

National Procurement Strategy for Local Government in England 2022

Toolkit



Introduction

This toolkit has been developed to support delivery of the National Procurement Strategy for Local Government in England 2022.

The purpose of the toolkit is to help councils, and groups of councils, to set objectives in relation to the maturity levels in each of the key areas of the strategy and to assess their own progress against those objectives.



Showing leadership

| Key area: Engaging councillors | |
|---|--|
| Description | Engaging councillors refers to the engagement of councillors in the leadership and governance of council procurement and commercial activity. This includes both the cabinet or portfolio holders and overview and scrutiny members. To perform their roles effectively councillors benefit from good procurement and commercial advice and skills. |
| Help | |
| <p>What it is: Councillors set the council vision and strategic priorities and must be satisfied that the procurement and commercial arrangements for their delivery are robust. Councillors make key decisions, particularly in major projects, and maintain oversight of the performance of key contracts, agreeing corrective action where necessary. Councillor engagement needs to be supported through training, good procurement and commercial advice and reporting arrangements.</p> <p>Why it is important: When councillors are fully engaged with procurement and commercial matters, the quality of decision-making is better and oversight and accountability are improved. Councillor engagement leads to better project delivery and better outcomes for the local community.</p> | |

| Minimum | Developing | Mature | Leader | Innovator |
|---|--|--|--|--|
| High level principle and specific behaviour | | | | |
| Councillors regard procurement and commercial issues as purely operational matters. | The council is exploring the best approach to councillor engagement in procurement and commercial matters. | Councillor engagement is delivering better results on some projects. | Councillor engagement is delivering better results across all procurement and commercial activity. | Councillor engagement is contributing to the success of a combined authority or group of councils project or another innovative project. |

Key area: Engaging councillors

| Minimum | Developing | Mature | Leader | Innovator |
|---|--|--|--|--|
| Procurement and commercial champions | | | | |
| Councillors recognise the role of procurement and commercial input in delivering the council's vision and strategic priorities. | The council is exploring the best way for councillors to champion procurement and commercial matters. | Procurement and commercial matters are within the portfolio of a cabinet member (or equivalent arrangements). | The portfolio holder (or equivalent) is making a demonstrable impact on council procurement and commercial activities. | The portfolio holder (or equivalent) is making an impact on a combined authority or group of councils project or another innovative project. |
| Reporting | | | | |
| Councillors in executive and overview and scrutiny roles receive reports required for formal decision-making and reviews. | The council is exploring better ways of informing councillors about procurement and commercial activities. | Councillors receive regular briefings and reports, going beyond formal requirements, which highlight the contribution of procurement and commercial matters. | Councillors are performing their roles more effectively due to enhanced reporting arrangements. | Enhanced reporting extends to combined authority or group of councils projects and other innovative projects. |
| Reporting | | | | |
| There is no formal training for councillors on procurement and commercial issues. | Some councillors have attended relevant training courses. | Councillor development programmes include procurement and commercial modules for all participants. Training equips councillors in executive and overview and scrutiny roles to ask the right questions. | Development programmes have resulted in better councillor engagement with procurement and better decisions. | Development equips councillors to play their role in combined authority or group of councils projects or other innovative projects. |

| Key area: Engaging senior managers | |
|---|--|
| Description | Engaging senior managers refers to the corporate management team valuing and benefiting from procurement and commercial input at all stages of decision-making, including early advice on major projects. |
| Help | |
| <p>What it is: Key decision-makers value and benefit from procurement and commercial advice including at the early stages of major projects. This is a two-way process requiring action by senior managers on the one hand and by procurement and commercial advisors on the other.</p> <p>Why it is important: Good procurement and commercial advice (wherever possible, provided in-house or shared between councils) can have a decisive impact on the outcome of a project, particularly one involving innovation. It is important that senior managers engage with procurement and commercial issues from the earliest stages of the project.</p> | |

| Minimum | Developing | Mature | Leader | Innovator |
|---|--|---|---|---|
| High level principle and specific behaviour | | | | |
| Senior management regard procurement and commercial issues as purely operational matters. | The council is exploring the best approach to obtaining procurement and commercial input into decision-making. | Senior managers are engaged with procurement and commercial issues, routinely taking advice at key decision points. | The council is demonstrating better results from early procurement and commercial advice on projects. | Council procurement and commercial advice is valued by leaders of combined authority or group of councils projects or in connection with an innovative project. |

Key area: Engaging senior managers

| Minimum | Developing | Mature | Leader | Innovator |
|--|---|---|---|---|
| Influence and impact | | | | |
| Procurement and commercial input is contributing but the contribution is not visible to senior managers. | Contribution of procurement and commercial has been noted on isolated projects. | Contribution of procurement and commercial input is recognised through representation on corporate management team. | Representation on corporate management team is contributing to better strategic planning, coordination and decision-making. | There is representation on combined authority or group of councils, decision-making bodies or governance structure of an innovative project. |
| Mission and strategy | | | | |
| Obsolete procurement strategy or no procurement strategy. | Procurement strategy being reviewed and refreshed. | The council has approved a procurement strategy aligned to corporate and service strategies. | The council has approved the procurement and commercial mission to harness supplier innovation. | The council is committed to providing procurement and commercial support to the combined authority, or group of councils, approach in order to harness supplier innovation. |

