Contract Management Framework

(April 2026)

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Contract Management Framework

Foreword by Kim Wright, Chief Executive

The council spends approximately £659m[1] per year on goods, services and works on many of our essential services, so it is crucial that everyone, at any level of the council, is proactive with contract management. Robust contract management is everyone's responsibility; we must safeguard valuable public money and ensure we get the most out of every pound for the benefit of our residents.

Effective Contract Management is a cornerstone of our Procurement Strategy – and we want all external contracts to deliver what the council expects, ensuring we maximise the value and performance from all our third-party contracts.

Delivery from contracted suppliers is key in fulfilling the priorities and commitments outlined in the council's Corporate Plan as well as the Procurement Strategy. The value lost through poorly managed contracts is money that could be invested in services or be a saving that does not need to be found. So, by ensuring we have strong contract management we will improve value for money, maximise Social Value and community benefits, improve resilience and oversight of risks, and drive innovation through continuous dialogue with our supplier base.

We will continue to work as one council, collaborating through a community of practice to develop and share best practices and to drive consistent delivery across the council based on this Framework. We want to develop skills and capabilities to raise the profile and professionalism of contract management across the council and this Contract Management Framework explains how staff should manage contracts effectively and provides the tools to do so. I look forward to seeing the benefits that will come out of working to this Framework for our staff, the Council and, crucially, our residents.

[1] For FY 2024-25 £659m of addressable spend from a total expenditure of £1,106m. £447m is classed as non-addressable spend that cannot be influenced, negotiated, or controlled through sourcing strategies. This is typically fixed, mandatory, or internal costs such as taxes, payments to individuals, regulatory fees.

1. Introduction

1.1 What is Contract Management and why is it important

The council uses external suppliers for the delivery of goods, services and works for a number of reason: to exploit expertise, access to resources, and achieve economies of scale.

> "At a basic level, good contract management is about attention to detail. It means understanding what the contract contains, who has responsibility for managing it, and whether performance, costs, and any agreed savings initiatives are on track"

The central premise of contract management is to ensure external spend is well managed and the council receives what is expected from that spend. Good contract management improves the likelihood of achieving value for money, realising community benefits (for example through social value) and reducing risks.

Contracts inherently carry several types of risk for the council.

- **Financial risk** arises when a supplier fails to deliver, leading to wasted or lost public money.
- **Reputational risk** cannot be delegated; even when poor performance is the supplier's fault, it is ultimately the council's reputation that is damaged in the eyes of residents and partners.
- **Political risk** arises when failures in contracted services can lead to political disruption, with residents seeking explanations from councillors and councillors placing pressure on senior leaders to resolve issues.
- **Regulatory risk** arises when the council's statutory obligations are affected through a contract.

Without robust contract management, the council becomes significantly more vulnerable to these risks, all of which can have serious consequences for the organisation and the communities it serves. This Framework supersedes the previous Contract Management Policy (last updated March 2023).

1.2 Corporate Priorities

Externally provided services play a significant role in achieving our Corporate Priorities as set out in the Borough Plan. Our contractors deliver some of our vital services which can mean the difference between providing high quality service to our residents, or significant failings.

The five priority areas are:

- Prosperity & Stability in Brent
- A Cleaner, Greener Future
- Thriving Communities
- The Best Start in Life
- A Healthier Brent

1.3 The purpose of this framework

This Contract Management Framework outlines the approach contract managers must take when leading contracts across the council and provides guidance, tools and templates to help them to do this.

The framework aims to be scalable and flexible acknowledging there may be a need for different approaches within services and that each contract has unique requirements. It is the duty of services to manage their contracts to ensure they deliver to the standards required. The framework provides guidance and tools to support contract managers and to create consistency across the council. There are some core, central practices and principles outlined in this framework that all officers must follow.

The framework aims to:

- Enable robust management of contracts across the council, specifically focused on taking an optimum approach, clear roles and responsibilities and contract governance
- Ensure contracts deliver maximum value for money and benefits
- Ensure consistency across the council so that contractors can expect the same level of accountability and contact from any service
- Provide support to officers who manage contracts and hold relationships with third-party suppliers
- Provide guidance on managing contracts proportionate to the level of spend, risk and impacts on residents
- Outline a set of standards and best practice activity to ensure an appropriate approach to managing contracts that meets local and national policy expectations
- Provide a series of tools and templates to support these aims
- Supporting the council to be safe within its governance and decision-making process, and compliant with contract law.

1.4 When to use this framework

This framework follows the commissioning and contract management lifecycle from contract handover to preparing for re-procurement. The framework can support you through each stage and should be consulted ahead of any key activity. This framework is for every type and size of project.

Contract management is not a linear process, therefore it is recognised that stages might need to be repeated (e.g. contract change or extensions) and different steps taken at different points depending on the scale of a contract. Further details on the contract management lifecycle can be found in Section 5 of this framework.

2. The Four Priorities of Contract Management

Brent's priorities for good contract management are:

1 Value for Money	Achieve value for money for residents, community wealth building, drive environmentally sustainable outcomes, deliver social value benefits and support for the local economy.
2 Manage Resources	The management of contracts to be proportionate to their level of risk/criticality, their impact on communities and their value.
3 Proactive and planned	For contract management to be professional, proactive and well planned To address the full scope of risks, incorporating health and safety, developing supplier relationships and responding to changes to create added benefits.
4 Drive Capabilities	To promote the right skills and capabilities in contract management, and to create a culture of continuous learning, improvement and innovation supported by training and sharing of best practices.

To deliver these principles effectively, a set of complementary standards is expected of anyone managing a contract or involved in its delivery. These standards provide a consistent framework to ensure outcomes are achieved based on the following:

Standard 1: Ensure the contracts are understood by all those involved in their management.
This includes making sure that suitable resources are identified and appointed before award of contract, with an effective transition from procurement to contract management.

Standard 2: Be clear about accountability, roles and responsibilities.
Make sure contract ownership, management processes and governance mechanisms are clear with defined roles and responsibilities at appropriate levels of seniority.

Standard 3: Establish and utilise robust governance arrangements to manage risk and facilitate strategic oversight.
Compliance with national regulations and council requirements, supported with robust decision-making that is well-documented.

