Crown Commercial Service

LOCAL PARTNERSHIPS

Government Commercial Function

Local Government Association

CONTRACT MANAGEMENT PIONEER PROGRAMME

Handover, Plan and Monitor Guidance

PART OF CONTRACT MANAGEMENT PIONEER PROGRAMME

INTRODUCTION

This guidance has been produced to accompany the templates for contract handover, plan and monitoring. It explains the purpose and approach for the different stages along with the different types of activity required during each phase.

APPROACH IN USING THE TEMPLATES

Proportionality is key when using the templates – the level of detail in the templates and how often they are updated should be proportionate to the value, risk and impact of the contract. Assessing these factors can be supported through contract tiering or segmentation with the results giving guidance on how often a contract should be monitored, its assurance route and its reporting requirements.

Sample tiering and segmentation can be found in tools 6 and 24: CMPP - Contract Management Pioneer Programme - Local Partnerships.

The table below summarises when to complete the templates (with their different elements) and how frequently in relation to the value and risk of a contract – we have used tiering levels of gold (high level/strategic contracts), silver (medium level), and bronze (low level) which will be determined by the individual council.

Suggested completion			
Templates	Gold contracts	Silver contracts	Bronze contracts
Completion of the templates	Mandatory	Mandatory in most cases	Non-mandatory in most cases
Handover	At the start	At the start	Advisory
Handover checklist	At the start	At the start	Required – at the start
Contract management plan	Reviewed quarterly or at change	Reviewed every six months or at change	Annually if used (not mandatory)
Monitoring plan	Quarterly	Half-yearly	Annually if used (not mandatory)
Self-evaluation	Quarterly	Half-yearly	Required annually

Completing the templates is an investment in time, but once completed will be useful later in your contract management process.

Other considerations when using the templates are outlined below.

Used for quick reference: The templates should be helpful in providing a "go to" for information about the contract, drawing-out the key elements that will be needed most frequently and useful links are when more in-depth reference is needed. The completed templates will be helpful to anyone new to a particular contract and will serve as the first reference document for any audit.

Practicality and usefulness: It is important that the templates focus on the essential aspects of running a contract without duplicating the contract documentation itself. Some aspects won't be relevant, and where that is the case, explain why.

Guiding standards: The templates are designed to reflect expected standards in contract management. Checklists and prompts help identify requirements, highlight missing information, and direct where action needs to be taken.

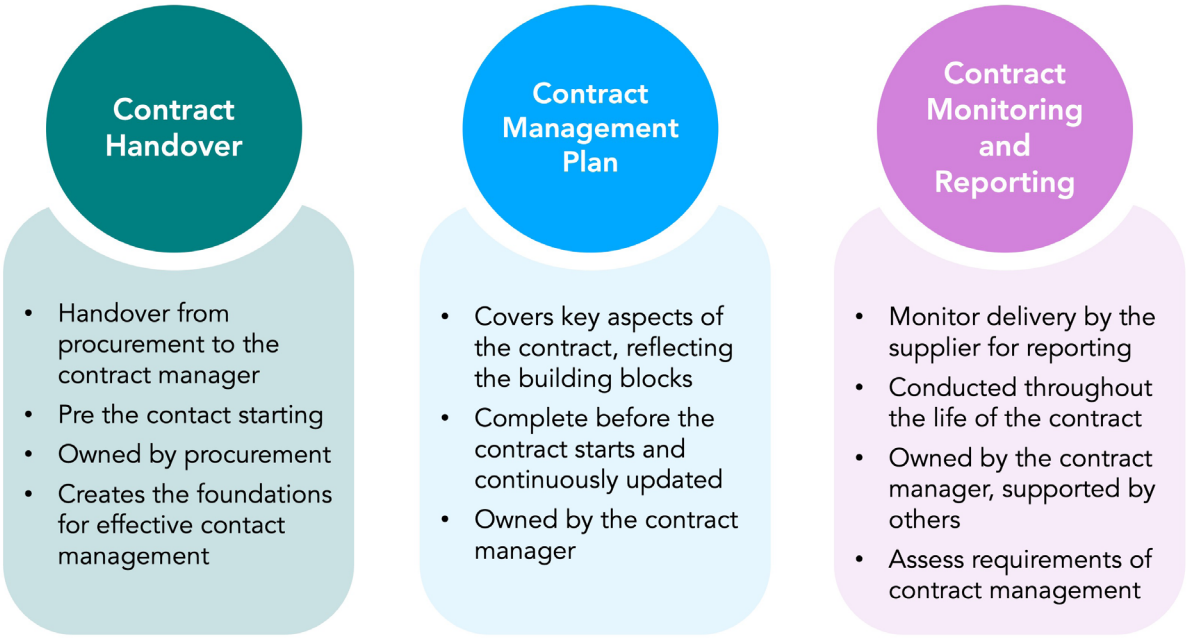
Reducing duplication: The templates are designed as an interrelated set of documents to help avoid duplication of the same information in different places, and reduce the need to "cut and paste" details across multiple platforms.