Key area: Engaging senior managers

| Minimum | Developing | Mature | Leader | Innovator |
|--|---|---|---|---|
| Processes | | | | |
| Ad hoc approach to managing projects. | Structured approach but not explicit about role of commercial and procurement advice. | Structured approach to project management clearly defining roles and responsibilities in relation to procurement and commercial advice. | Demonstrably better outcomes from projects due to early procurement and commercial advice. | Early procurement and commercial advice from the council is provided to combined authority, or group of councils, joint projects. |
| Training and development | | | | |
| No formal training for senior managers on procurement and commercial issues. | Some senior managers have attended training courses. | Senior manager development programmes include procurement and commercial modules for all participants. | Development programmes have resulted in better engagement with procurement and commercial functions and better decisions. | Development equips senior managers to engage with procurement and commercial and ensure better decisions in combined authority, or group of councils, projects. |

| Key area: Working with partners | |
|--|---|
| Description | Working with partners refers to a 'one team' approach to the design and implementation of solutions for public services which spans council departments and organisations. |
| Help | |
| <p>What it is: The council works as a single team to design and implement solutions for public services and commissioners or budget holders, and commercial and procurement advisors work together as part of that team.</p> <p>Why it is important: A team approach is the best use of limited resources and can lead to innovative solutions and better results. The team approach should characterise how council departments work together and how the council works with other councils, health, fire, police, housing, voluntary, community and social enterprise (VCSE) and other partners.</p> | |

| Minimum | Developing | Mature | Leader | Innovator |
|--|---|--|---|---|
| High level principle and specific behaviour | | | | |
| There are teams but they work in isolation from commercial and procurement advisers. | The council acknowledges the business case for a cross-council approach to design and implementation of solutions and is seeking to encourage this. | Designing and implementing solutions as a single team in high value or high-risk projects. | Designing and implementing solutions is the council's normal way of working (policy). | Designing and implementing solutions as a combined authority or as a group of councils or with health, fire, police, housing, voluntary, community and social enterprises (VCSEs) and other partners. |

Key area: Working with partners

| Minimum | Developing | Mature | Leader | Innovator |
|---|--|--|--|--|
| Culture | | | | |
| Silo working is not questioned. | The benefits of a change in culture are recognised. Pilots are challenging attitudes and behaviours. | Working as a single team is 'the way we do things here'. | Working as a single team is the norm when the council cooperates with external partners. | Team successes, including significant innovations, reinforce the culture. |
| Governance and processes | | | | |
| Departments generally have their own arrangements and processes. | Lessons are learned from pilot projects for planning and budgeting processes, project management and governance. | The team approach is supported by: <ul style="list-style-type: none"> • corporate and service planning and budgeting processes • a structured approach to project management • effective governance arrangements. | The team approach is supported by: <ul style="list-style-type: none"> • joint planning and budgeting processes • a common approach to project management • strong cross-organisation governance structures. | Peers acknowledge the transformational results being achieved through partnership working (including governance, processes and project management arrangements). |
| Training and development | | | | |
| Training and development programmes do not cover partnership working. | Training programmes are under development. | Training programmes cover 'soft skills' of partnership working as well as council processes. | Training programmes cover 'soft skills' of partnership working and shared processes. | Other public bodies regard the council's approach as exemplary practice and involve council staff in their own training programmes. |

| Key area: Engaging strategic suppliers | |
|--|--|
| Description | Engaging strategic suppliers refers to the process of identifying strategic suppliers and engaging with them to improve performance, reduce cost, mitigate risk and harness innovation. |
| Help | |
| <p>What it is: The council takes a strategic approach to the management of relationships with the most important suppliers (otherwise known as strategic supplier relationship management). This activity should be carried out cross-department and is most effective when done cross-organisation.</p> <p>Why it is important: Effective management of strategic supplier relationships can deliver a range of benefits including improved outcomes for the public, added social value, reduced cost, reduced risk and innovation.</p> | |

| Minimum | Developing | Mature | Leader | Innovator |
|---|---|---|--|---|
| High level principle and specific behaviour | | | | |
| Firefighting. Ad hoc engagement with important suppliers, usually when there is a problem to be resolved. | Acknowledges the business case for improved strategic supplier management and is piloting engagement. | Delivering the programme of engagement with strategic suppliers at council level. | Playing a leading role in programme of engagement with strategic suppliers at combined authority or group of councils level. | Playing a leading role in a programme of engagement with strategic suppliers at regional or national level. |

Key area: Engaging strategic suppliers

| Minimum | Developing | Mature | Leader | Innovator |
|--|--|---|--|--|
| Data collection and analysis | | | | |
| <p>No common basis for departments to collect data and intelligence on suppliers.</p> <p>No system for sharing and analysing departmental data.</p> <p>No agreed definition of a strategic supplier.</p> | <p>The council has partial data and intelligence on its suppliers and is developing criteria, it will use to identify strategic suppliers.</p> | <p>The council routinely collects and analyses data and intelligence on supplier performance, cost, financial status, added social value and risk.</p> <p>Council strategic suppliers are identified according to agreed criteria.</p> <p>Council has visibility of strategic supplier supply chains.</p> | <p>The council shares data and intelligence on performance, cost, financial status, added social value and risk.</p> <p>The council contributes to analysis of data and identification of strategic suppliers at combined authority or group of councils</p> | <p>The council participates in regional or national data and intelligence sharing.</p> <p>Contributes to analysis of data and identification of strategic suppliers at regional or national level.</p> |

Key area: Engaging strategic suppliers

| Minimum | Developing | Mature | Leader | Innovator |
|--|---|---|---|--|
| Engagement of existing strategic suppliers | | | | |
| <p>Roles and responsibilities in relation to strategic suppliers not defined.</p> <p>Engagement (when it happens) is firefighting in response to a crisis.</p> | <p>Toolkits for working with strategic suppliers are assessed for adoption.</p> <p>Piloting engagement with a major supplier.</p> | <p>Roles and responsibilities allocated for monitoring and engaging strategic suppliers.</p> <p>Engagement toolkit adopted.</p> <p>Supply chain risk assessment carried out.</p> <p>Programme of engagement to identify and realise opportunities for cost reduction, performance improvement, added social value and mitigation of risk.</p> <p>Improvement or cost reduction plans in place.</p> <p>Contingency planning where there is significant risk.</p> | <p>Combined authority, or group of councils, provide a lead role for strategic supplier monitoring and engagement.</p> <p>Leading delivery of a programme of engagement with one or more shared strategic suppliers.</p> <p>Undertaking joint risk assessment.</p> <p>Using shared toolkit.</p> <p>Coordinating improvement or cost reduction planning and contingency planning at combined authority or group of councils level.</p> | <p>Regional or national lead role for strategic supplier monitoring and engagement.</p> <p>Leading delivery of a programme of engagement with one or more regional or national strategic suppliers.</p> <p>Regional or national risk assessment.</p> <p>Using regional or national toolkit.</p> <p>Coordinating improvement or cost reduction planning and contingency planning at regional or national level.</p> |

