

Major Contract Performance Improvement Plan – Phase 2 Action Plan Progress Update - 30 June 2023

| No | Improvement Aim | Background from GT audit Major Contract Performance Review | Actions Identified from MCIB 17 th Oct 2022 and CMT | Progress Status | Evidence | Target Comp Date | Lead Officer | Lead Director | Status |
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| 1. | Ensuring Delivery | Ensure appropriate resources are available to deliver the improvement Plan | Identify IT Costs associated with CMS. | <p>Completed Costs of short term (current contract) action plan now identified to address system design and integration to support contract management arrangements. Order to be placed when finance available.</p> <p>Completed Medium Term (FOM) matters will be developed to ensure that appropriate costs are identified to support FOM implementation and delivery.</p> | <p>Councils CMT has access to Contractors live system to support BAU compliance and deliver improved contract management.</p> <p>Programme Director in place, FOM Board established with Digital and Customer Group tasked with reviewing future IT requirements..</p> | | | | |
| 2. | Relationship Management. | There was “little constructive tension” between the two parties and lack of competitive dialogue. | Development of an agreed Gainshare model | <p>Council review completed and Early Warning issued to BBLP based on findings. Commercial negotiations to be conducted.</p> <p>Position paper developed and shared with BBLP which sets out the issues to address the concerns of Grant Thornton and identify the required actions to further develop the process to ensure the Council have clarity of the mechanism and method of calculation</p> | <p>Gainshare process in now defined with future actions and improvements set out for implementation by CMT.</p> <p>New process to be agreed and finalised to be incorporated into the 2023/24 Annual Plan.</p> | Aug 23 | Dave Martin | Mark Averill | |
| | | | Development of Payless Notice | <p>CMT have reviewed the progress of BBLP against the 2023/23 Annual Plan, which was raised at the Operations Board. CMT have issued a schedule of outstanding EWs to BBLP and prepared a draft Payless notice setting out the potential works not completed and notional values.</p> | <p>Ops Board Minutes and Draft Payless Notice</p> | July 23 | Dave Martin | Mark Averill | |

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| | | | Join APSE benchmarking club to provide comparable data on similar services from other authorities to allow robust challenge to contract costs and productivity | Council full members of Apse and Performance Networks Benchmarking service. Initial results provide by Apse in Jan to March 2023. Issues with data has required further review with Apse. | Key findings to be report to Strategic Partnership Board at Oct meeting. | Oct 23 | Dave Martin | Mark Averill | |
| 4. | Councils Internal Governance. | The council did not appear to be adhering to the contract procedure rules when commissioning works outside the core programme. | Adherence to Contract Procurement Rules | Completed New process now in place and have been reviewed by SWAP in regard to S106 with no concerns identified. | New process and arrangements in place to ensure that the Councils Contract Procurement Rules are considered prior to any commissions to BBLP. | | | | |
| | | | Produce a commissioning flow chart | Completed New process now in place and have been reviewed by SWAP in regard to S106 with no concerns identified. | Arrangements implemented by CMT to ensure compliance with the Councils commissioning process. | | | | |
| | | | Development of the VFM Model | Completed New process now in place and have been reviewed by SWAP in regard to S106 with no concerns identified. | | | | | |
| 6. | Build technical knowledge within the Council. | Lack of an in house technical team increases the council's resilience on Balfour Beatty and limits the ability to effectively scrutinise their performance. This can be addressed by either building in house technical capabilities or by seeking second opinions more regularly. (eg by receiving competitive solutions /proposals from other suppliers.) | Introduction of a QS | Completed Arrangements in place through the Midlands Highway Alliance Framework to introduce the required commercial support on a call off basis. New council frameworks under development to provide professional services and civil engineering capacity and capability. | Framework in place | | | | |
| | | | Civil Engineering Graduate to be recruited as permeant resource | Graduate included in new structure, specialist recruitment companies have not been able to identify candidates. Aecom to be approached about a secondment of a graduate to be trained by Aecom on behalf of the council. Target | | Mar 24 | Mark Averill | | |

