our focus on protecting SME cashflows during the pandemic.

**Figure A: 30-Day and 10-Day Payment Performance trend charts**



### Electronic Invoices Received

9. Of all the invoices received from suppliers in Q1 – Q3 FY 20/21, 95% were in the desired True PDF format, far exceeding the target of 75%.
10. All Accounts Payable staff continue to work from home due to the COVID-19 pandemic, so the necessity for invoices to be submitted electronically remains.

### Non-compliant Waivers

11. No additional non-compliant waivers were issued in quarter three.
12. In total for FY 20/21 so far, we have recorded five non-compliant waivers (four have been approved/noted) as per the table below.

Waiver Reason	Total Number	Total Value (£)
Poor Operational Planning	2	175,000
Procurement Code Breach	3	248,670
<b>Grand Total</b>	<b>5</b>	<b>423,670</b>

13. Of the five waivers, the three Procurement Code Breaches were issued in the previous financial year. The breach values will be noted in this financial year as the reports go to the relevant spend committee, but effectively no new breaches have occurred.

### Freedom of Information (FOI) Requests

14. City Procurement received 17 FOI requests between October and December 2020 totalling 22 hours of officer time. It was a busy quarter for FOI requests with almost the same number of requests received as in the two previous quarters added together.

15. Analysing the make-up of FOIs for this period gives the following categorisation:

<b>Nature of FOI Query</b>	<b>Instances</b>
Understanding our expenditure	6
Contract Specific	5
Policy queries	4
Seeking sales opportunities	2
<b>Grand Total</b>	<b>17</b>

16. City Procurement received a total of 35 FOI requests, amounting to 65 hours of officer time, during Q1 – Q3 FY 20/21.

### **Conclusion**

17. City Procurement continues to achieve a high level of performance during an extremely challenging period. We are on track to achieve and exceed the savings target of £6.1m for the current financial year, having achieved savings of £4.8m in the first three quarters. The payment performance figures are falling short of their respective targets; however, the figures have improved over the last few months, e.g. the target of paying 88% of SME invoices within 10 working days was exceeded for Q3 as a whole. PO compliance remains high and we have seen a significant increase in the proportion of invoices received in the desired True PDF format, which made up 95% of all invoices received up to the end of Q3, well above the 75% target. Throughout this period, the impact of Covid-19 has created significant additional work, such as emergency procurement of PPE in a highly competitive environment, payment of grants to businesses affected by the pandemic, and compliance with a series of new government policy notices.

### **Report Authors**

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Darran Reid – Assistant Director Commercial Contract Management  
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<b>Committee</b>	<b>Dated:</b>
Procurement Sub Committee	11 February 2021
<b>Subject:</b> City Procurement Risk Management – Quarterly Update Report	<b>Public</b>
<b>Report of:</b> Chamberlain	<b>For Information</b>
<b>Report author:</b> Lisa Moore, City Procurement, Chamberlain's	

## Summary

This report provides Procurement Sub Committee with an overview of the management of risks faced by City Procurement. Risk is reviewed regularly by the Senior Management Team within City Procurement as part of the ongoing management of the service.

The City Procurement team currently has four service-level risks on its risk register. These risks are broken down under the RAG rating of one RED and three AMBER.

The Senior Management Team continues to monitor closely the progress being made to mitigate these risks.

## Recommendation

Members are asked to note the report and the actions taken by the City Procurement team to monitor and manage risks arising from our operations.