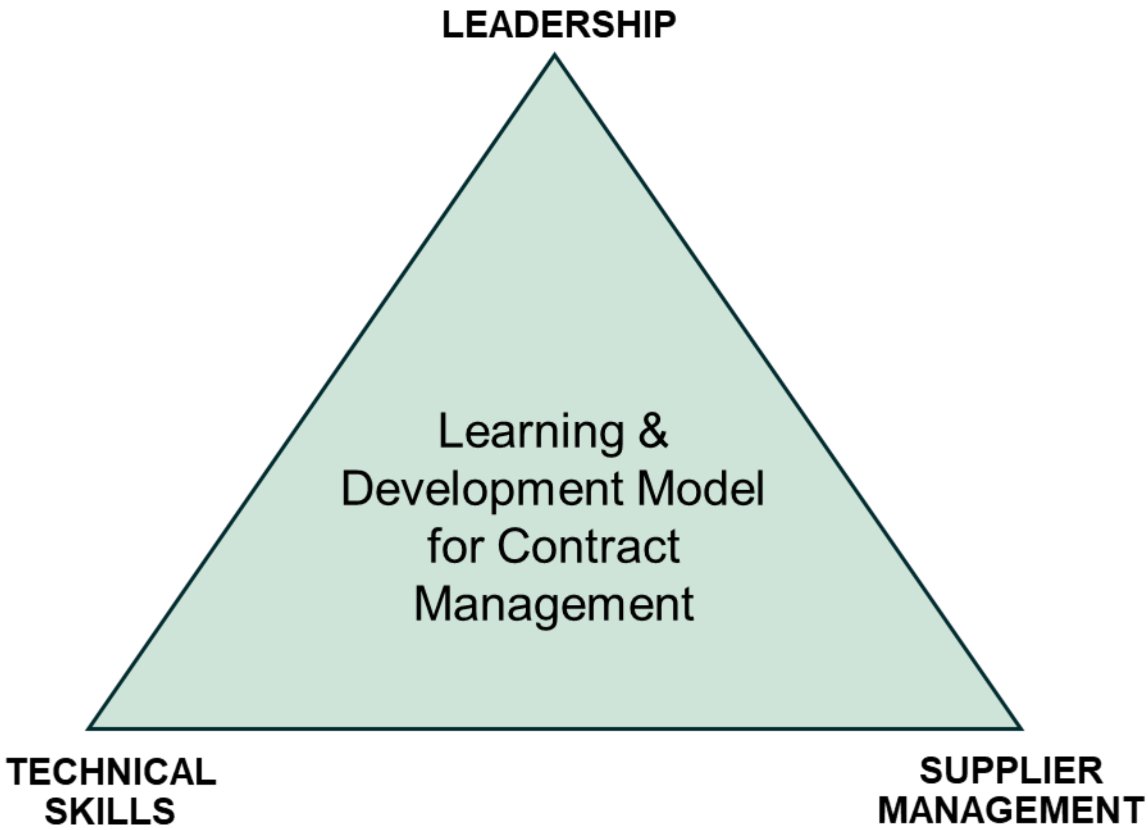
Standard 4: Drive added value through the contract.
Deliver strong value for money for residents, drive community wealth building and environmentally sustainable outcomes.

Standard 5: Be proactive and well planned when managing contracts.
To include addressing risk, incorporating health and safety, developing supplier relationships and responding to change to create added advantage.

Standard 6: To create a culture of continuous learning in contract management.
To drive improvement through collaboration, knowledge sharing, and the provision of up-to-date training.

3. Support and Learning

Contract managers need to possess, demonstrate and develop in themselves and others the following range of behaviours covering technical contract management skills, category knowledge associated with the contract and effective leadership. These essential skills and behaviours are captured in the model below:



A range of training and support is available to support robustly managing contracts, including:

Mandatory Foundation Training	For Silver, Gold and Platinum contracts, all contract managers must complete the Foundations Training, provided on-line and free of charge by the Government Commercial College. You can register here: https://www.govcommercialcollege.co.uk/course/view.php?id=3
The Contract Management Playbook	Comprehensive government guidance on the effective management of contract, providing contract managers with guidelines, rules and principles that will help them to avoid the most common errors observed in managing contracts, and optimise the benefits that can be realised through effective contract management. The Contract Management Playbook - GOV.UK
Procurement Intranet Page	The Procurement Site provides comprehensive guidance, templates and processes for contract managers, based around this Framework.

Contract Management Community of Practice	A regular forum for any/all contract managers that meets monthly/quarterly. Its aim is to facilitate peer support and explore best practice amongst contract managers.
Peer Support	Peer Support and advice is available from members of the community of practice.
Negotiation, Leadership and "Soft" Skills	The HR L&D team has developed a range of learning opportunities to support these requirements. The current L&D offer is available on the L&D website and the via this link. Internally provisioned training includes the following: • Dealing with Difficult People / courageous conversations Challenging and Questioning • Risk Management Negotiation Skills / Influencing & Persuading skills - Manager's Inductions includes a procurement module The following learning interventions can be sourced from many providers in the market and will enhance contract management • Understanding Supplier Behaviour (external provision) • Market / Category Knowledge (peer support and external provision)

4. Segmentation: being proportionate in Contract Management

It is essential that a contract is managed in the right way - there isn't a one size fits all approach. The segmentation tool has been created to quickly form an assessment of the type and risk level of a contract. The score will determine a proportionate level of management, governance and reporting.

The tool considers several factors including:

- **The financial value and commercial complexity:** The higher the value the more financial risk to the council
- **Impact of the service**: The importance of the service in meeting the needs of residents, particularly the most vulnerable, or to the operation of the council as a whole.
- **The maturity of the supply market** in terms of the availability of alternative suppliers and the ease of resourcing.
- **The level of risk:** Other risks associated with the contract include health and safety, reputational impacts, data and cyber security, and the market dynamic and volatility.

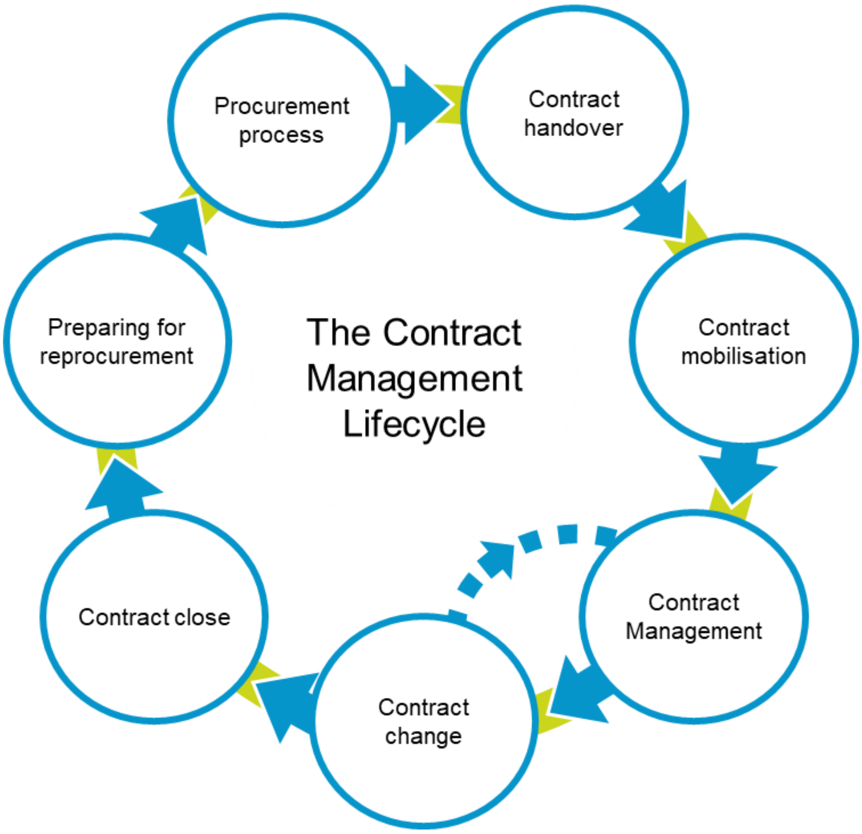
To determine the appropriate approach to managing a contract, you must measure these risks and impacts through the council's **Segmentation Tool**, that assesses and **Tiers** contracts into platinum (also termed Strategic), gold, silver or bronze – these are outlined below and will determine the level of management, reporting and scrutiny needed.