Key area: Engaging strategic suppliers

| Minimum | Developing | Mature | Leader | Innovator |
|---|--|--|---|---|
| Early engagement with future strategic suppliers | | | | |
| Not recognised as important. | Some information on forward plans published. Experience of early market engagement on at least one council project. | Future needs signalled to the market using a variety of channels including publication of pipeline information and engagement events. Normal practice to engage early with bidders on significant projects to encourage innovative solutions. | Combined authority, or group of councils, provide a lead role for market engagement. Leading early engagement for a joint project. | Regional or national lead role for market engagement. Leading early engagement for a regional or national project. |

Behaving commercially

| Key area: Creating commercial opportunities | |
|--|--|
| Description | <p>Creating commercial opportunities refers to how an organisation promotes revenue generation and value creation through the way it plans its major third-party acquisitions (works, services and goods), reviews its business options (make or buy), engages with, and influences, markets and potential suppliers, seeks to support and encourage innovation, and promotes the development of new ideas and solutions to service delivery.</p> <p>Commercialisation is a broad subject, and this key area is confined to how procurement teams should contribute to its successful delivery.</p> |
| Help | |
| <p>What it is: There are many ways in which commercial opportunities can be created through the strategic management of the commercial cycle and the services and assets delivered through the contracts it creates. Commercialisation is a broad and important subject to the sector. This key area is confined to how procurement teams should contribute to helping identify and create commercial opportunities.</p> <p>Why it is important: As grants from central government are reduced, organisations are required to look at other means of reducing funding deficits. Commercial opportunities can be created in many ways, from conventional means such as increasing returns on assets to the way the council engages with its development partners and third-party contractors.</p> | |

| Minimum | Developing | Mature | Leader | Innovator |
|---|---|---|---|--|
| High level principle and specific behaviour | | | | |
| <p>Focused on business as usual and compliance.</p> | <p>Some high value or high profile acquisitions examined for creating commercial opportunities.</p> | <p>Clear understanding of the ways in which new revenue generation opportunities can be created across the commercial cycle.</p> <p>End-to-end policies and processes promoting this approach are in place across the organisation.</p> | <p>Revenue generation and potential wealth creation is a standard part of all contract review meetings.</p> <p>Procurement staff are encouraged to enhance commercial skills and demonstrate commercial behaviours.</p> | <p>Organisations work collectively to identify and exploit new commercial opportunities through market shaping and shared working with development partners.</p> <p>Organisations address commercial opportunity through the development of staff knowledge.</p> |

Key area: Creating commercial opportunities

| Minimum | Developing | Mature | Leader | Innovator |
|---|---|---|--|---|
| Forward planning | | | | |
| Some forward planning is undertaken but with a focus on process compliance. | Forward planning is undertaken in some areas or for some acquisition types. Opportunities to create new revenue streams is sometimes investigated in some departments and for some expenditure categories. | Forward planning is always undertaken across the organisation for all strategic contracts. Opportunities to create new revenue streams is considered by all departments and for all relevant expenditure categories. The procurement team are encouraged to contribute ideas for revenue generation in the forward planning process. | Forward planning for contracts has developed to form an integral part of the organisation's budget setting and expenditure forecasting process. The procurement team can contribute ideas for revenue generation in the forward planning process. | Forward planning for contracts is undertaken across multiple organisations to maximise leverage and commercial attractiveness to the market. |
| Options appraisal (make or buy) | | | | |
| Sometimes undertaken, but only seen as an in-house or outsource decision. | Undertaken for high profile or high value projects and exercises. Evaluation criteria sometimes incorporate commercial and social considerations. | A policy exists, setting out how and when options appraisals must be applied and is used by all departments. Clear guidance on how to identify and evaluate 'make or buy' options, including commercial and social considerations, is in place and widely used. The procurement team is asked to give advice on market and supplier research. | Options appraisals include seeking commercial opportunities or collaborative contracting with others in the sector. New models for service delivery are developed. Procurement is viewed as an integral aspect of options appraisals. | Expanded to include alternative service delivery vehicles, includes creation of new trading companies, seeking commercial opportunities or collaborative contracting with other organisations in the wider public sector. |

Key area: Creating commercial opportunities

| Minimum | Developing | Mature | Leader | Innovator |
|--|--|---|---|---|
| Market and supplier research and analysis | | | | |
| Sometimes undertaken if time permits or there is a political imperative. | Undertaken when a new requirement is sought or where there have been problems on an earlier contract. Research sometimes includes looking for commercial opportunities or gaps in the market. | A policy exists, setting out how and when market and supplier research and analysis must be undertaken and is used by all departments. Clear guidance on how to interpret and apply the findings, including commercial and social considerations, is in place and widely used. Procurement is asked to give advice on market and supplier research. | Outcomes from market and supplier research are used to shape and determine the content and timing of the procurement process used. Outcomes are also used to contribute to the risk management process and options appraisal process. Procurement input is viewed as an integral aspect of market and supplier research and analysis. | Outcomes from market and supplier research are used in collaboration with other organisations in the wider public sector for seeking and exploiting new commercial opportunities. |

Key area: Creating commercial opportunities

| Minimum | Developing | Mature | Leader | Innovator |
|--|---|--|--|--|
| Tendering | | | | |
| Mainly focused on compliance and standard cost and quality ratios. | <p>Focus still on compliance and standard cost and quality ratios but innovation sometimes considered.</p> <p>Tenders are mainly viewed as legal documents but written in plain language.</p> <p>Procurement team is sometimes invited to contribute to the planning phase.</p> | <p>Innovation is seen by the organisation as an important factor in the tendering process and scored at the evaluation stage.</p> <p>Tenders are viewed as needing to have a legal and commercial balance are focused on attracting the best bids.</p> <p>Procurement team is asked to contribute to the planning phase.</p> | <p>Tendering is seen as a commercial process by the organisation.</p> <p>Documentation is prepared to make it attractive to take part and is focused on innovation and opportunities.</p> <p>Procurement is seen as an integral contributor to the planning phase.</p> | Tendering opportunities are focused on innovation and opportunities and done in conjunction with development partners to maximise market attractiveness. |