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| | | | | Completion Date Revised to March 24 | | | | | | |
| | | | Development of a Pricebook | Completed Arrangements in place through the Midlands Highway Alliance Framework to access the required data and information on a call off basis. | Framework in place. | | | | | |
| | | | | Aecom recommendation to still hold on development due to market volatility. Aecom have access to national rates which can be made available for pricebook information through the existing framework | Phase 2 Aecom commission to commence when funding available and market conditions stabilise. Position to be reviewed in 6 months | Jan 24 | Mark Averill | | | |
| 7. | Improve internal communication and education. | There is an opportunity to clarify and clearly communicate to all client teams and stakeholders to better understand the Balfour Beatty to avoid conflicting views on a number of topics including LMO, fees for quotations and the timing of gain share calculations. | Development of a Contract Training presentation | Completed Strengthened compliance within CMT are providing knowledge and information sharing with PMO and Commissioners to share best practice, governance and compliance requirements and conformance to Council CPR and PRC. Completed Presentation developed for Elected Members and increased collaboration between council functions to ensure that compliance. | All Service Orders have appropriate approvals and evidence in place. Presentation prepared with dates to be identified for delivery | | | | | |
| | | | Contract Compliance | Completed New structure now in place which identifies roles and responsibilities for Commissioning and Contract Management. This is formally reviewed by CMT through revised Annual Plan process, commission process and appropriate audits | Revised process ensures that any commissions are in compliance to Councils Policy and Procedures. | | | | | |
| 9. | Set up a contract management framework | The current contract management process and guidelines are not fully documented and some documentations are inconsistent such | Development of a Contract Management Framework | Completed The Councils Contract Management Framework has been completed for the Public Realm Contract, reviewed by the Corporate Support Team and | Framework in place and under review. Formal review required in 12 months | | | | | |

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| | | as the non-Annual Plan service process map are inconsistent with the Council's governance policies. | | adopted by the Contract Management Team. | | | | | | |
| | | | Review contract changes since contract inception to ensure that changes are appropriately recorded and documented identification of Out of Scope activities | Completed The process to identify Out of Scope is now included as part of the Annual Plan development process to provide clarity on contract changes. The council have issued an Early Warning to BBLP to identify all changes since contract commencement. | The Annual Plan 2023/24 details the out of scope activities. | | | | | |
| | | | | Ongoing commercial negotiations will continue through the Early Warning procedures until resolved to the Councils satisfaction | Schedule of all out of scope activities identified. | Sept 23 | Dave Martin | Mark Averill | | |
| | | | Development of RACI | New structure agreed which identifies roles and responsibilities for Commissioning and Contract Management. Competent interims in place to support BAU and change management whilst permanent recruitments are made. Key process now agreed and existing process reviews to ensure that these comply with relevant Council policy and procedures. Work has commenced to map out the new process and consult with other internal functions for final agreement. Processes will then be introduced with the RACI matrix completed to align to the agreed process and new structures | New processes adopted and in place. | Aug 23 | Dave Martin | Mark Averill | | |
| 10. | Consider an appropriate Contract Management System (CMS) | The Council does not currently use the contract management module of the tender portal, which is considered too basic and insufficient for its requirements. The Council can consider | Process model for how highways works can be commissioned | Completed New structure now in place which identifies roles and responsibilities for Commissioning and Contract Management. This is formally reviewed by CMT through revised Annual Plan process, commission process and appropriate audits | New roles and responsibilities and contract management processes implemented. | | | | | |

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| | | the use of an appropriate CMS, which can significantly improve the quality of information, reduce ambiguities around contractual clauses and Service Level Agreements (SLA), and reduce manual workload related to contract management activities. It is recommended that an industry leading off-the-shelf CMS is considered in the first instance as such solutions translate good practice contract management processes into workflows, and there is an opportunity for the Council to adopt elements of these underlying processes. | | Strengthened compliance within CMT are providing knowledge and information sharing with PMO and Highway Commissioners to share best practice, governance and compliance requirements and conformance to Council CPR and PRC. New process now in place and have been reviewed by SWAP with no concerns identified | | | | | |
| | | | | Completed New process and arrangements in place by CMT to ensure that VFM and compliance to the Contract Procurement Rules are in place prior to any commission through the Public Realm Contract. | | | | | |
| | | | | Completed Review of COSPTD process in progress to identify system requirements. | Review of COSPTD process completed and implemented. | | | | |
| | | | Identify the implications and benefits from the Council having joint access to the Confirm system currently operated by BBLP. | Completed CMT have access to live contract information and can generate reports as required. Early Warning raised on Integrated Works Programme to support this Schedule of Council employees with access to Confirm in place. Confirm management reports used to challenge Contract performance and compliance. | Early Warning issued highlighting council concerns on asset management and record keeping. | | | | |
| | | | Investigate options for the Council to purchase and implement its own Asset Management and Contract Management software packages to identify alternative software solutions to support business as | Completed Early Warning raised by the Council to notify the Contractor of Councils requirements. Confirm engaged to provide training and support to BAU including a council only Confirm module. Short term (current contract) action plan now in progress to address system design and integration to support contract management arrangements. | Councils CMT has access to Contractors live system to support BAU compliance and deliver improved contract management. | | | | |

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| | | | usual requirements and strengthen the contract management arrangements. | Completed Medium Term (FOM) matters will be developed to ensure that appropriate arrangements are in place to support FOM implementation and delivery. | Medium term requirements agreed as part of FOM. | | | | |
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