Platinum	A small number (between 10 and 20) of the highest risk contracts which either place the council at the greatest financial risk if they were to fail or place the greatest risk in terms of service delivery. ▪ Typically, the council spends several million pounds per year with the supplier ▪ The council could not operate effectively to deliver services across the organisation without the contract
Gold	Contracts have the ability to place the council at financial risk if they were to fail, and have a significant impact on service delivery: ▪ Typically the council spends more than £5m per year with the supplier, although many gold contracts are lower value, and some silver contracts may be over this value ▪ The council is reliant on the contract for delivery of a strategic priority ▪ The council is reliant on the contract for delivery of a key public service
Silver	Silver contracts place the council at less financial risk and whilst important for service delivery are not critical to the delivery of important services to the public ▪ Typically contracts are worth more than £500k ▪ The contract could put at risk the council's ability to deliver public services
Bronze	Other contracts do not have a significant impact on the council's day-to-day operations. ▪ Typically the contract is worth less than £500k ▪ The contract is unlikely to put public service delivery at risk

The segmentation/tiering assessment must take place at these stages to ensure the proportional management and governance is correct:

1. Prior to a procurement starting, so it is clear from the outset how a contract will be managed
2. At the end of the procurement as part of the handover to the contract manager.
3. Periodically through the life of the contract and specifically at any change that alters the value or nature of the contract.

5. The Contract Management Lifecycle step by step



The contract management lifecycle shows the different stages of managing a contract and is a helpful tool to allow you to track the status of a contract and to plan your next activity.

The following is a summary of activity aligned to each stage in the contract management lifecycle with reference to the tools and templates available to support you. These templates should act as the minimum standard - they can be adapted or alternative versions used at the discretion of the contract manager. This is designed to assist you in properly managing your contract(s) and should be followed (in line with the outcomes of the segmentation exercise).

Contract Handover

	Activity	Tools and templates
Contract Handover	If not already in place confirm the contract manager, SRO and project team if relevant. Refer to Appendix 1.	See role descriptions
	Detailed briefing from the procurement team to the contract manager outlining key aspects of the requirements (including agreed KPIs, evaluation outcomes, risk allocation and mobilisation requirement)	Contract Handover Plan Template
	Re-run segmentation process to confirm the level of management and assurance required	Segmentation Tool
	Set up a new supplier with purchase order based on the payment mechanism. Establish a payment flow chart to ensure continuity of payment in the CM's absence	

	Procurement publish Contract Detail Notice and if required the contract (when over £5m in value)	Central Digital Platform

Contract Mobilisation

	Activity	Tools and templates
Contract Mobisation	Hold internal mobilisation meeting and populate plan for mobilisation	
	Hold kick-off meeting with the supplier, and schedule on-going contract monitoring meeting	Contract Kick-off Meeting Agenda Template
	Conclude TUPE arrangements if necessary, and finalise other supplier mobilisation arrangements	
	Produce the Contract Management Plan and Contract Summary including Exit Plan.	Contract Management Plan Templates Contract Summary Template
	Conduct stakeholder mapping and produce a communication plan	Stakeholder Engagement and Communication Tool
	Work with supplier to create a risk register and update council/directorate risk registers as appropriate	RAID
	Arrange for contract to be signed by all parties prior to contract commencement	
	Ensure contract details are entered onto the council's central contract register	Contract Register
	Raise Purchase Order for supplier and set up relevant call-off / CPA arrangements	
	Establish Business Continuity Plan to address mitigation in the event of contract failure and a succession plan to address ongoing contract maintenance should key personnel leave the authority	Business Continuity Plan

Contract Management

	Activity	Tools and templates
Contract Management	Hold supplier monitoring meetings along with day-to-day management of the contract, monitor delivery of agreed actions	Contract Management Meeting Agenda Template RAID
	Receive and assess performance reports and pay the supplier based on their delivery	KPI & Contract Monitoring Templates
	Collaborate with supplier on improvement if performance is not as expected	Supplier Improvement Plan Template
	Conduct self-assessment reviews and support any audit on the contract	Light Touch Review Template

		Self Evaluation Template Deep Dive Conversation Template
	From the Council's Gateway Process[2] undertake • Gateway 3 – Mid-Term Contract Review This contract review is completed for Gold and Platinum contracts with a minimum value of £2m that have approximately 50% of their term remaining excluding extensions. The report is to ensure: • That contracts identified as Strategic (Platinum) or Gold from the segmentation tool are performing against agreed requirements That best value is being delivered before the Council considers proceeding with any extension.	Gateway Report Templates
	Regularly conduct compliance and finance checks on supplier and review other relevant sources of information (e.g. CQC ratings). Seek information that indicates changing circumstances in the market or with the supplier so appropriate questions or actions can take place.	
	▪ Report through governance on the contract's performance – heightened if Platinum contract	Platinum Report Template
	Keep up to date the following documentation: ▪ Contract Management Plan ▪ Risk Register ▪ Business Continuity Plans ▪ Communication and Engagement Plan Exit Plan	
	Publish Contract Performance Notice for contracts over £5m	Central Digital Platform

Contract Change

	Activity	Tools and templates
Contract Change	Assess a change request from the supplier if within agreed tolerances	
	Consider if a change is needed by the council to improve the service offer	
	Draft a change notice for internal approval through the correct level of decision making	Contract Change Notice Template
	Request authority to vary or extend the contract from the Director/Corporate Director or Cabinet Member in accordance with the council's Standing Orders.	
	Issue contract variation or early termination, and prepare for re-procurement if necessary	

[2] The Council's Gateway Process has the following milestones:
Gateway 0 is the business case
Gateway 1 is authority to tender
Gateway 2 is the authority to award
Gateway 3 is mid contract review
Gateway 4 is the review is of future options at the end of the contract

	Record change on the change log and inform stakeholders – could be variations or extensions	Change/Variation log Template
	Publish Contract Change Notice or Below Threshold Modification	Central Digital Platform
	Update the contracts register relating to the change	Contracts Register