Key area: Creating commercial opportunities

| Minimum | Developing | Mature | Leader | Innovator |
|---|---|--|---|--|
| Performance reporting | | | | |
| <p>Performance reporting is undertaken but is restricted to savings made.</p> | <p>Performance reporting is undertaken and includes commercial and social benefits achieved as well as savings but restricted to specific procurement exercises and some departments.</p> <p>Summary reports are produced by the procurement function for service heads on an annual basis.</p> | <p>Performance reporting is undertaken and includes commercial and social benefits achieved as well as savings across the whole organisation.</p> <p>Procurement is asked to produce summary reports for chief officers and councillors monthly.</p> | <p>Performance reporting is seen as an integral part of the organisation's culture with reports on commercial and social benefits achieved included in a performance dashboard.</p> <p>An annual report for the leadership team and potential delivery partners covering achievements and aspirations is published by the organisation.</p> <p>Procurement is viewed as an integral aspect of performance reporting and is viewed by the leadership as contributing to commercialism.</p> | <p>Aspirations and performance reporting are shared with other organisations in the sector to maximise potential leverage and influencing capability in markets and with development partners.</p> |

Key area: Creating commercial opportunities

| Minimum | Developing | Mature | Leader | Innovator |
|--|---|---|---|---|
| Post contract review | | | | |
| <p>Occasional post contract reviews are undertaken but restricted to some departments or categories of expenditure.</p> <p>Seen as something that is done after poor contract performance or contract failure.</p> | <p>Post contract reviews are undertaken, by most departments or identified categories of expenditure.</p> <p>Seen as being an integral part of improving outcomes and identifying commercial opportunities.</p> | <p>Post contract reviews are undertaken as part of an organisational policy.</p> <p>Well-defined criteria are published for undertaking post contract reviews including the identification of commercial opportunities.</p> <p>Procurement team is asked to support the post contract review process.</p> | <p>Contract reviews and relationships are seen as a continuous process and involve development partners to ensure commercial and social opportunities are identified and exploited.</p> <p>Procurement is seen as an integral part of the post contract review process.</p> | <p>Contract reviews and relationships are seen as a continuous process and fundamental to improved performance and the creation of new opportunities.</p> <p>Reviews are extended to sector partners so that supplier relationship management can be undertaken in partnership with multiple organisations.</p> |

Key area: Managing contracts and relationships

Description

Contracts and relationship management refers to the effective management and control of all contracts from their planned inception until their completion by the appointed contractor(s). It covers the supporting policies, procedures and systems needed to undertake it, together with broader issues from the identification and minimisation of risk, successful and timely delivery of outcomes and performance, effective control of cost and variations and the maintenance of clear communications and operational relationships with contractors.

Help

What it is: Contract and relationship management is the process by which all contracts and variations are managed effectively to control costs, secure the quality and timeliness of agreed outcomes and performance levels and minimise the occurrence of risks.

Why it is important: Poor contractor performance or commercial failure can seriously damage a council's reputation and its ability to deliver effective services and support to local communities.

| Minimum | Developing | Mature | Leader | Innovator |
|---|---|--|--|--|
| High level principle and specific behaviour | | | | |
| Compliance-driven. Reactive approach to contract and relationship management. | Identified the need to change and improve. Basic policies, procedures and systems in place. | All basic policies, procedures and systems in place to support contract and relationship management across the organisation and used in all departments. | Well-developed policies, procedures and systems in place to support contract and relationship management. Used to drive forward planning, cost control and contractor performance. | Contract and relationship management recognised by the leadership team as being essential to driving ongoing improvement and better service outcomes. Systems, procedures and staff delivering consistently high results. |

Key area: Managing contracts and relationships

| Minimum | Developing | Mature | Leader | Innovator |
|---|---|--|--|--|
| Information storage and accessibility | | | | |
| <p>Basic contracts register on a spreadsheet with limited accessibility.</p> <p>Data held is often incomplete or out of date.</p> | <p>Contracts register exists with some access possible, mainly viewing and searching capability.</p> <p>Data held is incomplete or out of date, but efforts are being made to increase data quality and the percentage of third party spend listed on the register.</p> | <p>Contracts register is dynamic and provided through a purpose-built solution (in-house, external contract and relationship management software or hosted service).</p> <p>Fully visible to the whole council with read, write, edit and search capabilities for all contract owners and managers.</p> <p>Complete data sets for all major third party spend.</p> | <p>Contracts register is dynamic and fully accessible to all who need to use it.</p> <p>Information is always up to date with comprehensive, complete and accurate records on all contracts.</p> <p>Contracts register has action or renewal alerting capabilities for contract owners and managers and in-built learning management capability.</p> | <p>Contracts register is complete and accessible to all appropriate staff and is integrated with the financial system for forward planning, budgeting, asset management and expenditure reporting.</p> <p>Contracts register is used for forward planning and financial modelling.</p> |
| Change control | | | | |
| <p>No change control policy in place except for isolated contracts.</p> | <p>A change control policy exists for capturing the details of any changes or variations made to some contracts.</p> <p>Standard documentation is available and used by some departments.</p> | <p>Change control policy implemented across the board for all contract changes and variations.</p> <p>Standard documentation is available and used in all circumstances across all departments.</p> | <p>All contract changes and variations processed through change control stored on the contracts register.</p> <p>Details shared online with contract managers, owners and contractors.</p> | <p>Details of all contract changes and variations used for calculating impacts on budgets and assessing contractor risk or performance.</p> <p>Cost and time overruns are reported to service heads and leadership team.</p> |