Automate and digitalisation: Where available and possible integrate the template questions into any software used to manage your contract. This will aid automation, streamlining and easier generation of reports and results. To save duplication of information held elsewhere, the templates use electronic links to other documents held on SharePoint, published information (e.g. decision notices), or in systems – these links need to be maintained and checked that they remain correct and unbroken.

Clarifying roles and support: The templates provide space to identify individuals who have key roles in managing the contract, including those providing support from corporate services. During the course of the contract these might change and therefore need to be updated to ensure the templates remain accurate and relevant.

Recording keeping and living documents: Robust recording is essential, given the potential to receive a challenge to the contract at any stage, along with transparency being part of the driving force for the Procurement Act 2023 and local authority accountability. Therefore, decisions need to be clearly documented, the tracking of supplier performance, recording change requests and actions logged, etc. As well as meeting the transparency requirements, effective documentation also provides evidence that the contract is being proactively managed and an effective audit trail.

A summary of the different stages is illustrated below:



Contract Handover

The handover stage transfers responsibility from procurement to the contract manager. Its purpose is to formalise this transition and capture the key elements of the procurement that will shape contract delivery.

The handover is "owned" by the procurement team, and although it requires an investment of time, a high-quality handover provides the contract manager with a strong foundation and clear understanding of the contract.

An effective handover can maximise all that valuable work during procurement to give the contract the best start possible.

The purpose of handover is to:

- Record the key elements of the procurement that will be useful for future reference in managing the contract
- Check that all procurement activities are fully completed before the contract moves into the management phase

- For the contract manager to be aware of the expectations and required standards for contract management
- Provide easy access to core reference documents, including the business case, decision reports, specification, and bid documentation
- To confirm that all governance and controls are in order, ensuring the proper authority is in place for the contract to continue
- For the contract manager to be confident in the role they will play in managing the contract and supplier relations.

The **activity** for contract handover:

Contract Handover

1. The procurement lead ensures all key elements of procurement are in place, e.g., a signed contract, the contract register updated, and authority to award/start the contract.
2. The procurement lead populates the handover template and arranges a meeting with the contract manager.
3. The procurement lead and contract manager meet to review the key elements of the handover template.
4. The procurement lead and/or contact manager follows-up actions arising from the handover.
5. The contract manager takes responsibility for the supplier set-up on systems, e.g. payments, if not already completed.
6. A final view of the handover template by the procurement lead and contact manager, signed by both parties and the contract SRO.
7. The contract manager sets up the kick-off meeting with the supplier (inviting the procurement lead to highlight key requirements in the contract) and oversees internal and external mobilisation.

CONTRACT MANAGEMENT PLAN

The contract management plan is completed and owned by the contract manager. It serves as their primary "go-to" reference for the key elements of the contract and as a reference point to return to throughout the life of the contract. It is also a valuable resource to share with other stakeholders, ensuring they have a clear understanding of the contract's core requirements and expectations.

While the plan takes time to develop, once in place it provides a strong basis for effective and consistent contract management. It is important to note that the plan should not duplicate the contract, but rather capture key reference points, summarise information,

and provide quick access to other documents via e-links (that are maintained to be up to date).

It is not a one-time document, but to be useful, it needs reviewing and updating, especially when there is a change to the contract.

