

From: Peter Oakford, Deputy Leader
Clare Maynard, Interim Strategic Commissioner

To: Policy and Resources Cabinet Committee

Date: 9 March 2023

Subject: Update from the Contract Management Review Group (CMRG)

Classification: Unrestricted

Summary:

An update on the work of the Contract Management Review Group (CMRG), following the previous report in July 2022, and the proposed forward plan of reviews for 2023.

Recommendation(s):

Policy and Resources Cabinet Committee is asked to **consider** this update and **endorse** the proposed forward plan of reviews for CMRG.

1. Introduction

- 1.1 The Contract Management Review Group (CMRG) was originally convened in September 2016. In July 2022, Policy and Resources Cabinet Committee were presented with an update on progress following a relaunch of the group with changes to updated Terms of Reference (TORs), -in March 2022.
- 1.2 This report provides an update on the work of the CMRG group since July 2022. The report also sets out a proposed forward plan of contract reviews for the next twelve months and work underway by the Commissioning Standards team to provide access to Learning and Development opportunities to upskill contract managers across KCC.

2. Membership

- 2.1 The Deputy Leader previously requested that the Deputy Cabinet Member for Finance should continue to chair the CMRG. Mr Paul Cooper agreed to this and was keen to ensure membership was drawn from across the political spectrum. The following standing membership was agreed.

Members

- Chair – Deputy Cabinet Member for Finance – Mr Paul Cooper
- Member 1 – Labour Group Representative – Dr Lauren Sullivan
- Member 2 – Green Party Representative – Mr Paul Stepto

Officers

- Interim Strategic Commissioner
- Head of Finance Operations or Corporate Accountant
- Commissioning Standards Managers
- Commissioning Standards Programme Officer
- Commissioning and Commercial Assistant (Minutes)

For each meeting, additional invitees would be:

- Presenting Contract Manager/s (mandatory)
- Head of Service for the Contract and/or Commissioning Manager (mandatory)
- Operational Director for the Service (optional)
- Cabinet Member for the Service (optional)

3. Changes to CMRG Process and Contract Register –

- 3.1 CMRG is a “Member-chaired forum to review strategically important contracts”. The three appointed Members met with the Commissioning Standards Managers in June 2022, to agree a range of principles underpinning how the CMRG would work, in practical terms, going forward.
- 3.2 To ensure maximum levels of engagement, communication and clarity, the CMRG meetings are held in person, unless extenuating circumstances apply in which case a virtual meeting can be held if agreed by the chair.
- 3.3 The aim of the CMRG presentations is to review the outcomes achieved through the contract in particular focusing on how the contract benefits Kent Residents. An overview of the performance against KPIs is included in the presentation in addition to how opportunities for continuous improvement and value for money are maximised.
- 3.4 In January 2023, an agreement was made to change the frequency of the meetings from monthly to bi-monthly. This amendment was proposed following a reduction to resource in the Commissioning Standards Team, as the lead officer is currently on a secondment to the Strategic Reset Programme, and also to allow for greater time for planning and distribution of documentation following the meetings including action plans. Bi-Monthly meetings also allow for sufficient time in between meetings for any recommendations or actions to be implemented and feedback provided. The Chair, Mr Cooper noted and agreed that the frequency of future CMRG meetings be moved to bi-monthly. The forward plan has been adapted to reflect the move to bi-monthly meetings
- 3.5 A forward plan for contracts to be presented for the following six months is presented and agreed at CMRG, including agreed meeting dates. The Contracts Register is the source of information for Commissioning Standards to select contracts to be invited for review at CMRG. The Contract Register is updated on a monthly basis and includes all contracts across KCC over a threshold of £25k.
- 3.6 The ToRs set out clear criteria on which contracts can be selected for review, including information available in the Contract Register such as value and

proximity to end date. Additional considerations include complexity, risk, performance, and overall strategic importance. The Chair, in conjunction with the two appointed Members, may also request contracts of political or strategic interest, or where there are expressed concerns.