Key area: Managing contracts and relationships

| Minimum | Developing | Mature | Leader | Innovator |
|--|--|---|--|---|
| Supplier financial distress | | | | |
| Recognition of the need for early engagement with suppliers in financial difficulties | Structured approach to early engagement of suppliers in financial difficulties. | Ad hoc inclusion of supplier financial distress clause in contracts. | Standard supplier financial distress clause included in all major contracts for services. | Implementing advanced approach to supplier financial distress extending beyond contract clauses. |
| Savings and benefits delivery | | | | |
| Savings and benefits are delivered from some contracts but not a part of any formal process. | A formal policy is in place for capturing savings and accruing benefits from contracts but is not uniformly implemented. | Savings capture from contracts and benefits realisation is applied uniformly across the organisation and reported to chief officer level. | <p>All contracts regularly reviewed to monitor actual versus planned spend.</p> <p>Opportunities for savings from specification and performance reviews are assessed on an ongoing basis.</p> <p>All benefits and savings claimed in agreed business cases or promised by contractors are managed and accrued to the organisation.</p> | <p>A proactive system is in place in partnership with contractors to review all contracts for potential savings, cost reductions and benefits realisation.</p> <p>Contractors work with the organisation on an ongoing basis to reduce costs and eliminate potential waste.</p> |

Key area: Managing contracts and relationships

| Minimum | Developing | Mature | Leader | Innovator |
|---|---|---|---|---|
| Recognition and cultural acceptance | | | | |
| <p>There is no recognition by the organisation of contract and relationship management.</p> <p>Only job roles which are fully designated to managing contracts are designated as contract manager in their title.</p> | <p>There is recognition by the organisation of contract and relationship management in some departments.</p> <p>Job roles are designated as contract manager or contain specific contract and management activity in their content description in some departments.</p> | <p>Contract and relationship management is recognised by the organisation as being essential to its overall performance.</p> <p>Job roles are designated as contract and relationship manager or contain contract and relationship management activity in their content description as a formal policy.</p> <p>Performance is reviewed with job holders in their annual appraisals.</p> | <p>Regular briefings and meetings are held to brief all staff involved in contract and relationship management on commercial, developments, new initiatives and professional development.</p> | <p>The organisation is a sector exemplar with contract and relationship management firmly rooted in the management culture and can advise other organisations on how to achieve a similar transformation.</p> |

Key area: Managing contracts and relationships

| Minimum | Developing | Mature | Leader | Innovator |
|--|--|--|--|---|
| Skills and knowledge | | | | |
| Staff have limited access to any contract and relationship management skills and knowledge programmes. | Staff have access to general contract management training given as a one-off exercise rather than an ongoing skills enhancement programme. | Contract and relationship management is acknowledged as a core competency across the organisation. Briefings on contract and relationship management are given in all induction and management programmes. Refresher programmes are available to all staff involved in contract and relationship management. | Contract and relationship management is acknowledged as a core competency across the organisation. Staff are invited to undergo advanced or specialist training where contract management accounts for more than 20 per cent of their job role. | Contract and relationship management is recognised as a profession where staff are encouraged and supported to advance their skills in the subject and acquire professional qualifications. |

Key area: Managing strategic risk

Description

Managing strategic risk refers to the impact by an external event, passing of a statute or illegal activity upon business as usual, reputation or financial health of the organisation.

Help

What it is: A series of actions and policies designed to reduce or even eliminate the probability of a perceived risk occurring and minimising the detrimental effects that may occur should it materialise.

Why it is important: The occurrence of any risk, particularly when it could be foreseen, can have a devastating impact on the organisation’s reputation and the lives of the people it serves, the quality of the services that it provides, and even its financial viability.

| Minimum | Developing | Mature | Leader | Innovator |
|---|---|---|--|---|
| High level principle and specific behaviour | | | | |
| Compliance driven. Doing enough to meet statutory requirements. | Good awareness of issues involved and potential threats with basic systems in place to manage them should they occur. | Taking a proactive approach to strategic risk management with all vulnerable areas identified and mitigating policies and plans in place. | All vulnerable areas are assessed and risk strategies include shared ownership, transparency and reporting with appropriate suppliers. | Effective policies and plans in place in all areas, shared with contractors with contingency plans in place and active management of all strategic risks. |

Key area: Managing strategic risk

| Minimum | Developing | Mature | Leader | Innovator |
|--|--|--|--|--|
| Fraud and financial loss | | | | |
| The organisation does not see this as a priority or is not aware, beyond statutory compliance. | Basic systems, controls and reporting are in place to ensure compliance and minimise potential for financial loss from both internal and external sources. | Systems in place to target both financial loss and fraud with a proactive approach to issues such as irregular transactions, duplicate payments, and fake creditors or invoices. | Well-defined systems in place targeting both financial loss and fraud. Active deployment and use of analytical software. Audit teams working closely with all departments to make this a priority. | All internal systems covered and supported by analytical software. Fraud detection checks throughout supply chain. Potential collusion in contracts and market distortion actively investigated. |

Key area: Managing strategic risk

| Minimum | Developing | Mature | Leader | Innovator |
|---|---|--|---|--|
| Supply chain and contractor failure | | | | |
| The organisation does not see this as a priority or is not aware and will react to events. | Aware of the risks and issues involved and attempting to identify where this may occur. | Expenditure categories or contracts where this might occur are identified. A suitable policy developed, and risk register with mitigating actions in place. | Effective policies implemented in collaboration with relevant contractors. | Full picture of all high-risk suppliers and contractors with supply chain vulnerabilities identified. Active management of, and reporting against, high risk suppliers and their supply chains. |
| Modern slavery (legislation) | | | | |
| The organisation does not see this as a priority or is not aware of its obligations and duties. | Aware of the legislation and how it might manifest itself in supply chains. | Expenditure categories and contracts with potential for modern slavery identified. Basic checks made with appropriate contractors. | All contracts where modern slavery might occur are known. Agreed reporting measures and compliance checks agreed and implemented by appropriate contractors. | All appropriate contractors and their supply chains are known with risk of occurrence fully managed. Assisting other organisations to advance. |

