

Appendix 1 - Detailed improvement plan

12. The nine areas of improvement will each form a workstream in the overall programme. Delivery of the improvements will require an update to Supplier Management Policy and process documentation, and briefing and support to contract management teams to adopt the new and revised approaches.
13. The work will be led by the SRM lead, working with contract managers and CSMG members from each Business Unit. It is proposed that each Business Unit or Service Area appoints a first point of contact (either the CSMG member or a person selected by them) responsible for local implementation of the agreed improvements. The CSMG's remit or membership continues with significant change. Monthly reports will be developed to track progress and resolve issues for each workstream at CSMG meetings.
14. Changes will be reflected in the Supplier Management Policy document, to be approved by the Cabinet Member for resources if required.

Supply market intelligence

15. BSP Commercial Services team will launch a market intelligence service which will include the gathering of supply market information for use by Business Units in supplier development and market management activities. (Business Units will continue to carry out market management activities specific to their needs such as Provider Assessment and Market Positioning Statements.)
16. Supplier Management Policy and guidance will be updated to include supplier development and market intelligence expectations for Platinum contracts to deliver continuous improvement and innovation. Platinum contracts will be reviewed to identify the potential for supplier development activities and the related use of market intelligence, the activities already in place and any further actions required.

Supply risk management

17. Supply risk management templates and guidance, including Business Continuity Planning, will be developed by the SRM Lead. Contract Management and Risk Management training courses will be updated to provide greater guidance on risk management approaches. Gold and Platinum contracts with low self assessment scores for risk will be reviewed with the contract manager and additional activities agreed. Risk management briefing sessions will be offered to Business Unit contract management teams. Risk reporting will be included in the CMA scorecard and Business Unit Board contract management reporting.

Contract governance and decision making

18. Model governance structures and terms of reference will be developed and added to relevant commissioning, procurement and contract management documentation and communicated to contract management teams. Terms of reference will include the role of senior governance including a Senior Responsible Officer role for all high risk contracts.

Reviews will be held with contract managers of Gold and Platinum contracts where self-assessments identified governance issues.

Staff performance and career development

19. Existing standard contract management DSP objectives will be reviewed and agreed by CSMG. CSMG members will cascade into contract management teams during 2017/18 DSP objective setting. CSMG will receive anonymised reports of the agreed objectives and performance against them after half-year and end of year reviews. CSMG members and contract management team leaders will be expected to consider and discuss career paths with contract managers, including opportunities outside of their Business Unit.

Understanding and expectations of contract management

20. Additional guidance material will be developed and briefing sessions run with Business Unit contract management teams, to include specific issues such as treatment of spot contracts and risk management. Current Contract management training materials (fundamentals and intermediate level courses) will be reviewed with the training provider and updated accordingly, and integrated into the new Commercial Academy arrangements. A CMA communication programme will be rolled out, using CMA expert users to cascade information and continue to monitor local CMA activity.

Knowledge management

21. A Community of Practice (CoP) for contract managers will be created and managed by the SRM Lead. All contract management staff will be expected to join and actively participate in the CoP, such as sharing of best practice documentation and responding to questions from colleagues. Exemplar practices will be documented. Current knowledge sharing such as team briefings, drop-in sessions and one-to-one support will continue.

Service improvement and stakeholder satisfaction

22. All Silver, Gold and Platinum contracts will be reviewed to identify where service improvement and stakeholder satisfaction KPIs in place, and the current monitoring activity and performance levels. Contracts where balanced scorecard measures are not being tracked will be reviewed and decisions taken whether to raise with the supplier as a contract change or feed into the next contract.
23. Contract performance reporting is managed locally, with different arrangements in place for each Business Unit board. The SRM Lead will work with CSMG members to agree the common base level reporting requirement for key contracts including a balanced approach of cost, performance, risk and user aspects. A simple scorecard approach, aligned to Business Unit board reporting, will be introduced to CMA and monitored for key contracts.

Change management and handover

24. Supplier Management Policy and guidance will be updated to clarify the focus and responsibilities of contract management at each stage of the contract lifecycle, including transition processes and handover expectations. Policy and guidance will be aligned to

each Business Unit operating model and handover points between teams. CSMG members will work with their contract management teams to assess staff churn and put in place measures to improve smoother transition. CMA will be developed to track the contract lifecycle and ensure relevant information is captured at each stage.

