



# Contract Management Review Group

## Terms of Reference

**Version No:** 8  
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### 1. Role and Purpose

The Contract Management Review Group (CMRG) has been in operation since September 2016, following agreement at the Policy and Resources Cabinet Committee to implement a forum to review KCC's strategically important contracts. CMRG's key objectives are as follows:

- a. To provide assurance as to good practice in the management of KCC contracts, as this will improve outcomes, value for money and management of risk.
- b. To provide challenge and an opportunity to identify potential improvements in the management of the contract that will help ensure the contract represents 'best value'.

The CMRG will meet at least every two months to look in depth at specific contracts; asking contract managers to report on the performance of the contract and to review the maturity of their contract management practice against criteria from National Audit Office best practice guidance (Appendix 1).

### 2. Membership

Membership of the CMRG is drawn from Officers and Members from across KCC, recognising the key role of Officers and Members in providing oversight and governance of the commissioning cycle. The Chair of the CMRG is appointed by the Deputy Leader. ~~and is e~~Currently, a Joint Chair arrangement is in place with the Head of Commercial and Procurement and Deputy Cabinet Member for Finance. The Chair ~~s~~ is responsible for identifying ~~two~~ further Officers and Members to sit on the panel.

#### **Officers**

- ~~• Interim Strategic Commissioner~~
- Joint Chair – Head of Commercial and Procurement
- Section 151 Officer (or representative) ~~Head of Finance Operations or Corporate Accountant~~
- Monitoring Officer (or representative)
- Commissioning Commercial and Procurement Standards Manager
- Commercial and Procurement Policy and Governance Lead
- ~~• Commissioning Standards Programme Officer~~
- ~~• Commissioning and Commercial Assistant~~

#### **Members**

- Joint Chair – Deputy Cabinet Member for Finance
- Member 2 – Member from the Conservative Group
- Member 3 – Member from the Conservative Group
- Member ~~4~~ – Member from an Opposition Group
- Member ~~5~~ – Member from an Opposition Group

#### **For each meeting, additional invitees would be:**

- Presenting Contract Manager/s (mandatory)
- Head of Service for the Contract and/or Head of Commissioning (mandatory)
- Strategic Procurement and Commercial Lead (mandatory)

- Operational Director for the Service (optional)
- Cabinet Member for the Service (optional)

### 3. Functions and responsibilities

- The CMRG reviews contracts against the National Audit Office (NAO) Good Practice Contract Management Framework (see Appendix 1) and an associated maturity assessment template.
- The CMRG will have a forward plan of contracts to be reviewed for the next 126 months and contract managers will be given at least 6 weeks' notice of when their contract will be reviewed.
- Each contract manager completes the template and provides supporting evidence for submission prior to meeting with the CMRG. The expectation is that contract managers should have the information required to complete the template readily available as part of a day-to-day good practice approach to contract management. As required, the Commissioning Commercial and Procurement Standards Manager and Strategic Procurement and Commercial Lead may also have discussions with the contract manager to clarify issues or queries prior to the meeting.
- Unlike an audit, the review process relies on a self-assessment by the contract manager and the CMRG does not itself verify evidence and check source material. However, contract managers do sign to attest agree that the information provided to the CMRG is accurate.
- Within the CMRG meeting, the Member-led gGroup provides a robust level of challenge and questioning to determine whether overall value for money can be demonstrated in addition to there being compliance with the relevant internal rules and public procurement regulations and transparency and accountability around decision-making. The group will advise on where improvements may be made in contract management practice to better realise those objectives.
- ~~It also provides advice and guidance to managers ahead of any contract extension for areas to consider in their future practice, or when they are looking at re-commissioning services, in order to ensure consideration of achieve greater value for money and procedural requirements through the contract and its management.~~
- Where appropriate, the Chairs and wider membership of the CMRG will discuss contract details and issues with the contractor or service user/s in order to gain a wider perspective on contract performance. This will be decided on a case-by-case basis. On occasion, it may also be appropriate for the contractor to attend, if agreed as part of the forward plan.
- Following the CMRG, the Chairs will issue ~~a letter of~~ findings and recommendations regarding the specific contract reviewed to the relevant Corporate Director, Cabinet Member and, where necessary, Committee.
- The Commissioning Commercial and Procurement Standards Manager and Strategic Procurement and Commercial Lead ~~are~~ responsible for following up with contract managers after each meeting to review progress against the recommendations put forward by the CMRG and to clarify what the outcomes have been from those reviews.
- When appropriate, Contract Managers will be asked to return to CMRG after a defined time period to account for the actions requested, and to provide assurance that change has been embedded within contract delivery.
- The CMRG is responsible for capturing the lessons learned from contract reviews and sharing best practice across the Council, in order to identify common themes and to improve standards across KCC.
- CMRG will refer matters to KCC's internal audit term if the need arises.