Key area: Managing strategic risk

| Minimum | Developing | Mature | Leader | Innovator |
|---|--|--|---|--|
| General Data Protection Regulations (GDPR) | | | | |
| The organisation does not see this as a priority or is not aware, beyond statutory compliance. | Aware of legislation and taking steps to ensure compliance. | Actively identifying and reviewing contracts where data issues could occur. | Pre-defined policy and process in place to identify contracts where data issues will occur reflected in standard terms and conditions. Good engagement with contractors. | Full understanding and visibility of all existing and planned contracts where data issues exist. Contractors fully engaged and contributing to compliance and transparency. |
| External events | | | | |
| No consideration given to the impact of external events on the functioning of the organisation. | Keeping abreast with central government briefings and taking appropriate action. | Monitoring the high value and risk contracts. Gaining visibility and understanding of vulnerabilities in supply chains and labour availability. | Thorough understanding of the possible impact on all high value and risk contracts. Contingency plans in place in the event of contract failure. | Contingency plans in place for all high value and risk projects. Back-up suppliers identified. Fully engaged in discussions on how best to exploit opportunities |

Achieving community benefits

| Key area: Creating social value | |
|---|--|
| Description | Social value refers to wider financial and non-financial impacts of programmes, organisations and interventions, including the wellbeing of individuals and communities, social capital and the environment. From a business perspective it may be summarised as the net social and environmental benefits and value generated by an organisation for society through its corporate and community activities, reported as financial or non-financial performance or both. |
| Help | |
| What it is: Social value is about improving economic, social and environmental wellbeing from public sector contracts over and above the delivery of the services directly required and at no extra cost. | |
| Why it is important: Experience from procurements let by councils that have fully integrated social value requirements has shown that a minimum of +5 per cent to +20 per cent social value (according to sector) can be obtained on contract value by way of direct community benefits. | |

| Minimum | Developing | Mature | Leader | Innovator |
|--|--|--|---|--|
| High level principle and specific behaviour | | | | |
| At the start of the journey. Wants to do more. | Takes a proactive approach to integrating social value into procurement and commissioning. | Social value is consistently embedded into corporate strategy and there is a consistent framework for management and delivery. Demonstrates behaviours for collaboration and partnership-building with communities and potential suppliers. | Social value is a core operational metric, integrated into all departments and activities with regular reporting against targets and decision-making. | Takes a proactive place-based approach to social value and leading the sector within the area or region. |

Key area: Creating social value

| Minimum | Developing | Mature | Leader | Innovator |
|---|--|---|--|--|
| Policy and scope | | | | |
| <p>No specific corporate-wide policy in place.</p> <p>Some departments or directorates apply a local policy for seeking social value in procurements .</p> <p>Social value is applied in an ad-hoc manner with no specific strategy in place.</p> | <p>Has developed and implemented a social value policy.</p> <p>Social value is recognised as a core principle supported by a published social value policy and implementation strategy.</p> <p>Requirements are tailored to reflect size and scope of contracts.</p> | <p>A comprehensive social value policy is published and reviewed on a regular basis.</p> <p>Policy is made easily available on the website for all potential suppliers to view.</p> <p>Social value implementation is underpinned by an overarching social value statement and an action plan which are published and reviewed regularly.</p> <p>Process and policy are in place to identify which contracts should include social value.</p> <p>Key social value policies are used to screen suppliers including coverage of living wage, ethical procurement, and visibility of supply chain adoption.</p> <p>A proactive role with small and medium sized enterprises (SMEs) and VCSEs in the region is undertaken to assist with their understanding of social value and how they can help to deliver regional needs.</p> | <p>Social value requirements are applied to across all areas of the council including allocation of grants, procurements, asset transfers, planning and other departmental projects.</p> <p>A cross sector social value advisory group is in place providing oversight, scrutiny, and challenge.</p> <p>Links are made to planning processes and social value is sought in planning applications and delivered through development and occupation.</p> <p>Specific policies are in place on stakeholder involvement, materiality assessment and valuation.</p> | <p>Leads or takes a prominent role in the local area or region in developing a place-based approach to the seeking and delivery of social value on an area or regional basis</p> <p>Encourages participation and collaborates with health, education and other areas of the public sector to enable a holistic approach to be taken to the delivery of social value across the region.</p> <p>Works with private sector companies in the region to encourage them to seek social value in their own procurements aligned to regional priorities.</p> <p>Policies are applied across all commissioning, procurement and planning.</p> |

Key area: Creating social value

| Minimum | Developing | Mature | Leader | Innovator |
|---|---|---|---|---|
| Measurement: themes, outcomes and measures (TOMs) | | | | |
| <p>Has adopted the national TOMs as a measurement standard.</p> <p>Measuring social value in a very limited way (such as spend with local SMEs).</p> <p>National TOMs are used by some departments in their procurements.</p> | <p>National TOMs have been mapped to meet specific local authority policies.</p> <p>Outcomes are weighted where appropriate to council and local priorities.</p> <p>The 'golden thread' is maintained between TOMs, corporate strategy and the social value policy.</p> | <p>Measures and priorities are adjusted according to stakeholder feedback.</p> <p>National TOMs are available on the website to all suppliers as a part of social value policy.</p> <p>Regular meetings and feedback sessions are held within the organisation to ensure national TOMs set are being used and reflect the needs of the organisation.</p> <p>There is measurement of social value generated across all procurements above a threshold using national TOMs.</p> | <p>Processes are in place to allow local TOMs to be updated on an annual basis according to local community priorities.</p> <p>A cross sector committee is formed to develop and manage the delivery of joined-up social value policies.</p> <p>Cost savings are identified, and results shared to help build financial benefits.</p> <p>National TOMs are developed and adapted to be used in the planning team.</p> | <p>Regional public sector bodies including health, education and emergency services and other stakeholders are consulted in the development of a TOMs set for use regionally.</p> <p>A place-based approach is taken and a common set of TOMs is created which all public sector bodies in the region or area use as a part of their commissioning, procurement and reporting.</p> <p>Regular cross-sector meetings are held to share feedback and benchmarking.</p> <p>Regional reports and metrics are produced on social value delivered and sent to all public sector bodies in the region.</p> <p>The council uses TOMs to measure its own activities within the area.</p> <p>National TOMs are used to measure the benefits of regeneration and local investment.</p> |