Contract Close

	Activity	Tools and templates
Contract Change	From the Council's Gateway Process undertake • Gateway 4 – End of contract re-commissioning plan This review applies to all Strategic (Platinum) and Gold contracts: • That will shortly expire or are subject to consideration of extension, or • Where a re-procurement exercise or other future delivery arrangement are being considered. (e.g. part of a shared service / insourced) • To determine what improved value can be delivered when the contract completes its current term.	
	Review and implement exit arrangements including serving supplier notice – typically between 6-18 months prior to end or as determined by contract notices	Exit Plan Templates
	Appoint an exit manager if different from the contract manager	
	Implement the contract decommissioning arrangements including data management, asset transfer, intellectual property etc.	
	Communicate end of contract to stakeholders and replacement arrangement or relevant next steps.	
	Conduct lessons learnt, involving supplier and contribute to options for re-procurement	
	Contract close report on achieved outcomes contributing the corporate/community plan	

Preparing for Re-procurement

	Activity	Tools and templates
Preparing for Re-	Review the needs and design of the contracted service to determine future method of delivery. Explore all options, available budgets and changes to the market since previous review.	Re-commissioning Guidance
	Engage with the market to match service need to potential provision by the supplier	
	Conduct options assessment as part of the business case including insourcing, routes to market and ceasing the service	
	Create a specification	

	Procurement agreed through governance, including production of Equality Impact Assessment	
	A re-procurement plan produced working with the procurement team	
	Include the procurement on the contracts pipeline	
	Publish Preliminary Market Engagement Notice and Tender Notice	Central Digital Platform
	Review the needs and design of the contracted service to determine future method of delivery. Explore all options, available budgets and changes to the market since previous review.	

Procurement Act Required Notices

There are a number of notices which need to completed on the government’s central digital platform. Procurement will support services to publish these notices.

Contract Award Notice: Information to the market before a contract is awarded and only once the tenderers have been provided with an assessment summary.

Contract Details Notice: Once a contract is signed, this notice must be published within 30 days of contract execution or 120 days if the contract is ‘Light Touch’. In addition, where the contract has a value exceeding £5 million, a copy of the contract must also be published with the notice (commercially sensitive information can be withheld).

Below-Threshold Contract Details Notice: This must be published following the award of ‘notifiable’ below-threshold contracts in the same way as the Contract Details Notice for above-threshold procurements. The notice must be published as soon as reasonably practicable after the contract has been entered into. Please advise Procurement if you have a Below-Threshold Contract Details Notice which needs to be published, and they will do this. If you aren’t sure what the thresholds are, you can refer to the Procurement of Contracts flow charts.

Contract Change Notice: Before changing an existing contract the council must publish a Contract Change Notice. The only exception is where the change is a “below threshold modification” which is a change which either increases or decreases the value of the contract by 10% or less (in the case of goods or services), or 15% or less (in the case of works) or increases of decreases the term of the contract by 10% of the maximum duration of the originally awarded contract.

Payments Compliance Notice: Every six months, the council must publish a notice setting out details of compliance with the requirement to pay suppliers within 30 days of receipt of invoice or, if later, within 30 days of the payment due date specified on the invoice. This needs to include the average number of days it takes to make payments.

Contract Performance Notice: Where a contract value is estimated to exceed £5 million, the council must include at least three KPIs within the contract and monitor the supplier’s performance against these. Details of the supplier's performance under these KPIs must be published at least annually in accordance with ascribed ratings of Good, Approaching Target, Requires Improvement, Inadequate and Other. Where the supplier has breached the contract, the council must publish details of that breach and details of whether the contract was partially terminated, a settlement reached, or damages awarded as a result. Where the breach has resulted in a full termination of the contract, this would require a Contract Termination Notice instead.

Contract Termination Notice: Within 30 days of a contract expiring or terminating for any reason, an authority must publish a Contract Termination Notice. This must include details of the contract and the reasons for its termination (including certain details if termination arose from details of any breach of contract), the date of the termination and its estimated value.

6. Roles and Responsibilities

The best results are achieved when service experts work together with procurement professionals to manage the contract and have clear agreed processes and procedures in place. There are various parties involved in managing a contract, all of whom must play their part in ensuring successful contract delivery with a range of roles and responsibilities.

Appendix A states the primary responsibility of the different roles in contract management.

The RACI (responsibilities matrix) model defines the level of ownership, roles and responsibilities for a project and for specific activities. Its use will drive and maintain clarity and a consistent approach to managing contracts. The RACI uses the following definitions:

- **Responsible (R)** – the person/people who undertake the defined role or activity. There may often be more than one role that is responsible.
- **Accountable (A)** – the single role or function held accountable to ensure the activity is delivered. They may not necessarily undertake the activity
- **Consulted (C)** – those whose view are sought and provide input as part of an activity
- **Informed (I)** – those who are informed of the outcome and not involved or consulted in the process

Services may wish to customise the corporate RACI to add greater details for the different roles within their service areas.

The RACI covers the full lifecycle of the procurement and contract management process. Phases 3-5 of the RACI are relevant for contract management:

- Phase 3: contract mobilisation from post procurement to go live
- Phase 4: contract management specific to a particular contract
- Phase 5: general contract management activities unrelated to a specific contract

7. Monitoring Performance and Supplier Relations

7.1 Monitoring Performance

A fundamental requirement of contract management is to monitor the performance of a contract. Tiering through the segmentation exercise or as defined in the contract documentation will determine how often reports need to be received.

The following best practise approach and guidance will assist with monitoring performance:

- Set clear reporting expectations from the start, including KPIs established during the procurement phase and a reporting timetable.

- Require performance reports in the agreed format and on time (e.g. 7 days in advance); delays may indicate issues.
- Agree upfront whether to use council or supplier templates—whichever best meets the council's reporting needs.
- The council sets the terms of reference for monitoring meetings and takes a lead in setting the agendas, chairing the meetings and taking notes
- Keep an action log to record and monitor what is expected of the supplier and the council and in what time scales
- Ensure the right people attend monitoring meetings—those with authority to progress decisions—whilst avoiding senior management involvement as they may be needed as part of the escalation of disputes

7.2 Key Performance Indicators

The Procurement Act 2023 places a strong emphasis on key performance indicators (KPIs) which will be published for contracts that exceed £5m.

The below ratings are a good practise way of categorising KPI performance:

Rating	Description
Good	Performance is meeting or exceeding KPIs
Approaching target	Performance is close to meeting KPIs
Requires improvement	Performance is below KPIs
Inadequate	Performance is significantly below KPIs
Other	Performance cannot be described as good, approaching target, requires improvement or inadequate

Managing KPIs is essential to effective contract management. They provide an objective and clear basis for measuring delivery against commitments made during procurement, identifying underperformance, and recognising areas where suppliers are meeting or exceeding expectations. When KPIs are clear, measurable and baselined, they offer an efficient way to assess performance, support constructive challenge, and celebrate success. They can also inform discussions where contract terms or deliverables may need to be revised.

