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28 August 2018

Mr Pieter Montyn
Chairman
Performance and Finance Select Committee

Dear Pieter

**Ref. Recommendation by Performance and Finance Select Committee –
Contracts Management TFG**

Thank you for your letter of 25 July 2018 regarding the outcome of the Contracts Management Task and Finish Group (TFG). Your Committee has asked me to approve the TFG's recommendations prior to consideration of my response by the Committee on 5 October 2018. The recommendations were as follows:

- That the new operating model is implemented across the organisation;
- That the TFG reconvenes in 12 months to review how the new model has been embedded and that the improvements to systems have taken place;
- That staff skills and capabilities are recognised as key components to the success of the new structure, particularly in relation to commercial awareness and risk;
- That contract risk needs to be fully understood by all contract managers and systems are in place to escalate risk reporting when necessary;
- That one source of information in relation to basic contracts information, as described in para 2.7 of the report, is developed and made easily accessible;
- That outcome focussed Key Performance Indicators (KPIs) are developed for new and amended contracts in order to measure performance effectively;
- That the standardised and enhanced contract monitoring in terms of performance and financial health should be embedded across all contracts and that staff need to be sufficiently skilled to recognise any issues for resolution early;
- That a new system of member involvement is developed whereby the Business Planning Groups (BPGs) of all the Select Committees review the contract performance information of the County's Top 20 contracts relevant to their responsibilities at least once per year,
- That the Performance and Finance Select Committee should have a more proactive over-arching role in relation to any strategic contract management and performance concerns across the organisation and through referrals from service select committees or BPGs; and
- That the new system for member involvement is reviewed when the TFG reconvenes in twelve months' time.

In principle I welcome and approve the recommendations which will enable members to have a better insight into the contract management process through a reviewing and

monitoring role. It will be important for members to remain strategic in their monitoring and to focus on the future operation of contract management at the County Council. The new system will be introduced over the coming months. It will take time to embed and therefore a review of the new model in a year's time will no doubt be a useful opportunity to measure its success.

Yours sincerely

A handwritten signature in blue ink that reads "Jeremy C. Hunt". The signature is written in a cursive style with a horizontal line underneath the name.

Jeremy Hunt
Cabinet Member for Finance and Resources