Key area: Creating social value

| Minimum | Developing | Mature | Leader | Innovator |
|--|--|--|---|---|
| Commissioning | | | | |
| <p>No organisational focus is given to social value in commissioning activities above the basics.</p> <p>Some commissioners seek social value as part of their requirements.</p> | <p>Attention is given to incorporating social value in larger contracts.</p> | <p>A needs assessment is used to inform the approach to project commissioning.</p> <p>Key projects are commissioned with social value creation at their core.</p> <p>All new contracts above a threshold are assessed before procurement for their potential contribution to social value objectives.</p> <p>Collaboration and partnership building and co-design with stakeholders is undertaken.</p> | <p>A social value outcomes approach is taken to commissioning of all services with cross departmental collaboration.</p> <p>Social value is embedded at all stages through the commissioning cycle and procurement is involved throughout.</p> <p>For user department-led projects social value is embedded within guidance, resources and templates.</p> <p>Regular feedback is provided between commissioning and procurement teams to ensure local TOMs remain relevant to the needs and objectives of the organisation.</p> | <p>Social value is mapped to location of delivery and measured as a part of the evaluation criteria.</p> <p>Outcomes are updated systematically to build on stakeholder feedback.</p> <p>Specific social value commitments are sought from tenders that have been open and transparent to the public and adapted to take account of residents' input.</p> |

Key area: Creating social value

| Minimum | Developing | Mature | Leader | Innovator |
|--|---|---|--|---|
| Procurement | | | | |
| <p>Social value is considered in contracts.</p> <p>Social value is included in quality assessments as part of the quality and price matrix.</p> <p>Non-specific social value questions are asked and are not related to the needs or objectives of the organisation.</p> <p>Minimal weighting is provided to social value.</p> | <p>Social value is included within procurement policies where relevant. All relevant social value policies are made available to suppliers.</p> <p>Social value is included in all tenders over an agreed threshold.</p> <p>National TOMs are adopted for all relevant tenders and consideration is given to contract size and scope to determine the measures to be applied.</p> <p>Social value has a stand-alone weighting of at least 10 per cent within the evaluation criteria.</p> | <p>A weighting system is in place of at least 15 per cent of total score.</p> <p>Social value requirements are included in all tenders over an agreed threshold (including concession contracts and framework agreements).</p> <p>Social value is included within procurement policies, and these are made available to all potential suppliers.</p> <p>Relevant TOMs are published to allow bidders to prepare their approach to social value in advance of tenders being published.</p> | <p>Social value weightings above 15 per cent are used where appropriate, including specific sub-weightings for key council themes or priorities (for example 10 per cent standalone weighting for climate change).</p> <p>Relevant gateways and checks are in place to ensure consistency in seeking social value in tenders.</p> <p>Processes are in place to ensure lessons learnt and feedback is incorporated for continuous practice improvement including policy and toolkit development.</p> <p>Links are provided to community partners that will support the delivery of social value.</p> <p>Specific sector benchmarking is provided with a target percentage of social value expectations.</p> | <p>A place-based approach is taken to procuring social value including cross public sector collaboration and regional TOMs.</p> |

Key area: Creating social value

| Minimum | Developing | Mature | Leader | Innovator |
|--|---|---|---|--|
| Market engagement and partnerships | | | | |
| <p>No market engagement is undertaken.</p> | <p>Initial but ad hoc steps taken in market engagement around social value.</p> | <p>Project specific market engagement is offered and delivered for specific contracts.</p> <p>Supporting documentation is provided to suppliers, alongside periodic general engagement, to support their understanding of social value.</p> <p>Pre-market engagement is undertaken regularly to ensure potential suppliers are conversant with the approach taken to social value by the council.</p> | <p>Regular universal supplier meetings are held to build capacity and to get feedback.</p> <p>Case studies and examples of innovation are provided to illustrate social value.</p> <p>Initiatives are undertaken to build capacity and shape the market with the business community and third sector providers.</p> <p>A market development plan forms part of the policy underpinning commissioning development and action plan.</p> <p>A specific focus on upskilling local SMEs and VCSEs is undertaken.</p> | <p>Specific initiatives are undertaken to begin to build partnerships with business, health, universities and VCSEs.</p> <p>Promotion of B2B and B2Three relationships is undertaken (for larger suppliers and long-term frameworks).</p> <p>Feedback mechanisms are in place including an annual provider satisfaction survey.</p> <p>A cross sector advisory group meets regularly to provide feedback.</p> <p>Regular forums for social value networking and engagement are held.</p> |

Key area: Creating social value

| Minimum | Developing | Mature | Leader | Innovator |
|--|---|---|---|---|
| Contract management and reporting | | | | |
| <p>Contracts are not monitored in any coherent way for social value post award.</p> <p>Limited or informal social value reporting and feedback only.</p> | <p>Specific, targeted social value action plans agreed at commissioning and procurement stage. These are bound into the contract and performance monitored.</p> | <p>Annual feedback to cabinet or scrutiny committee on social value creation.</p> <p>Robust reporting is in place on progress and delivery and published annually.</p> <p>Processes are in place to ensure lessons learnt and feedback is incorporated for continuous practice improvement including benchmarking.</p> <p>Meetings are regularly held with contractors to discuss delivery of social value.</p> | <p>Regular feedback to cabinet or scrutiny committee on social value.</p> <p>Annual reporting includes benchmarking and progress against targets.</p> | <p>Regular feedback to citizens on value creation against targets including performance and evidence through case studies.</p> <p>Innovative ways of communication employed to ensure citizen feedback including provision of data to location and digital communication.</p> <p>Suppliers are asked to produce assured impact reports.</p> <p>Regular feedback to suppliers and citizens through website and a published social value statement.</p> |

