

STROUD DISTRICT COUNCIL
AUDIT AND STANDARDS COMMITTEE

TUESDAY, 8 FEBRUARY 2022

Report Title	Contract Management Framework			
Purpose of Report	To present to committee the contract management framework.			
Decision(s)	The Committee RESOLVES to: a) Approve the Contract Management Framework b) Agree that the Contract Management Framework will be reviewed annually by the Audit & Standards Committee. c) Agree that the Strategic Director of Resources has delegated authority to make minor amendments to the framework.			
Consultation and Feedback	Consultation has been held with Leadership and Management Team. Strategy and Resources Committee and Audit and Standards Committee have also provided feedback.			
Report Author	Sarah Turner, Senior Policy and Governance Officer Email: sarah.turner@stroud.gov.uk			
Options	None			
Background Papers	None			
Appendices	Contract Management Framework includes: Appendix 1 – Contract Management Statement of Principles Appendix 2 – Contract Management Policy Appendix 3 – Contract Management Procedure Appendix 4 – Renewing Software Contracts Guidance Appendix 5 – Contract Management Plan Template Appendix 6 – Contract Variation Form Template Appendix 7 – Contract Extension Form Template			
Implications (further details at the end of the report)	Financial	Legal	Equality	Environmental
	No	No	No	No

1. BACKGROUND

- 1.1 The Senior Policy & Governance Officer advised this Committee at its meeting in November that the revised Contract Management Framework would be brought to this meeting for their consideration and approval.
- 1.2 The framework has been updated to incorporate audit recommendations from several different audits relating to contract management.

2. MAIN POINTS

- 2.1 The Contract Management Framework has been developed to provide a clear and consistent approach to contract management across the authority to manage contracts for goods, works and services.

2.2 The Leadership and Management Team have been consulted on this framework, and following approval, the Policy and Governance Team will provide training for all staff in terms of awareness raising and more specific training for staff directly involved in contract management. This will include a module in our induction training as well as online training on the Council's e-learning system.

2.3 Good contract management enables us and our suppliers to meet our contractual obligations at an agreed cost and quality by monitoring the contract throughout its lifecycle. The effective management of contracts with suppliers is essential to maximise benefits and achieve our corporate objectives, these can be summarised as follows:

Business Benefits

- Maximises outcomes to the Council and our customers (i.e. the Council "gets what it is paying for") by managing supplier performance, maintaining quality, improving productivity and identifying opportunities for improvement and innovation.

Value for Money

- Enables savings and benefits opportunities identified during the procurement or contract management process to be realised, whilst also ensuring the achievement of expected procurement outcomes.
- Enables further benefits through ongoing performance reviews, service improvements, supply chain improvements, innovation.

Risk Management

- Reduces contractual risks through the robust contract management practices.
- Ensures the Council is also aware of, and complies with, its own contractual and legislated obligations.

2.4 The new framework consists of the following documents, and a link to these has been provided in the background papers and a brief summary below:

- **Contract Management Statement of Principles**
The purpose of this document is to identify a set of principles that underpins our approach to contract management.
- **Contract Management Policy**
The purpose of the policy is to provide a clear and standardised approach to managing and administering contracts.
- **Contract Management Procedure**
The Contract Management Procedure sets a foundation for the implementation of a consistent approach to contract management across all service areas, in order to drive value from new and existing contracts.
It complements the Council's Procurement Strategy and recognises the aims and values set out within the National Procurement Strategy 2018.
- Various templates to support the new framework
 - **Renewing software contracts guidance**

Services are not going to replace or renew a software contract when all that is needed is an upgrade; however, the Council needs to have a procedure in place to manage software contracts; this document sets out the procedure for contract managers.

- **Contract Management Plan Template**

Sets out the plan for managing a contract including contract owners, objectives, mobilisation, performance, compliance, risks and issues, escalation and exit plan. It also has details of contract review meetings.

- **Contract Variation Form Template**

This form sets out the rationale and authorisation for contract changes / variations

- **Contract Extension Form Template**

Subject to an extension provision in the original contract this form enables the extension of a contract within an appropriate timescale and incorporating evidence of satisfactory performance. It also includes an authorisation process.

3. TRAINING AND IMPLEMENTATION, AND REVIEW OF THE FRAMEWORK

3.1 The framework will be published on both the staff and member's hub.

3.2 All staff will be offered training on the contract management framework; initially this will involve the Policy and Governance team attending services team meetings to raise awareness and provide details of the framework.

3.3 Details of the contract management framework will be incorporated in the mandatory staff induction training on procurement. Training on the framework will also be included in the Council's online e-learning package.

3.4 The Policy and Governance team will review a sample of contracts on a quarterly basis to ensure compliance with the framework; the procedure for these reviews is currently being developed.

3.5 The contract management framework will be reviewed by the Audit and Standards committee on an annual basis.

4. IMPLICATIONS

4.1 Financial Implications

There are no direct financial implications from adopting the framework.

Effective contract management is a vital component of mitigating risks and protecting Council resources.

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4.2 Legal Implications

There are no direct legal implications arising from this report.

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4.3 Equality Implications

There are no direct equality implications in this report however equality matters must be considered throughout the procurement and contract management cycle of any contract.

4.4 Environmental Implications

There are no direct environmental implications in this report however environmental matters must be considered throughout the procurement and contract management cycle of any contract.