Value for money

25. Silver and Platinum contracts will be reviewed to identify where value for money clauses are in place, to what extent they have been applied and the outcomes from the vfm tests. Contracts where value for money measures are not in place or not being used will be reviewed and decisions taken whether to raise with the supplier as a contract change or feed into the next contract.
26. Model value for money and benchmarking contract terms will be developed and added to relevant commissioning, procurement and contract management documentation and communicated to contract management teams. Guidance material will be developed and the contract management intermediate level training course materials updated accordingly.

Timescales

Wave 1 recommendations

Recommendation	Action	Owner	Review Date
Supply market intelligence	Launch a market intelligence service	BSP Commercial	Oct 17
	Update guidance for Platinum contracts	SRM Lead	Oct 17
	Review Platinum contracts for potential supplier development activity	CSMG	Dec 17
Supply risk management	Develop supply risk management templates and guidance	SRM Lead	Oct 17
	Update training course materials	OD	Oct 17
	Review Gold and Platinum contracts with low self-assessment scores for risk	CSMG	Dec 17
	Provide risk management briefing sessions to contract management teams	SRM Lead / Assurance	Dec 17
	Include risk reporting in CMA scorecard and Business Unit Board reports	SRM Lead & CSMG	Dec 17
Governance and decision making	Develop model contract governance structures and terms of reference	SRM Lead	Oct 17
	Hold reviews with Gold and Platinum contract managers	CSMG	Dec 17
Staff performance and career development	Review and revise standard contract management DSP	CSMG	Jun 17
	Cascade into contract management teams during 2017/18 DSP objective setting	CSMG	Jun 17
	Monitor anonymised half-year and end of year reviews	CSMG	Dec 17 & May 18

Wave 2 recommendations

Recommendation	Action	Owner	Review Date
Understanding and expectations	Develop additional guidance material	SRM Lead	Jan 18
	Run briefing sessions	SRM Lead	Mar 18
	Update training materials	OD	Jan 18
	Run CMA communication	CMA EUG	Jan 18
Knowledge management	Create a Community of Practice (CoP) for contract managers	SRM Lead	Dec 17
	Document exemplar practices and share across Community	SRM Lead	Jan 18
	Continue team briefings, drop-in sessions and one-to-one support	SRM Lead	Ongoing
Service improvement and stakeholder satisfaction	Review Silver, Gold and Platinum contractual performance regimes	CSMG	Mar 18
	Agree common base level reporting to Business Unit boards	CSMG	Dec 17
	Introduce CMA supplier/contract scorecard	CMA EUG	Jan 18

Wave 3 recommendations

Recommendation	Action	Owner	Review Date
Change management and handover	Update Supplier Management Policy and guidance for stages of the contract lifecycle	SRM Lead	Mar 18
	Local measures to improve smoother transition	CMSG	Mar 18
	Develop CMA to track the contract lifecycle	CMA EUG	Mar 18
Value for money	Review value for money clauses in Silver and Platinum contracts	CSMG	Mar 18
	Develop model value for money and benchmarking contract terms	SRM Lead	Dec 17
	Develop guidance and training material	OD	Dec 17

Contract management operating model comments

27. This review was not intended to assess the Council's contract management operating model, however it has prompted discussion on the principles and structures under which contract management operates.
28. The current model aligns with the Council's Future Shape strategy and can be described as 'hub and spoke'. Adoption of the Future Shape model significantly reduced central resourcing for procurement and contract management activity, which acts in a centre of excellence capacity and retains responsibility for policy, advice, systems and overseeing training and development. Contract management decision making and resources sit locally in Business Units, with local interpretation of policy and development of local best practice. The Commissioning and Supplier Management Group (CSMG) provides a forum for Business Units to discuss contract management but its role is limited, acting in an advisory capacity with no decision making powers.
29. The growing strategic importance of supply chains and the need to develop commercial skills as a profession has led many organisations to follow an increasingly centre-led or centralised model of delivery. Examples range from creating a central resource pool providing hands-on support to large or complex procurements and contract management situations, through to a model of embedding resources locally within the business but whom report to a functional lead. These resourcing models can provide greater resilience and greater career opportunities to improve recruitment and retention.
30. Alongside the proposed improvement actions, further increasing the level of assurance may necessitate a change to operating model accountabilities, resourcing and responsibilities. As a first step, expanding the centre of excellence would give greater capacity to develop guidance, provide advice and facilitate knowledge sharing. This need for greater capacity has effectively already been demonstrated through the resourcing required to deliver the proposed improvement plan. Gaining further assurance would likely see greater corporate visibility of contract performance, followed by a shift in control over decision making and management of contract resources to a Council-wide corporate approach.