## Main Report

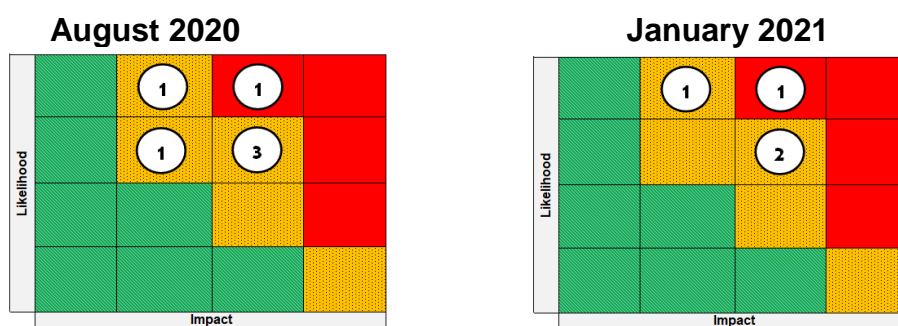
### Background

1. The Risk Management Framework of the City of London Corporation requires each Chief Officer to report regularly to Committee the key risks faced in their department. Departmental risks from City Procurement are included in a quarterly report to Finance Committee.
2. This paper is a summary of all risks identified by City Procurement including service level risks that are not typically reported to Finance Committee as part of the required departmental risk report.
3. City Procurement's risk management is reviewed on a monthly basis at Senior Management Team (SMT) meetings. Consideration is also given as to whether there are any emerging risks for inclusion in the risk register within each section within City Procurement and updates on key issues from each of the Assistant Directors, ensuring that adequate consideration is given to each risk.
4. Risk and control owners are regularly consulted regarding the risks for which they are responsible, with updates captured accordingly.

5. Since the last update two risks have been closed from the risk register:

- **CHB CP001 Brexit risk to City Corporation procurement and supply chains** – this risk centred around the impact of a No Deal Brexit. A deal has been achieved and no significant risks to the City Corporation’s supply have been identified. City Procurement continue to keep a watching brief of regulatory changes. Additionally the AD, Commercial Contract Management will be contacting our top suppliers to assess any residual risks which will be reported to the Chamberlain.
- **CHB CP013 Failure to Reach Savings Target** – Procurement savings, as at the end of Q3, is on track to be achieved. This is monitored as part of ‘business as usual’ monitoring in the City Procurement Quarterly report.

6. City Procurement risks as depicted by heat maps:



### Summary of Risks

7. City Procurement currently has four service-level risks on its risk register attached as Appendix 1. There is currently one RED and three AMBER. In order of risk rating, the City Procurement’s risk register includes:

#### **CHB CP012 – City Procurement Budget Pressure 2020/21 (Current Risk: Red)**

8. The response required for COVID-19 and the disruption of normal working practices has impacted City Procurement’s budget. This year’s budget included a provision for income generation as part of the Fundamental Review which has not been possible in the current working climate. In addition, unexpected IT equipment, office furniture, and overtime pay were required at the start of this financial year.
9. Since the last report, the projection has decreased slightly from £118,000 to £106,000. Both figures sit below initial projections due to vacancy freezes including the Commercial Director, ending two temporary contracts, and a royalty payment. SMT continue to monitor the budget for potential savings.
10. The target date has been updated to March 2022 as the budget pressure is expected to last through the next financial year.



**CHB CP011 – City Procurement Resource Pressure (Current Risk: Amber)**

11. A reduction in City Procurement resources due to the year-on-year savings requirement and the existing moratorium on filling vacancies has left little-to-no capacity to respond to emerging/unplanned projects without impacting service KPIs. The Sourcing & Category Management teams are currently carrying three vacant or frozen positions, Accounts Payable three frozen positions and the Commercial Contract Management team has one vacant role which is due to be filled internally from City Procurement in February 2021. Sourcing and Category Management will look to cover some of the vacant or frozen roles following discussion with the Chamberlain.
12. There continue to be emerging priorities for the business which require additional resource that City Procurement does not have, for example, work to support Climate action consultancy. Whilst unplanned activities are reviewed on an individual basis for options to ease this pressure, resource cannot currently meet demand.
13. For the medium-to-long term, SMT has been reviewing the governance and operational set up of the Category Management and CCM teams. This is to fit with the objectives of City Procurement Strategy 2020 and will be aligned to the core principles of the Target Operating Model.
14. The target date has been updated to March 2022 as the resource pressure is expected to last through the next financial year.