### 4. Governance

- The CMRG is a part of the Council's established Informal Governance Arrangements and meets at least every two months on a monthly basis.
- P&R Cabinet Committee will receive requires half yearly reports on lessons learned and the forward look for reviews.
- ~~As and when required, the CMRG is able to provide an independent opinion on existing contracts for the Strategic Delivery Board (SDB).~~

## 5. Meetings, Communication and Timelines

- As standard, the CMRG will meet every two months ~~monthly~~ for 1½ to 2 hours, usually reviewing ~~either one or two~~ specific contracts at each meeting. The frequency, duration, and number of contracts reviewed may vary dependent on business need. ~~Whilst standard practice will be to review two contracts at each meeting, where a particular contract is highly politically sensitive or strategically important, it may be appropriate to allot the full session to that individual contract.~~
- The Contract Manager, relevant Strategic Procurement and Commercial Lead, and relevant Corporate Director and Cabinet Member are invited to attend CMRG a minimum of six weeks prior to meeting, with the master slide deck and timelines for completion provided.
- The Commissioning Commercial and Procurement Standards Manager will have a pre-meet with the contract manager to talk them through what needs to be completed, explain format of the meeting and to understand what the contract is.
- Officers are required to provide a completed set of the maturity slides and, where appropriate, supporting evidence, a maximum one week in advance of the meeting date.
- The agenda, the completed slide deck and supporting evidence will then be issued to the CMRG one week before the CMRG meeting.
- The Chair ~~and the Strategic Commissioner~~ will be briefed on the contract by the Commissioning Commercial and Procurement Standards Manager five to seven days before the CMRG.
- The Commissioning Commercial and Procurement Standards Manager will arrange a post-CMRG meeting ~~between~~ within three and six months after the presentation with the Contract Manager and Strategic Procurement and Commercial Lead, so that observations and the outcomes from agreed actions can be discussed.
- The minutes and actions will be circulated to the CMRG, contract managers, Strategic Procurement and Commercial Lead, Corporate Director and Cabinet Member within four weeks after the date of CMRG, with a letter of the findings and recommendations from the Chair Group.
- The CMRG is responsible for capturing the lessons learned from the contract reviews for future reference and sharing of best practice. This will be used to update procedural and policy guidance maintained by the Commissioning Commercial and Procurement Standards Team to ensure that it is swiftly embedded within daily practice.

## 6. How contracts are selected for review

Contracts are selected for review by using the Contract Register produced by the Commissioning Commercial and Procurement Standards Team and consideration of the Council's priority to deliver Securing Kent's Future. This will be made available to the Chair ~~and wider membership of the CMRG, the Interim Strategic Commissioner and the Commissioning Standards Manager~~, who will meet once every twelve months ~~a six-monthly basis~~ to agree to the ensuing six ~~twelve~~ months' forward plan. ~~The Chair, in liaison with the two supplementary Members, can request contracts of particular political or strategic interest, or where there are expressed concerns. Otherwise, c~~Contracts should be selected according to the following criteria.

- Alignment with Securing Kent's Future
- High value or politically sensitive.
- High Complexity – i.e., are there factors that would make contract management more difficult?
- High Risk – is the service one that carries inherent risks?

- Strategically important – contracts that are identified as 'Gold' contracts using the Council's contract tiering tool that takes account of all the above factors, in addition to importance may not fulfil the above criteria but recognised as important to the Council fulfilling its strategic objectives.
- ~~Stage of commissioning cycle – will the contract be coming to an end in the next one to two years?~~
- Synergy with audit – is a review of the contract on the timetable for audit? ~~or have audit recently conducted a review?~~
- Has been identified internally as not working well.
- ~~Where Strategic Commissioning can add value or get a better deal.~~
- ~~Synergy with Strategic Delivery Plan.~~

Contracts meeting the above will be reviewed at the mid-point of their duration (excluding extensions). They will also be reviewed prior to any extension to the contract.

## **Appendix 1**

### **National Audit Office (NAO) Good Practice Contract Management Framework**

The CMRG adopted the National Audit Office (NAO) good practice contract management framework as the reference for reviews. This framework identifies eight key contract management areas:

- Planning and governance – preparing for contract management and providing oversight
- People – ensuring the right people are in place to carry out the contract management
- Administration – managing the physical contract and the timetable for making decisions
- Managing relationships – developing strong relationships that facilitate delivery
- Managing performance – ensuring the service is provided in line with the contract
- Payment and incentives – ensuring payments are made to the supplier in line with the contract and that appropriate incentive mechanisms are in place and well managed
- Risk – understanding and managing contractual and supplier risk
- Contract development – effective handling of changes to the contract
- Supplier development – improving supplier performance and capability