3.7 An initial forward plan has been proposed and agreed by Members for 2023 meetings. This can be seen below:

Meeting Date	Contract/s	Area	Total Value	Expiry Date
7 th March 2023	SC18031- Household Waste Recycling Centre and Waste Transfer Services (Mid Kent and East Kent)	GET	£79.4M	31/10/2025
11 th May 2023	Kent Excellent Homes for All (PFI) Better Homes Active Lives (PFI)	Adults Adults	£95.8M £161M	03/12/2040 28/04/2039
Date TBC July 2023	Road Asset Renewal	GET	£120m	31/12/2024
Date TBC September 2023	KCC and Kent Community Health NHS Foundation Trust Public Health Partnership	Public Health	£38M pa	31/5/2025
Date TBC November 2023	Agilisys	Corporate Services	Circa £2.9M pa	08/12/2025

4. Findings from Recommendations from CMRG Meetings July 2022-January 2023 – 20 June 2022 –

4.1 There have been five contracts presented to CMRG since the last P&R paper in July 2022. These are:

- Adults Drug and Alcohol Treatment and Recovery Service
- Integrated Community Equipment Service (ICES) and Technology Enabled Care Service (TECS)
- East Kent PFI (West View and Westbrook House)
- Kent Public Service Network
- Whole School Nurture

4.2 The themes and recommendations identified through these meetings are summarised below:

- Evidence of strong relationships with providers across the board with the recommendation that whilst a strong relationship is positive, it needs to be ensured that the importance of strong commercial challenge and management of the supplier is not lost.
- A clear understanding of improvements that can be made to the service in the next period as the contract is extended.
- Contract managers demonstrated substantial experience and in-depth knowledge of the service area and the commercial arrangements in place
- There was evidence of regular scrutiny of provider performance and a process in place for regular contract management meetings.
- Contract managers were open and offers of visits to the service were made on a number of occasions to demonstrate the service.

- There was an understanding of the wider impact and environmental value/social value were seen in some of the contracts (e.g the equipment recycling scheme for ICES/TEC and any equipment they cannot recycle or re-use or equipment that is partially damaged is donated to countries who would not have these pieces of equipment
- Overall current ratings put forward by the contract manager appeared to broadly reflect the current maturity of the contract management in the service area.
- A risk regularly highlighted to CMRG related to the current financial climate and the impact on service providers and how this is being managed.
- A recommendation made on a number of contracts was to ensure flexibility is built into the contract based on lessons learned such as managing inflation, correct contract duration and flexibility within service provision to ensure contracts are future proof
- A recommendation was made particularly on higher value and complex contracts such as the PFI scheme that the resources match the complexity and is sufficient to ensure sufficient resource is available for effective contract management.
- Overall, there is a well-rounded understanding of the major risks and issues associated with these contracts, which have been clearly identified and are assessed and monitored on an ongoing basis.

5. Contract Management Accreditation and L&D

5.1 The Commissioning Standards team have been working with the Cabinet Office to assess KCC against the Commercial Continuous Improvement Assessment Framework (CCIAF). The framework is designed to help drive continuous improvement in commercial practices across the public sector by enabling organisations to benchmark their commercial operations against good practice. As a participating organisation, we formed a network with other public sector bodies to share commercial insights, common challenges and lessons learned before completing an assessment which was submitted for peer review. On 26 July 2022, Cabinet Office delivered its assessment of KCC's commercial maturity against the Commercial Continuous Improvement Framework (CCIAF) and KCC received an overall maturity rating of 'GOOD'.

5.2 The Commissioning Standards team have also been working with Crown Commercial Service (CCS) and the Department for Levelling Up, Housing and Communities who are investing to boost commercial capability across local government through a new contract management training programme called the Contract Management Pioneer Programme (CMPP). KCC has been offered some spaces on this training course which we have taken up, a cohort of 15 are currently on the programme and we managed to secure a further 5 spaces for the next cohort. This is the practitioner level which is aimed at those contract managing high risk or high value and complex contracts. The Government Commercial Function also have an online Government Commercial College with a wide range of training available for free, this is recommended through our Commissioning Standards pages and we have asked that all contract managers within Strategic Commissioning have completed the foundation contract management training for the CMPP programme.

6. Conclusion

- 6.1 Members of the CMRG have provided clear direction on the type of information required from presentations to provide assurance to demonstrate how value for money and key objectives are being delivered in each contract. The contracts that have been presented since the last report have shown key strengths in these areas.
- 6.2 The actions and recommendations identified will provide additional assurance and their completion will be monitored, with outcomes reported back to the group. The ongoing learning and development programme will ensure continued upskilling of staff on all areas of contract management and targets contract managers who are managing complex and high value contracts. The Cabinet Office Commercial Continuous Improvement Assessment Framework (CCIAF) improvement plan will be progressed with an aim to move from Good to Better and this will be reported back to the group in due course.

7. Recommendation(s)

Policy and Resources Cabinet Committee is asked to **consider** this update and **endorse** the proposed forward plan of contracts for CMRG.

8. Contact details

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