The **purpose** of the contract management plan is to:

- Provide a concise summary and reference document profiling the contract
- Enable easy access to key information, documents, and useful links for future use
- Clearly articulate the key purpose and objectives of the contract, allowing the contract manager to refer back to the plan if core elements begin to drift
- Record the roles, responsibilities, and accountabilities of individuals involved in managing the contract
- Define how interactions with suppliers will be managed, including expectations for communication, reporting, and performance monitoring
- Act as a live document that is regularly reviewed and updated to ensure information remains accurate and relevant to all parties
- Set out expected tasks and activities in relation to working with the supplier
- Capture key performance measures, including KPIs, social value commitments, milestones and savings, which will directly inform ongoing and future monitoring activity

The **activity** related to the contract management plan:

Contract Management Plan

1. For the contract manager, relevant teams and project boards to read the contract and be aware of the council's requirements for contract management.
2. Re-run tiering if necessary to understand the requirements for contract monitoring, assurance and reporting.
3. Complete the contract management plan, including the relevant reference points or any additional elements such as savings plans, exit plans and stakeholder engagement.
4. Keep key documentation up to date, such as risk registers and continuity plans; and amend the plan during the life of the contract.
5. Day to day operation of the contract, including monitoring delivery, meeting with the supplier, liaising with service users and internal stakeholders.
6. Conduct any change control in accordance with the council/legal requirements; manage any renegotiations, including to achieve savings; and escalate any disputes.
7. Use the council's contract management assurance process to report on the progress of the contract.

CONTRACT MONITORING AND REPORTING

During the life of the contract, monitoring and reporting play a critical role in ensuring successful delivery. The supplier is responsible for meeting the commitments set out in the contract, while the contract manager's role is to provide oversight, assure delivery, and take timely remedial action where performance falls short.

Suppliers should provide regular performance information against the agreed KPIs (Key Performance Indicators) as defined in the specification. In addition, contracts often include wider reporting requirements such as delivery milestones, continuity arrangements, savings achieved, and social value commitments (it is best practice to monitor social value throughout the life of the contract rather than waiting until the end, when focus and engagement from the supplier may have diminished).

Clear expectations should be set with suppliers on how performance information is reported, ensuring it aligns with the council's needs. For example, direct reporting into a shared or online system can reduce duplication of effort and minimise council resources being spent reformatting or re-entering data.

Monitoring and reporting should not focus solely on supplier performance; it should also assess compliance with how the contract is being managed. This assessment should be aligned to a contract management framework (or similar) so that expectations are clear and consistently applied. Where compliance issues are identified, this provides an opportunity to understand underlying causes and identify what additional support or guidance the council may need to provide.

The **purpose** of contract monitoring and reporting is to:

- Provide a structured approach to reporting and engagement with suppliers, including regular meetings appropriate to the contract's tier and risk level
- Ensure the supplier is meeting their contractual obligations, including KPIs, milestones, social value commitments, and wider compliance requirements
- Identify when mitigation or intervention is required to bring the contract back on track, such as improvement plans, contract variations, or dispute resolution
- Generate clear, reliable information that can be summarised for the senior management through directorate line management and/or contract management assurance processes
- Enable completion of self-assessments to confirm the contract is being operated in line with council requirements and relevant legal obligations
- Support an overview of how contracts are managed across the council, with aggregated self-assessment results shared with senior leadership to identify trends and areas where additional support may be required
- Form a robust audit trail demonstrating effective monitoring, governance, and compliance throughout the life of the contract
- Create confidence - knowing regular self-assessment takes place gives confidence that the contracts are being proactively managed even when problems are exposed
- Contribute and report on specific corporate requirements, such as savings plans, risks,

continuity and performance management

- Strengthen accountability, support continuous improvement, and ensure contracts deliver their intended outcomes.

The **activity** related to the contract monitoring and reporting:

	Contract Monitoring and Reporting
1	Regular monitoring meetings held with the supplier supported by robust reports received in advance of meetings.
2	For the contract management to assess performance and commitments against the requirements set out in the contract and agreed through the tender process.
3	Take action as soon as the supplier fails to meet its obligations, involving others such as the SRO, project board, legal services, procurement and potentially the contract management assurance board.
4	Follow the agreed process for change control, improvement plans, formal performance notices or escalations.
5	Report performance on the contract to the relevant parties depending on tiering level, including the annual submissions on the central digital platform for contracts over £5m.
6	Conduct self-assessments during the life of the contract to ensure compliance with the council requirements for contract management, and take action on any gaps in controls.
7	For the senior management to consider the health of contract management across the council based on aggregated self-assessments, to evaluate areas of support and celebrate best practice.