

**30 November 2020****Agenda Item: 7****REPORT OF SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE &  
IMPROVEMENT****UPDATE ON PROCUREMENT AND CONTRACT MANAGEMENT****Purpose of the Report**

1. To provide members with an update on the delivery against the Council's Procurement Strategy and contract management approach.

**Information**

2. Procurement and contract management accounts for a large proportion of council spend and is critical to the delivery of public services. Effective contract management ensures the local authority achieves the best outcomes and value from contracts, and can manage its exposure to commercial, contractual and reputational risk.
3. Nottinghamshire County Council has over 1000 contracts across the Council with approximately £600m of contracted spend.

**Procurement**

4. In December 2019, the Policy Committee approved the Council's Procurement Strategy 2019-2023. The Procurement Strategy 2019-23 sets out the framework for the procurement of all goods, works and services and outlines how procurement will use the Council's spending power to pursue our key objectives.
5. The new strategy will drive the delivery of social value for Nottinghamshire by outlining how we will address economic, social and environmental considerations.
6. To date, we have made a lot of progress against the procurement strategy performance indicators. We have set targets for a set of agreed social value indicators to track local spend and spend with SMEs through our contracts. The table below shows delivery against the targets thus far.

Indicator	Percentage (of total live contracts)	Target
Contracts awarded to local supplier	57%	50%
Contracts awarded to SMEs	59%	50%

7. In addition, we are in the process of finalising an e-learning package for finance and procurement targeted at all officers in the Council. This will enable officers to understand the Council's Financial Regulations and Public Procurement Rules and ensure these are adhered to when buying goods or services.

## Contract management

8. In March 2019, an audit was undertaken to review the application of contract management practices across the Council. The key objective of the audit was to determine whether contract management is undertaken in a consistent and coordinated way by officers who have been identified as contract managers.
9. The initial findings from the recent audit indicated that:
- There is no formal contract management framework implemented across the Council
  - Departments have their own systems and processes that could benefit from pulling together into a single corporate contract management approach
  - Some contract management guidance is available on the intranet, however there is lack of awareness of it amongst contract managers.
  - There is no single contracts database that lists all the contracts for the authority, and contains all information linked to the contract
10. Discussions held by the Group Manager in Procurement with key contract managers, indicated that contract management arrangements at present are varied within the authority. All contracts are managed within the client departments.
11. The procurement service is committed to offer support services to all departments in the Council. To enable a more robust approach to contract management and address the current variations in contract management practice, the procurement team will develop and implement a consistent Contract Management Framework. This will deliver efficiencies and service quality improvements through an assertive, proactive and consistent approach to supplier relationship and contract management. The drive to improve contract management skills across the Council will enable greater value to be achieved and bring expertise together.
12. In June 2019, Finance and Major Contracts Committee agreed for the procurement team to undertake the following measures as part of the Contract Management Framework, which creates a consistent approach to Contracts Management. These will include:
- Develop, publish and implement Contract Management Guidance and a Contract Management Toolkit across the Council.
  - Develop a contract manager practitioners' group to baseline levels of competencies and skills in contract management. This group will also work to identify best practice across departments.

- c. Develop a programme of training at different competency levels to be offered across the Council to all officers who require:
    - core contract management competencies and support
    - departmental or subject matter expertise for key contracts
    - general awareness in contract management
  - d. Ensure a consistent and update to contracts register is maintained as a single register of all contracts across the authority
  - e. Work with internal audit to carry out a sample of follow up audits to create improvement plans to close contract management gaps
13. A contract management practitioners' group was set up in summer last year with key contracting leads from each department. There was very good engagement within the group who collaboratively agreed on a contract management approach for the Council. An interactive tool-kit was developed and this went live in October 2020. Appendix 1 provides the screen shot of the tool-kit.
14. The practitioner group will continue to meet quarterly to share best practice and support each other on contract management issues.
15. A training programme is being developed for contract management. Dedicated training has been delivered in Adults Social Care on the tool-kit and further training is planned within the Children's department. In addition, work is underway to develop an e-learning module for contract managers to offer an introductory level of training for all officers responsible for managing contracts.

### **Commissioning / Procurement / Contract Management**

16. There is a direct link between commissioning, procurement and contract management. Key strategic commissioning principles need to be embedded into procurement and contract management practice as outlined in the diagram below.



17. Work is underway to develop a corporate approach to strategic commissioning in the Council including the development of a commissioning tool-kit like the one developed for contract management. A further report will be brought to Finance and Major Contracts Management Committee to provide members with an update on this area of work.

### **Reason/s for Recommendation/s**

18. To provide members with an update on the delivery against the procurement strategy and the corporate contract management approach.

## **Statutory and Policy Implications**

19. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

## **RECOMMENDATION/S**

That the delivery against the Procurement Strategy and the update on the Contract Management approach (as set out in this report) is supported. A further update report showing progress against the action plan will be brought to a future meeting of the Committee.

**Nigel Stevenson**

**Service Director – Finance, Infrastructure & Improvement**

**For any enquiries about this report please contact Kaj Ghattaora, Group Manager - Procurement**

### **Constitutional Comments (KK 16/11/2020)**

20. The proposals in this report are within the remit of of the Finance and Major Contracts Management Committee.

### **Financial Comments (RWK 16/11/2020)**

21. There are no specific financial implications arising directly from the report.

## **Background Papers and Published Documents**

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- None

## **Electoral Division(s) and Member(s) Affected**

- All