7.3 Monitoring your supplier

Monitoring a contractor's organisation as a whole is an essential part of managing the contracts. Assessing a supplier's financial standing and their compliance against legal or council requirements helps to identify potential issues. Areas to monitor include:

- **Risk:** create and regularly review a risk register with mitigating actions and escalate to the council's directorate or corporate risk registers as required.
- **Financial:** checking the supplier's financial stability through credit checks.
- **Continuity planning**: there are two aspects to continuity in the context of contract management:
    i. the supplier should have a continuity plan to outline mitigation of scenarios that could impact delivery;

ii. Brent's Business Continuity plan should state what actions would be taken should the supplier fail to or be unable to continue delivering the contracted services.

- **Health and safety:** the supplier is responsible for the services it delivers and to meet expected health and safety standards. The supplier needs to keep a record of incidents, including near misses to learn from. These should be reported to the council, and the council should reserve the right to audit that information.
- **Equality impact assessments (EIA):** EIAs should be completed as part of the service design and governance prior to starting a procurement. They should be revised at key points in the contract to ensure the right measures are in place to address negative impacts on people with protected characteristics and the wider community. For more information about EIA requirements, please contact equality@brent.gov.uk and refer to the EIA Guidance.

7.4 Monitoring Social Value

Social Value (SV) is built into the procurement process for suppliers to provide additional value when a contract is awarded at a certain value (please refer to the Social Value Statement and accompanying Guidance for more details). SV should be measurable along with KPIs and have equal status as something the supplier has committed to deliver.

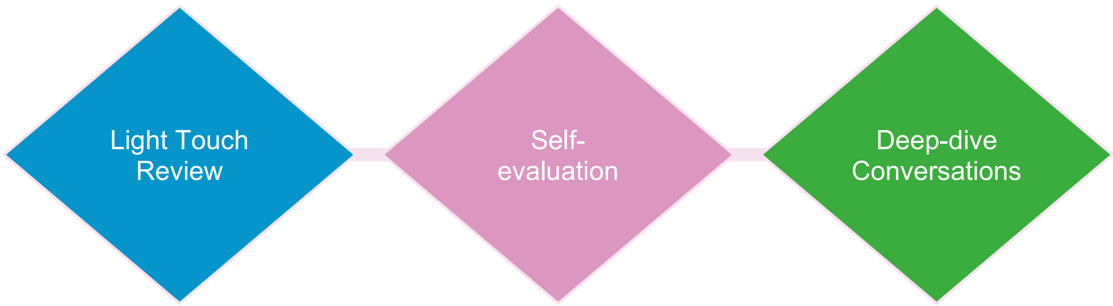
Advice and support in understanding and/or applying social value principles is available from the SV Thematic Leads – officers with expertise in a thematic area. The leads and their respective themes are set out in the SV Guidance.

Thematic leads are there to:

1. Provide advice on SV application and any updates/changes required to the work to reflect changing council or social priorities or external factors.
2. Provide advice on **specific themes** to council staff involved in new procurements or in managing contracts, on the application of the SV outcomes and measures – citing good examples and practices.
3. Provide **thematic** advice to suppliers on submitting SV responses and the delivery of SV through the course of the contracts.

7.5 Self-Assessments

Self-assessments are an effective way of reviewing the status of a contract and proactively taking corrective action. There are three levels of self-assessment and templates exist to support these.



- **Light touch review:** a check that key components of contract management are being implemented.
- **Self-Evaluation:** assesses whether the requirements of contract management are being sufficiently met and the information can form the basis of an audit or deep-dive assessment.
- **Deep-Dive:** a two-way conversation to explore how the management of the contract can be improved, and an opportunity to gather and share good practice as a key part of council wide learning. This involves the contract manager, the SRO and/or project team running through a check list of questions with the contract management assurance officer.

7.6 Strategic supplier relationships management

The relationship between contract manager and supplier is important. A positive and proactive relationship can enable early identification and rectification of issues, support innovation and improvement and strengthen the management of risks. Although we don't share objectives with suppliers, we do need aligned expectations and a strong professional relationship. This creates space for constructive challenge—essential when holding suppliers to account.

A strategic supplier will often be tiered as a platinum or gold contract and fit into the following categories, often meeting all three profiles:

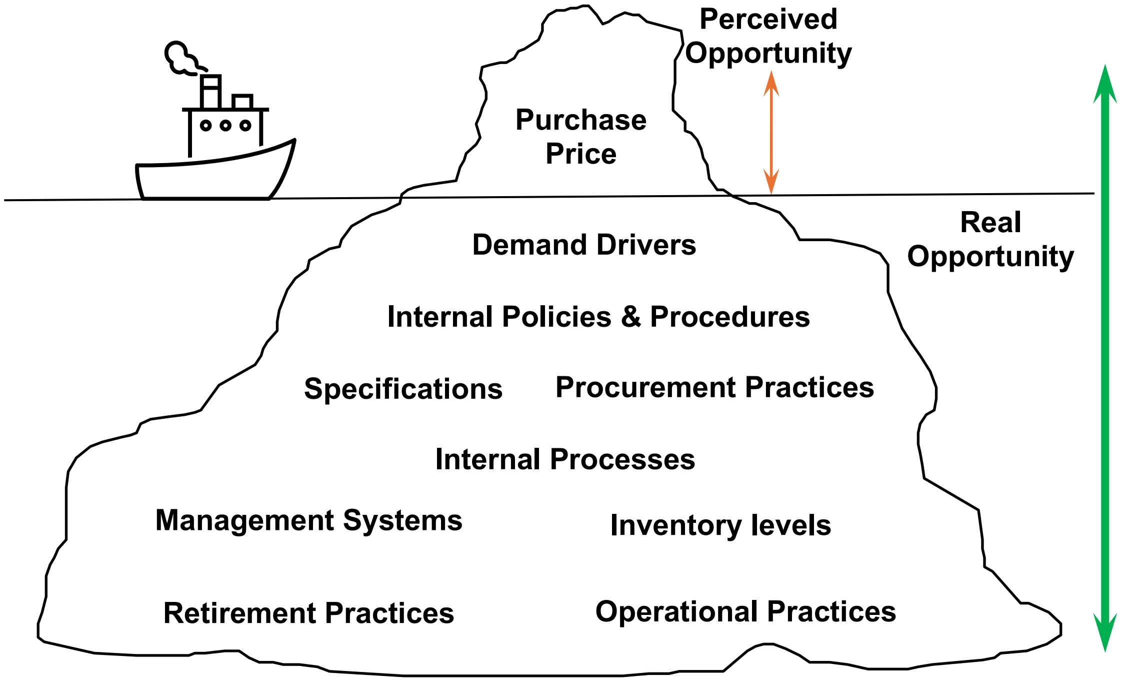
Strategic Supplier		
Several high value contacts operating across the council	Vital to the strategic operation of the council	High risk, value and reputational risk

The approach with these suppliers is to:

- Collaborate with colleagues across the council to identify opportunities for joint contract management and shared assessment
- Consider whether future procurements can be structured into lots to reduce supplier dependency, rather than relying on a single procurement approach
- Pay particular attention to the supplier's financial standing, undertaking regular reviews and using a range of methods to assess ongoing viability
- Ensure that social value commitments are not duplicated across contracts, and monitor delivery through regular (e.g. monthly) performance meetings
- Hold cross-contract meetings with the supplier to explore opportunities for innovation, efficiency, and service rationalisation.
- Engage with other public bodies and industry groups to benchmark performance, best practise and identify common areas of difficulty or success

7.7 Continuous Improvement and Savings opportunities

The council should continually work with suppliers to seek savings, efficiencies and improvements from all the contracts. This objective should be established at the outset and form the basis of regular review meetings. When identifying opportunities to deliver additional value the price paid (purchase price) is often a starting point but is only the tip of the iceberg, as illustrated below:



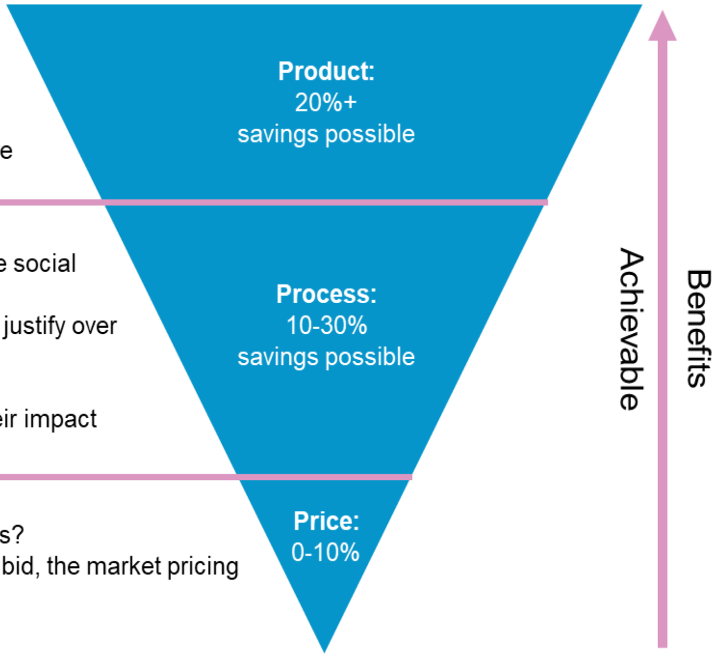
The process should be collaborative to gain maximum benefits, and a model such as the "3P" approach can be effective in identifying all the visible and hidden areas of cost that can be addressed to reduce waste and costs for both parties:

- Product: this looks, for example, at the specification and standards, how demand can be managed, and whether council policies inadvertently increase costs
- Process: examines how both parties processes and ways of working can change to save time/money and take a total cost of ownership approach to contract
- Price: looks at tactical opportunities for savings through, for example, the impact of increased demand, market price changes and payment terms.

a. Review the Specification: Is it over specified or can statutory minimum apply?
b. Demand management: Reduce/simplify variety or use less of the service
c. Policy: Can we change what we ask the supplier to do – are some things unnecessary

a. Alignment and synergies with other services
b. What council processes inadvertently add cost (e.g. ensure social value is a benefit and not a cost burden)
c. Robust cost and contract management plans – review and justify over and underspends
d. Govern the contract differently to make efficiencies
e. Ensure we have the right performance indicators – with their impact supporting savings.

a. Additional demand the marginal costs/volume pricing
b. Are supplier's charges directly in line with the contract terms?
c. Renegotiate pricing based on changes in demand from the bid, the market pricing and other commercial factors
d. Review payment terms.



8. Change and Assurance

8.1 The change process

Contracts often require changes or variations whether driven by the supplier or instigated by the council to respond to service needs. The management of contracts requires responsiveness and flexibility on both sides, with a willingness to adapt the terms of the contract to reflect changing circumstances.

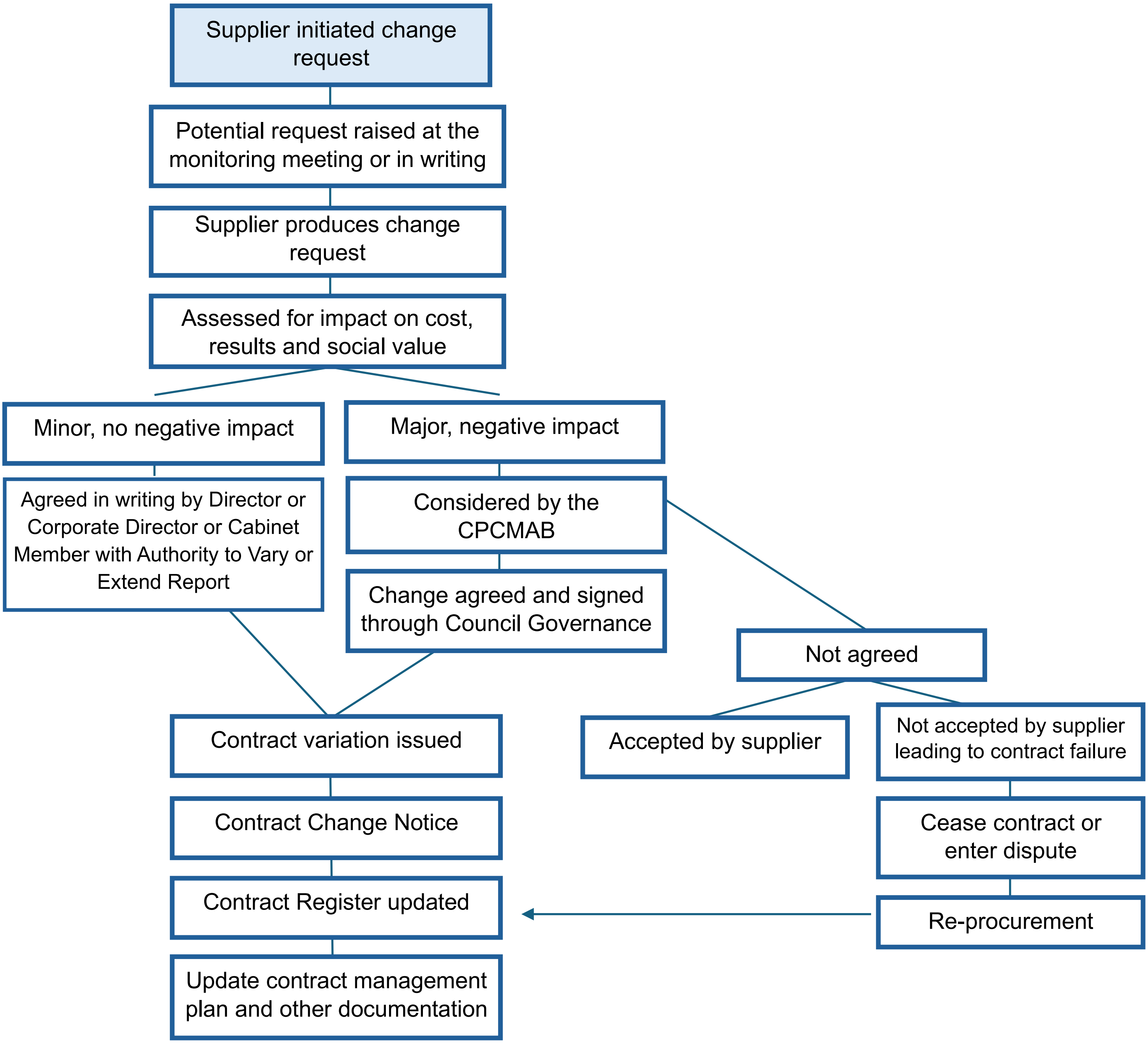
Common reasons for change are as follows:

In response to legislation	Changes to customer or service needs or demand	Opportunities of new technologies
External factors e.g. supply change costs	Creating a cost savings	Changes in how the services are being delivered
Addressing an emergency	Mitgating a risk or continuity requirement	Health and Safety issue, including a near miss

There are a number of legal parameters in which a contract can be change, these can be found here: Guidance: Contract Modifications (HTML) - GOV.UK.

Type of change which might occur		
Variations to scope or value of contract	Extensions permitted beyond term	Early termination, including for poor performance

The following process steps apply when a change is presented by the supplier[3]:



Service request to change a contract:

A reasonable request can be made by the service to alter the contract. The supplier will usually need to agree any changes, depending on the wording in the contract and within the legal parameters.

[3] Commissioning, Procurement and Contract Management Assurance Board (CPCMAB)

Contract managers should consult Legal Services to confirm if any proposed variation is allowed under the contract and relevant council rules and procurement laws. If agreed by the supplier and Legal Services, the variation needs to be formally authorised using the Change Request Business Case by a Director, Corporate Director, or Cabinet Member in line with the Council Scheme of Delegations . A contract variation should then be issued, plus a change notice (if required) and the contracts register updated.

If the supplier wishes to negotiate anything in exchange for the change then this must be considered in light of any negative impact on the council and included in the Change Request Business Case.

8.2 Disputes

Disagreements and disputes arise during the life of a contract, for example, from a different interpretation of a contract provision such as a performance level, an unclear item in the terms and conditions or practice becoming the norm when it shouldn't.

It is important that any potential dispute is recognised early and addressed quickly. Disagreements which are minor in nature should be resolved swiftly at contract manager level. Correspondence and records on any potential dispute or disagreement should be saved in an obvious place to support any future issues, even if successfully dealt with. However, it is important to get a second view, raising concerns with the project board, the SRO and informing Legal Services early. There are often specific provisions in the contract that can be used to assist the council in a dispute – if unsure reach out to the project board or Legal Services.

If a resolution is not forthcoming, the contract will likely include a dispute resolution and escalation process which detail a number of mechanisms to reach an agreement. In consultation and advice with legal colleagues, these mechanisms should be followed and well documented in case of future legal challenge so that the council can demonstrate its reasonableness.

8.3 Internal assurance

It is important that the council knows how well it is managing its contracts across the council. This will help provide assurance and identify where improvements can be made.

The primary responsibility for gaining assurance for contracts and addressing any issues rests with the directorate leadership team. If a contract is designated as Platinum, as defined in section 4, then a greater level of assurance is required:

- A 6-monthly report on each Platinum using the attached template is submitted to the Commissioning, Procurement and Contract Management Assurance Board (CPCMAB).
- This report is then submitted to the council's Assurance Board.

Dependant on the assurance provided, the report may progress to CMT or the Audit Committee, at the discretion of the of Assurance Board, The Procurement Strategy Cornerstone 2 on ***Effective Contract Management*** has a set of actions to be delivered over the term of the Strategy. It is each contract manager's responsibility to fully support and comply with this.

Appendix A- Key roles in contract management

The following is a list of key roles in contract management and their responsibilities:

The Contract Manager

A contract manager ensures the supplier delivers the contract, managing change when needed and reports on the contract's progress. The role of managing a contract may be a small part of a person's role, the skills and competencies required to effective management contracts are essential.

Primarily, the contract manager is responsible for:

1. **Contract creation and negotiation:** designing the specification when involved in the procurement of a contract
2. **Contract delivery:** oversee the execution of contracts, ensuring that suppliers fulfil their contractual obligations and coordinate with various departments (e.g. legal, finance, procurement) to ensure smooth contract implementation and following the change management process set out in the contract.
3. **Performance monitoring:** monitor the performance of the supplier, ensuring that timelines, deliverables, and standards are met, ensuring appropriate action is taken when suppliers fail to meet targets
4. **Reporting:** regular reporting on the status of contracts, including any issues, performance metrics, or financial implications
5. **Payments:** authorising payments aligned to performance, ensuring the invoices are correct against the agreement and paid in accordance with the payment mechanism
6. **Risk management:** identify potential risks and set actions that mitigate those risks
7. **Dispute resolution:** where possible resolve disputes to minimise impact to the council, escalating those disputes if needed and handle breaches including working with the legal service on a course of action
8. **Compliance and regulatory adherence:** ensure BOTH the council and supplier are meeting the statutory requirements and financial compliance/checks
9. **Project management and documentation:** manage the day-to-day operation of the contract, organise the project board, ensure all contract-related documentation is organised, easily accessible, and up-to-date including notes, records and minutes
10. **Record keeping:** ensure contracts are signed prior to commencement and that updated contract documents and amendments are retained in the required contract storage system
11. **Contract renewal and termination:** initiate the evaluation of future delivery options for the service including if still needed, in-sourcing or continued delivery through a contract
12. **Continuous improvement:** continually seek to maximise the outcomes of the contract and to improve value for money, including taking pre-emptive actions through horizon scanning along with recording lessons learnt from the contract.
13. **Stakeholder communication and relationship management:** assess stakeholders and the corresponding types of engagement; whilst maintaining positive relationships with parties involved in the contract, ensuring open communication, collaboration and transparency.

The Senior Responsible Officer (SRO)

An SRO should be appointed for each gold and platinum contract. They will not be involved in the day-to-day activity of the contract but play a pivotal role in providing support to the contract manager in resolving issues and guiding implementation. Their primary responsibilities are:

1. **Strategic oversight and decision making:** ensures that the contract aligns with the council's strategic objectives and long-term vision; makes higher level decisions that cannot be resolved by the contract manager
2. **Accountability and responsibility:** ultimately accountable for the delivery of the contract, overseeing the work of the contract manager to ensure implementation is on-track, and compliance with the requirements in the Contract Management Framework
3. **Resource allocation:** assesses the resources needed to deliver the contract, appointing the contract manager with the right skills and experience, and addressing resource barriers to delivery
4. **Governance and reporting:** establishes and maintains appropriate governance structure to oversee the contract management process, including chairing the project board and reporting to the assurance board
5. **Management and support:** manages the contract manager through line or matrix management, providing support and advising when needed, as well as assessing/addressing the performance and compliance of the contract manager
6. **Lead on dispute resolution:** takes a lead on resolving or escalating disputes with suppliers, working with senior management and legal services on a course of action
7. **Wider organisational learning:** involved in lessons learnt to inform wider learning of contract management when fulfilling the legal and corporate priorities of the council.