**CHB CP004 – City accelerate delays and impact on income levels (Current Risk: Amber)**

15. City Accelerate uptake has not been as projected. The Assistant Director (AD), Commercial Contract Management, met with our commercial partner to discuss terms of a mutual exit. A mutual exit agreement has not been agreed upon, but the AD will be working to rebase the projected savings based solely on contracts that qualify i.e. non-grant/concession/income Services and Goods. A meeting will be held during February to agree expectations for the next financial year.

**CHB CP009 – Monitoring Corporate Contract Spend (Current Risk: Amber)**

16. The CCM team are taking steps to mitigate the risks arising from incomplete data on contract expenditure. The Assistant Director of the CCM team, working closely with the Chamberlain's Oracle team, identified a systems-based solution that will allow contract managers and City Procurement to track contract spend accurately reducing the process to a single point failure at the requisitioner level. The development order will be issued in Q4 with a target to trial Category A contracts in the new financial year.

**Conclusion**

17. Members are asked to note the actions taken to manage risks in relation to the operations of City Procurement.

**Appendices**

- Appendix 1 - City Procurement Risk Register Jan 2021

**Lisa Moore**

Procurement Policy & Compliance Officer

Chamberlain's Department

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# CHB CP City Procurement Detailed risk register excluding completed actions

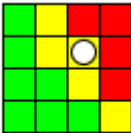
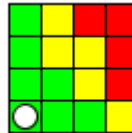

Report Author: Lisa Moore

Generated on: 27 January 2021



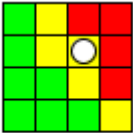
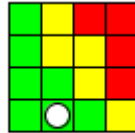

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
<b>CHB CP012</b> <b>City Procurement Budget Pressure</b>  Page 15  22-Apr-2020 Darran Reid	<b>Cause:</b> COVID-19 pandemic and required response to stop the spread of the disease. <b>Event:</b> The response required for the COVID-19 situation has disrupted normal working practices for City Procurement and the Corporation's supply chain. <b>Effect:</b> Inability to generate income/savings in line with our Fundamental Review submissions.	 Likelihood Impact	16	City Procurement has been able to reduce the projected overspend to just over £100,000. This is largely due to holding vacancies most notably the Commercial Directors post for four months of the financial year.  One area of unexpected expenditure this year is a temporary post supporting the ERP re-tender. Funding for this post should be forthcoming when the project 'goes live' which is expected imminently.  The target date has been updated to March 2022 as the budget pressure is expected to last through the next financial year.  <b>27 Jan 2021</b>	 Likelihood Impact	8	31-Mar-2022	  Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB CP012c	City Procurement SMT to review potential opportunities to reduce budget expenditure.	SMT continues to monitor the budget situation closely. Request to recharge additional resources for Sourcing projects (e.g. ERP and Action Fraud) have been ongoing.	Darran Reid	21-Jan-2021	31-Mar-2021

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
<b>CHB CP004</b> <b>City accelerate delays and impact on income levels</b>  11-Dec-2018 Andrew Lenihan	<b>Cause:</b> City Accelerate uptake has not been as projected <b>Event:</b> 'Go Live' was delayed and there has been limited uptake by suppliers to the offering <b>Effect:</b> Not realising the projected income level opportunities	 Likelihood Impact	12	Supplier report received by CCM from Oxygen. An additional supplier classification (Medium) has been included as an option in CBIS. SMT to meet in February to discuss expectations in the new FY including additional actions in response to the supplier report.  <b>27 Jan 2021</b>	 Likelihood Impact	1		  Constant


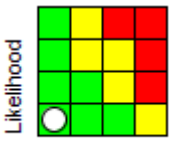

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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB CP004b	City Procurement management team will conduct review of supplier spend strategy and come up with an action plan.	Supplier report received by CCM from Oxygen. An additional supplier classification (Medium) has been included as an option in CBIS. SMT to meet in February to discuss expectations in the new FY including additional actions in response to the supplier report.	Andrew Lenihan	21-Jan-2021	01-May-2021
CHB CP004g	CCM to rebase the projected savings based solely on contacts that qualify i.e. non-grant/concession/income Services and Supplies.	Preparatory work is underway. A meeting will be held in February to agree expectations for FY21/22.	Darran Reid	21-Jan-2021	01-May-2021

