

Report of the Executive Director Core Services to the Overview & Scrutiny Committee (OSC) on 25th June 2024

Response to the Recommendations of the Commercial Contract Management Task & Finish Group

1. Introduction

- 1.1 This report outlines the service's response to the findings and recommendations of the Overview & Scrutiny Committee's Commercial Contract Management Task and Finish Group (TFG).
- 1.2 It should be noted that the new contract management methodology will have links to the Procurement Act 2023, which will reform public sector procurement from October 2024.

2.0. Background

- 2.1 As part of its work programme for 2023/24, the OSC agreed to undertake a TFG investigation into commercial contract management at the Council, including the associated procurement processes, project management and contract management. Members wanted to better understand the work involved, the policies, procedures and processes in place, as well as the challenges faced, so they could provide 'critical friend' challenge and oversight of this work to ensure it is robust.
- 2.2 The unprecedented challenges to local government finances are widely reported in the media across the country. Barnsley Council is no exception to this and continues to operate in a challenging financial climate. There are high levels of demand for services and limited national government funding. Given this position, Members were keen to ensure that the Council is operating efficiently and ensures value for money at every opportunity, whilst also maintaining appropriate checks and balances.
- 2.3 The purpose of the TFG was not to focus on individual projects or contracts, but to look at the principles and processes in place, albeit, on occasion, it was helpful to consider real-life examples, to bring the processes to life. The TFG took the opportunity to hear the views of a number of different key representatives and provide challenge to the work being undertaken. As a result of the investigation, the group highlighted a number of recommendations in support of further improvement.

3.0 Response to the Task & Finish Group Recommendations

3.1 Recommendation 1 - Hold an All-Member Information Briefing (AMIB) to provide an overview of project and contract management

Service Response: This recommendation is supported.

- 3.2 This has been scheduled for 23rd October 2024 to provide Members with a broader understanding of this topic, linking into the Best Value Strategy to support the Council's Enabling Barnsley priority. The session will provide Members with an overview of what project and contract management in the Council provides and what role they can play, and share further information on the support and guidance available to Members in relation to this subject matter. This session will include detail of the Procurement Act 2023 and the reforms to public procurement from October 2024.

3.3 Recommendation 2 - The TFG write to the Department for Levelling-up, Housing and

Communities (DLUHC) to request the government continue and go further with efforts to reduce competitive bidding for funding and increase flexibility in terms of timescales and funding profiles.

Service Response: This recommendation is supported.

- 3.4 A letter from the Task and Finish Group has been sent to the Department for Levelling Up Housing & Communities (DLUHC). The Council has a good track record of working closely with Government, and in particular, DLUHC and have therefore built-up good relationships with the Department that we are keen to build on. The letter seeks to acknowledge this good relationship, whilst making it clear that the Council stands ready to work more closely with government and build a more trusting relationship that provides more flexibility to deliver on the projects they fund.

- 3.5 **Recommendation 3 - The OSC is increasingly engaged in providing pre-decision critical-friend challenge of commercial ventures.**

Service Response: This recommendation is supported.

- 3.6 An annual review of capital project management will take place between officers and the Overview & Scrutiny Committee. This will take place in April each year to focus on a review of the previous year's programme, including lessons learnt, and a look forward at the capital projects programme for the forthcoming year to allow members to express interest in specific areas of activity.

- 3.7 **Recommendation 4 - Work is expanded with Go4Growth and other organisations which support local businesses in bidding for public sector opportunities and growing their capacity and capability.**

Service Response: This recommendation is supported.

- 3.8 The Strategic Procurement and Contract Management team are looking at the contract renewal with Go4Growth in September 2024 to allow a continuation of the local and the Small to Medium Enterprise (SME) sector support to develop public sector procurement capabilities to ensure they understand the requirements and processes involved and have the right organisational policies in place to support their bids.

- 3.9 We have also engaged with them and their partner NETPositive Future on a new tool developed to support local organisation's capability in relation to Carbon Action Plans. This will be a requirement of public sector tenders in the medium term as well as something which will support their organisational efficiency. This is being done in collaboration with the Sustainability team to support the Zero 2045 strategy as well.

- 3.10 **Recommendation 5 - Executive Directors (EDs) and Cabinet Members for the Core and Place-Growth & Sustainability Directorates undertake an annual 'lessons learned' meeting with Contract/Project Management Officers.**

Service Response: This recommendation is supported.

- 3.11 The Strategic Contract Management Team presented the methodology to the Barnsley Leadership Team (BLT) in March 2024 and have an agreed programme for implementation of the pilot and further roll out over the course of the 24/25 financial year.

- 3.12 A follow up session has been scheduled with BLT in March 2025 to provide an update on progress, which will include reflection on lessons learnt and continuous improvement plans for further development of the methodology.