Key Corporate Colleagues

There are a range of colleagues in corporate services that will support with contract management – these are generally:

- **Legal:** advise on terms and conditions, creating and initiating contracts and involved in escalated disputes, agree contract modifications or variations
- **Finance:** due diligence/financial checks, arranging payments, assessing savings and cost modelling
- **Procurement:** manages the procurement process to the point of issuing the contract and handover to the contract manager; support contract notices and ensures replacement contracts are on the pipeline. The procurement team can continue to be a point of advice in terms of contract change and re-procurement and are involved in options appraisals towards the end of the contract life
- **Data management:** at specification and contract management the team will provide advice and guidance on handling data and document retention
- **Governance and performance:** receives information on the contract's progress for further reporting giving guidance on what is needed.
- **Social value thematic leads:** provide advice, promoting good practise and to help embed social value within services. They are experts on their thematic area.
- **Climate Emergency**
- **Equalities**

Senior Managers

The Senior Leadership Team do not need to be involved in the day-to-day operation of the contract – that will be delegated to the contract manager and secondly to the SRO. They should receive reports on the progress on and relevant issues with the contract, be aware of risks through the directorate and corporate risk registers, and view any formal governance reports. They will provide a cross-organisation approach to resolve barriers to delivery and when absolutely necessary be involved in dispute resolution (as outlined in individual contracts).

They will also work with the political leadership to set the policy and priorities of the council that will inform the approach to contract management and procurement policy.

Typically, Senior Leadership Team involvement in contract management will be through the directorate leadership teams and the Commissioning, Procurement and Contract Management Assurance Board.

Appendix B – Contract Management Tier Requirements

After you have segmented your contract and achieved a score these are the resulting requirements for management of the council's contracts.

	Platinum	Gold	Silver	Bronze	Implementation timings where not already in place for an existing contract
Pre contract start date					
Designate a Contract Manager	✓	✓	✓	✓	Immediate for all contracts.
Use the **segmentation tool** to categorise the contract based on financial level, risk and impact	✓	✓	✓	✓	By December 2026 for all contracts.
Read the Council's **Contract Management Framework** to become familiar with the requirements and expectations	✓	✓	✓	✓	Immediate for all contracts.
The contract manager must undertake the **Contract Management Foundation training course**	✓	✓	✓		By December 2026
Ensure a **Senior Responsible Officer (**SRO) is identified for the contract	✓	✓	✓		By October 2026
Assemble a **project team** to support the progress of the contract for its life, ensuring sufficient skills and capacity is in place	✓	✓			Platinum - Immediate Gold- by December 2026.
Ensure full contract details are entered on the **Council's contract register**	✓	✓	✓	✓	Immediate for all contracts.
Complete a **contract summary form** (short form) for review annually	✓	✓	✓	✓	Immediate for all contracts.
Prepare a **Contract Management Plan** including: Agreed monitoring arrangements; Governance requirements; Milestones and tasks; Payment schedule; Escalations process for concerns; and Exit arrangements. This should be supported by a RACI specific for each contract for all parties.	✓	✓	✓		Platinum- Immediate Gold- Immediate Silver- By April 2027
Establish a **Risk Register or Risks Actions Issues Decisions (RAID) log** Populate the Council's risk register where relevant.	✓	✓	✓	✓	Platinum- Now Gold - December 2026 Silver & Bronze - April 2027
Prepare a Council **Business Continuity Plan (**BCP)	✓	✓	✓	✓	Platinum- Immediate Gold- Immediate Silver & Bronze- April 2027

	Platinum	Gold	Silver	Bronze	Implementation timings where not already in place for an existing contract
Produce a S**takeholder Engagement and Communication Plan**	✓	✓			Platinum- December 2026 Gold- December 2026
Produce a **contract performance tracker** to record and monitor deliverables including KPIs and social value requirements.	✓	✓	✓	✓	Platinum- Immediate Gold- Immediate Silver & Bronze- December 2026
Set a **calendar of supplier meetings**- agree the schedule of meetings, terms of reference and standing items.	✓	✓	✓	✓	Immediate for all contracts.

Ongoing contract management requirements					
Receive **regular reports on performance** from suppliers to inform payments – ensuring delivery is on track and accurate before authorising invoices	✓	✓	✓	✓	Immediate for all contracts.
Receive monitoring reports and conduct a **performance meeting** every quarter (at minimum) to ensure the contract is on track, including social value results, receiving reports at least 7 days in advance of the meeting.	✓	✓	✓		Platinum- Immediate Gold- Immediate Silver- Immediate
Receive monitoring reports and conduct a p**erformance meeting** every six months (at minimum) to ensure the contract is on track, including social value results.				✓	Bronze- Immediate
Complete **platinum report for the Assurance Board** every 6 months	✓				Platinum - in line with reporting timetable.
Report contract progress and performance as required via directorate reports	✓	✓	✓	✓	Immediate for all contracts.
Conduct a self evaluation and deep-dive review **annually**	✓				Platinum- Immediate
Conduct a self evaluation and deep-dive review **every 2 years**		✓	✓		Gold- Immediate Silver- Immediate
Conduct a self evaluation and deep-dive review **as the market requires**				✓	Bronze- Immediate
Conduct financial/business checks **annually or as the market requires**	✓	✓	✓	✓	Immediate for all contracts.
Network across the council and with other local authorities where the supplier has multiple contracts - to share knowledge, approach and practices	✓	✓			Platinum & Gold Mid 2027

	Platinum	Gold	Silver	Bronze	Implementation timings where not already in place for an existing contract
Ensure **contract changes/variations are recorded and stored.** Ensure all variations including waivers are in accordance with Council's scheme of delegation and appropriate sign off is given.	✓	✓	✓	✓	Immediate for all contracts.
Review and update the **Contract Management Plan** at least every six months	✓	✓			Platinum- Immediate Gold- Immediate
Review and update the **Contract Management Plan** annually			✓		Silver- By April 2027
Prepare an improvement plan where a contract is failing before a formal change or termination	✓	✓	✓	✓	Immediate for all contracts.
Escalate **failed performance i**n line with contract governance, taking corrective and correct action	✓	✓	✓	✓	Immediate for all contracts.
Lessons learnt captured no less than every 2 years, generated with the supplier and internal stakeholders	✓	✓			Platinum- December 2026 Gold- December 2026
Expiry and re-commissioning planning - 2 years out	✓	✓			Immediate for all contracts.
Expiry and re-commissioning planning - 18 months out			✓	✓	Immediate for all contracts.
Prepare a suitable **high level exit/de-mobilisation plan,** covering: Succession/handover for data, property, TUPE, etc.	✓	✓			Immediate for all contracts.