

# Strategic Contract Management Board

## 1. Terms of Reference

- 1.1. Scrutinise all strategic service contracts against their original business case to ensure the outcomes of the service are being delivered and that the service is still a corporate priority.
- 1.2. Monitor all strategic service contracts to ensure they continuously improve in outcome delivery and secure savings.
- 1.3. Ensure that the Council's strategic contracts evolve in practice and cost structure to keep pace with the market and ensure the Council does not end up with outdated or overpriced contracts.
- 1.4. Determine which strategic contracts get additional corporate support when there are potential conflicts.
- 1.5. Receive reports and representations from the Contract Manager and Senior officer sponsor to decide on the matters put forward for discussion by the scrutiny panel in order to ensure the management of the contract is fit for purpose and being operated in accordance with the Contract Operation Manual (COM).
- 1.6. Approve any requests to significantly vary the scope, monitoring or payment mechanisms of strategic contracts. Where spend changes significantly the budgetary implications will have to follow the Financial Rules.
- 1.7. Ensure commercial deals proposed by Contract Managers are reviewed by the scrutiny panel to ensure optimum outcomes before negotiations are concluded.
- 1.8. Where either supplier performance or contract management performance needs improvement to ensure that action plans are put in place and delivered.
- 1.9. To monitor actual contract spend and scope against that provided for in the OJEU Contract Award Notice, in addition to the service's budget.
- 1.10. Monitor the implementation (actual vs. planned) of all strategic contracts 6 months following award<sup>1</sup>.
- 1.11. Have sight of all disputes which are at risk of litigation.
- 1.12. Make recommendations should further contract management resources be required.
- 1.13. Approve any price variation above the present rate of CPI or above that provided for in the contract price change index.
- 1.14. Ensure Supplier Relationship Plans are up and running with Directors meeting the suppliers at least once per year and Contract Managers at least four times per year.
- 1.15. Ensure the Contract Manager is adequately supported in the preparation of any upcoming Unitary Charge reviews.
- 1.16. Review, in conjunction with Legal Services and the Procurement Manager the scope and content of the Council's Contract Procedure Rules to ensure that these reflect the requirements of the Board with regard to the letting and management of strategic contracts.

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<sup>1</sup> Initially 12 months, amended to 6 months by Cabinet 3/3/16

## 2. Membership

### 2.1. Portfolio holder.

- To provide guidance as to Cabinet's likely view of contract performance and acceptance of proposed contract variations.

### 2.2. Chief Executive or by delegation Deputy Chief Executive.

- To Chair the meeting and make recommendations to Cabinet.

### 2.3. Director of the contract

- Confirm the specification and outcomes of the service are in keeping with their strategy/vision for the service.
- Act as deal principal in any resultant supplier interactions.
- Sponsor and ensure priority is given to any action plans necessitated by the board.

### 2.4. Procurement Manager

- Manage the operation of SCMB.
- Provide Commercial advice.
- Provide Contract Management advice.
- Provide Negotiation advice.
- Support service to produce review documents.

### 2.5. Finance

- Monitor financial performance and risks to inform the budget position.
- Advise on additional funds if requested.
- Facilitate accountants to support ICFs to produce review documents and supplier interactions.

### 2.6. Audit

- Advise SCMB on the Audit plan of Strategic contracts.
- Provide advice on Risks, Governance and Assurance.
- Monitor risks to inform the Audit Risk Register.
- Support services to produce review documents.

### 2.7. Legal

- Provide advice on interpretation of clauses.
- Provide advice on the contract until the C.O.M. and ICF are in place.
- Monitor risks to inform the Legal Risk Register.
- Support service to produce review documents.

### 2.8. Category Lead or Category Manager by delegation to provide challenge.

### **3. Support**

- 3.1. Contract Management Business Partner will;
- Coordinate and support the production of board review papers.
  - Act as secretary to the Board noting all actions.
  - Support Contract Managers to produce and implement Action plans.
  - Support Contract Managers to produce COMs.
  - Produce SCMB reports from In-Tend as guided by Procurement Manager for board.

### **4. Frequency**

- 4.1. Duration of meeting 2 hours<sup>2</sup>, with two contracts being reviewed per session plus any Action plans with amber or red status.
- 4.2. 6 meetings per year<sup>3</sup>.

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<sup>2</sup> Initially 3 hours, reduced to 2 by DCEO 27/4/16

<sup>3</sup> Initially 4 meetings per year, increased to 6 by DCEO 27/4/16

## **5. Control & assurance for jointly commissioned or partnership led contracts**

- 5.1. The s.75 and s.256 funding mechanisms are well known and have been corporately overseen by Councils for many years. What are new to the landscape are the Clinical Commissioning groups which were authorised in April 2012.

The Integrated Commissioning Unit provides commissioning and contract support on behalf of the council and the CCG. There may be three broad types of contracts;

CCG monies funding services directly.

Council funds funding services.

Joint or pooled budgets between the Council and CCG.

- 5.2. B and C if strategic contracts should be subject to the same level of scrutiny as the other strategic contracts as outlined in this paper. The principle remains that where significant Council spending is subject to a strategic contract the challenge and scrutiny offered by the Strategic Contract Management Board should apply.
- 5.3. This should be helpful to strategic partnership groups such as the Children's Trust or Health and Wellbeing Board. In practical terms, it is likely that the support and challenge provided by the new Strategic Contract Management Board would be felt at Project Boards for large scale change and commissioning projects, specifically; the Adults Social Care Transformation Board and the proposed Children's Multi-Agency Teams Project Board.
- 5.4. SDB have requested a review of 'People Commissioning'. One of the drivers for the review is that the CCG have expressed interested in bringing more CCG contracting into the ICU. As this is implemented, we will need to be mindful of the role and functions of the Strategic Contract Management Board.