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
CHB CP011 City Procurement Resource Pressure	<p><b>Cause:</b> Reduction in City Procurement resource due to year-on-year savings requirement and the existing moratorium on filling vacancies.</p> <p><b>Event:</b> The response required for the COVID-19 pandemic and other large unplanned procurements e.g. Action Fraud re-tender and Guildhall Master Plan.</p> <p><b>Effect:</b> City Procurement does not have the resource capacity to respond to emerging/unplanned projects and/or is unable to deliver core objectives to the standard that is expected.</p>	<p>Likelihood</p>  <p>Impact</p>	12	<p>The reduction in resources has left limited capacity within City Procurement to respond to emerging projects without impacting service KPIs. There are other emerging priorities to the business which will require additional resource that City Procurement does not have.</p> <p>City Procurement continues to carry a number of vacancies including the post of Commercial Director which is expected into the new financial year. Sourcing &amp; Category Management are currently carrying four vacant or frozen positions. Accounts Payable have had to freeze three positions to help reduce budget impacts. The Commercial Contract Management team has one vacant role which is due to be filled internally from 1 February 2021.</p> <p>If this risk is not managed there is an increased likelihood that KPIs for the core services such as payment targets will suffer.</p> <p>City Procurement's SMT continue to hold regular meetings to review the situation and react as required.</p> <p>The target date has been updated to March 2022 as the resource pressure is expected to last through the next financial year.</p>	<p>Likelihood</p>  <p>Impact</p>	2	31-Mar-2022	

22-Apr-2020 Nicholas Richmond- Smith				27 Jan 2021				Constant
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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB CP011e	City Procurement SMT are currently reviewing the governance and operational set up of the Category Management and Commercial Contract Management teams. This is to fit with the objectives of the new City Procurement strategy and the impending Target Operation Model.	City Procurement SMT have a draft future structure and operating model for City Procurement which now needs to be aligned to principles of the corporate Target Operating Model.	Nicholas Richmond-Smith	21-Jan-2021	01-Jul-2021

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
<b>CHB CP009</b> <b>Monitoring Corporate Contract Spend</b>  22-Oct-2019 Darran Reid	<b>Cause</b> – There is a weakness in reporting and monitoring of contractual spend data <b>Event</b> – CCM has identified that the current ERP system is set up to track supplier level expenditure and not contract level expenditure <b>Effect.</b> Any issues or inconsistencies with the contract are not identified or proactively mitigated	 Likelihood	8	SMT agreed that “Contract Management Complexity” for each contract should also be assigned a weighting, which will factor into the final CCM Contract Tier evaluation which assigns A/B/C rating. This exercise is due to be finalised in Q4 and a request to implement the technical solution will be issued to the Oracle Team.  <b>21 Jan 2021</b>	 Likelihood	1	31-Mar-2021	  Constant

Action no	Action description	Latest Note			Action owner	Latest Note Date	Due Date
CHB CP009a	AD for Commercial Contract Management and Procurement Operations Manager to work with the Oracle Team to explore options for a report and/or controls which might assist with this issue.	CCM Tiering exercise is due to be finalised in Q4 when a request to schedule the necessary work with the Oracle team is expected.			Darran Reid	21-Jan-2021	30-Jun-2021
CHB CP009b	City Procurement SMT to review process and procedures for maintaining a Corporate Contracts Register.	SMT agreed that “Contract Management Complexity” for each contract should also be assigned a weighting, which will factor into the final CCM Contract Tier evaluation which assigns A/B/C rating. The CCM team are reviewing the qualifying criteria and will finalise the tiering exercise over January/February 2021.			Darran Reid	21-Jan-2021	31-Mar-2021
CHB CP009c	Commercial Contract Management to assure appropriate change controls and spend for contracts is being tracked.	This is contingent on the outcome CCM tiering exercise and portfolio setting.			Darran Reid	21-Jan-2021	01-Jun-2021

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