3.13 A comprehensive lessons learnt review was undertaken for the Seam project, where the scope was reshaped. The process used to undertake this review will be applied to all capital projects (at the appropriate level for the size of the project) going forward. In addition, a lesson learnt review will be included in the annual critical friend review, as outlined above.

3.14 **Recommendation 6 - Mandatory training is undertaken by those involved in contracting and/or procurement across the Council.**

Service Response: This recommendation is supported.

3.15 As part of the implementation plan for contract management a programme of training will be rolled out consisting of accredited commercial contract management training delivered by the Government Commercial College and a programme of bespoke training developed by Strategic Procurement & Contract Management, which will include training for members.

3.16 **Recommendation 7 - New contract management procedures are tested on all 3 types of contracts, utilising a subset of Gold, Silver and Bronze tiered contracts.**

Service Response: This recommendation is supported.

3.17 The Strategic Contract Management Team has reviewed the contracts to include in the pilot and identified the following.

Tier	Contract	Service
Gold	Integrated Sexual Health Waste Management Education management system	Public Health Highways IT
Silver	Affordable Warmth EERW Managed Service Graphic Design Multiple Needs Services Highways Surface Dressing Enabling Digital Mobility Stairlifts	Housing Housing Communications Adults Highways IT Berneslai Homes and Property Services
Bronze	Provision of procurement cards Temporary accommodation Dispersed accommodation CCTV drainage surveys Industry solutions Washroom services Provision of EV charging points Stop smoking service District enforcement Revenue and benefits system Central area council – building emotional resilience Interpretation and translation services	Purchasing Adults Safer Communities Highways IT Property Services Sustainability Public Health Safer communities Finance Stronger communities Core services

3.18 **Recommendation 8 - Ongoing dip-sampling of gold, silver and bronze contracts is undertaken to ensure consistency and best practice is evident as appropriate.**

Service Response: This recommendation is supported.

3.19 The Contract Management Team has established a process for dip sampling of the Council's contract register to report the compliance on the following;

- Contract Tiering undertaken prior to contract award;
- Contract Management Plans in place (For contracts where this is required); and
- Contract management.

3.20 A review of contract management has been included within the Corporate Assurance Plan for 24/25 (scheduled to commence Q4 and to complete Q1 25/26) to provide independent assurance that the contract management framework is robust, processes and practices are embedded, benefits / outcomes realised and to identify any opportunities for further improvement.

3.21 This will be separate to the review of capital projects and lessons learnt and focus on contract management.

3.22 Recommendation 9 - The OSC consider a further TFG into Commissioning activity at the Council with a focus on Adults and Children's Services.

Service Response: This recommendation is supported.

3.23 The strategic contract management team would be happy to support a further review as and when Members are in a position to progress.

4.0 Future Plans & Challenges

4.1 The methodology for contract management will be aligned to the Procurement Act 2023 which will be implemented by Cabinet Office in October 2024 to replace the Public Contract Regulations 2015.

4.2 There are numerous streams of communication on-going in relation to the launch of the contract management methodology and the Best Value Strategy to ensure Officers and Members are continually updated on their role in delivering the Council's Enabling Barnsley priority, which include;

- Articles in Let's Talk
- Guidance and documentation on the intranet.

5.0 Invited Witnesses

5.1 The following witnesses have been invited to today's to present the report:-

- Neil Copley, Director of Finance, Barnsley Council
- Jenny Lockwood, Head of Service, Strategic Purchasing, Procurement and Contract Management, Barnsley Council
- Wendy Popplewell, Executive Director – Core Services, Barnsley Council
- Cllr Robert Frost, Cabinet Spokesperson for Core Services, Barnsley Council

6.0 Possible Areas for Investigation

6.1 This report is presented for information only.

7.0 Background Papers & Useful Links

7.1 Overview & Scrutiny Committee's Task & Finish Group on Commercial Contract Management

at Barnsley Council Report:-

<https://barnsleymbc.moderngov.co.uk/documents/s114563/Report.pdf>

Barnsley Council Tenders and Contracts:

<https://www.barnsley.gov.uk/services/business-information/tenders-and-contracts/>

Procurement Act 2023:

<https://www.legislation.gov.uk/ukpga/2023/54/contents/enacted>

HM Treasury - The Green Book:

<https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government/the-green-book-2020>

8.0 Glossary

AI	Artificial Intelligence
AMIB	All Member Information Briefing
BLT	Barnsley Leadership Team
DLUHC	Department for Levelling-up, Housing and Communities
ED	Executive Director
OSC	Overview and Scrutiny Committee
ROI	Return on Investment
SME	Small/Medium Enterprise
TFG	Task and Finish Group
VCSE	Voluntary Organisations, Community Groups and Social Enterprise
VfM	Value for Money

9.0 Officer Contact

Jane Murphy/Anna Marshall, Scrutiny Officers: Scrutiny@barnsley.gov.uk

17th June 2024