Key area: Creating social value

| Minimum | Developing | Mature | Leader | Innovator |
|---|---|---|--|--|
| Governance, accountability and internal management | | | | |
| <p>No visibility of social value at council meetings.</p> <p>Not considered important.</p> <p>No senior officer given a direct reporting responsibility for social value.</p> | <p>Social value is identified in corporate strategy.</p> <p>Social value is recognised as a core principle supported by a published social value policy and implementation strategy.</p> <p>Training is provided to managers on social value.</p> | <p>All relevant documentation is made available on the web site.</p> <p>A councillor has responsibility for oversight of the council social value performance.</p> <p>There is an expectation that all officers take responsibility for managing and delivering social value, with named principal officers responsible for maintaining the approach and reporting to the responsible councillor.</p> <p>There is cabinet level scrutiny of performance with regular reporting as appropriate.</p> <p>Social value is included in plans and business cases and- decisions include consideration as to whether social value will be maximised.</p> | <p>Social value is embedded into commissioning and procurement practice, tools, resources processes, policy and a toolkit that are published.</p> <p>Social value implementation is underpinned by an overarching action plan.</p> <p>Social value is measured and reported on regularly.</p> <p>Relevant officers are provided with social value training and resources to implement the strategy.</p> <p>Staff are supported and trained to be proficient in using social value across the organisation.</p> | <p>The council has set measurable targets and is prepared to be accountable for these targets.</p> <p>A cross sector social value advisory group is in place providing oversight, scrutiny and challenge.</p> <p>Third party verification is provided on reported social value content.</p> <p>Social value is used as a key performance indicator or as part of a balanced scorecard to assess progress at relevant committee or board.</p> |

Key area: Local small and medium enterprises (SMEs) and micro business engagement

Description

The government definition of SMEs is any business with up to 250 employees and a turnover of up to 50m Euros. Micro businesses are those with 1 to 9 employees. There were around 6 million SMEs in the UK in 2021, which equates to 99.9 per cent of the business population. For the purposes of this document the term ‘SME’ shall refer to both SME and micro-businesses.

Help

What it is: SMEs are non-subsiary, independent firms.

Why it is important: SMEs play a major role in creating jobs and generating income for those on low incomes, they help foster economic growth, social stability, are a source of innovation and contribute to the development of a dynamic private sector.

| Minimum | Developing | Mature | Leader | Innovator |
|---|--|--|---|---|
| High level principle and specific behaviour | | | | |
| Council does not see any benefits to be gained from SME engagement. | SME organisations are engaged in a few key contracts only. | There is a proactive approach to integrating SME organisations into procurement and commissioning. | SME engagement is embedded into corporate strategy. | SME engagement is a core operational way of doing business, integrated into all directorates and departments and activities with regular reporting against targets. |

Key area: Local small and medium enterprises (SMEs) and micro business engagement

| Minimum | Developing | Mature | Leader | Innovator |
|---|--|---|--|---|
| Policy and scope | | | | |
| <p>There is no ongoing communication with SMEs regarding local needs, long-term strategies and desired outcomes. SMEs are unaware of their role in responding to such needs.</p> <p>Services are commissioned without thought about engagement of SMEs in the local area.</p> | <p>Commissioners have started to communicate what local needs are and the desired market outcomes.</p> <p>No policy or strategy is in place for addressing SME requirements.</p> | <p>Commissioners have informed SMEs what local needs there are and the desired market outcomes.</p> <p>SMEs are encouraged to collaborate with larger organisations to respond to local requirements.</p> | <p>Commissioners engage regularly with SMEs, both on an individual basis and collectively to achieve desired market outcomes.</p> <p>Support is provided to SMEs to understand how to respond to Council requirements.</p> <p>A full policy or strategy is in place to direct the organisation's engagement.</p> | <p>Commissioners have clearly set out how SMEs should deliver, and to what standards.</p> <p>SMEs can collaborate with other organisations to effectively respond to local needs and meet desired outcomes.</p> <p>Commissioners work with economic development and procurement colleagues and have established how SMEs can be engaged both directly and through first tier suppliers.</p> <p>A senior responsible officer has oversight for SME strategy and policy delivery.</p> |

Key area: Local small and medium enterprises (SMEs) and micro business engagement

| Minimum | Developing | Mature | Leader | Innovator |
|--|--|--|---|--|
| Facilitating good relationships with SMEs | | | | |
| <p>Fostering good relationships with SMEs is not deemed to be important.</p> | <p>Relationships between SMEs and other providers are not facilitated. It is not considered to be an area where intervention is needed or appropriate. As a result of this, there is an absence of consortia and networking in the locality.</p> | <p>There is acknowledgment of the convening role that commissioners can have and what the benefit of facilitated relationships between SMEs and other providers could bring. They have started to make some efforts to bring these parties together.</p> | <p>There is responsive willingness to facilitate relationships between SMEs and certain larger providers. Some of the benefits of this are being realised.</p> <p>SMEs have formed some partnerships with larger providers.</p> | <p>Commissioners proactively facilitate, and nurture, relationships between SMEs and a broad range of providers.</p> <p>In turn, SMEs have created their own networks, and consortia with other providers.</p> |

Key area: Local small and medium enterprises (SMEs) and micro business engagement

| Minimum | Developing | Mature | Leader | Innovator |
|--|---|--|---|--|
| Commissioning | | | | |
| <p>There is little knowledge of the local expertise that SMEs can bring to public services. SMEs are not integrated into the wider service provision.</p> <p>There is no SME engagement throughout the commissioning process. There are no established communication channels or designated engagement events for SMEs.</p> <p>There is no partnership working or ongoing relationships.</p> | <p>There is some knowledge of how SMEs' local expertise can add value and attempts are made to integrate them into the wider service provision.</p> <p>A limited number of SMEs are invited to contribute to the commissioning process. There are some general engagement events and communication channels that they can feed into, but response is low.</p> <p>There is interest in SME partnership working but no lasting relationship has been established.</p> | <p>There is good knowledge of how SMEs' local expertise can add value and attempts are made to integrate them into the wider service provision.</p> <p>SME representatives are invited to contribute to the commissioning process. There are some general engagement events and communication channels.</p> <p>There is interest in SME partnership working.</p> | <p>There is strong knowledge of the value SMEs bring in providing niche, localised services and actively integrate them into their service provision.</p> <p>A wide variety of relevant SMEs are proactively invited to contribute to the commissioning process. There are some designated voluntary sector engagement events and specified communication channels.</p> <p>Efforts are made to establish continuous partnership working with SME organisations.</p> | <p>SMEs' ability to provide niche, localised and innovative services is being celebrated and drawn upon routinely. Their broad community outreach is actively integrated into service provision.</p> <p>SMEs have regular and significant opportunities to feed into public service design through a host of designated market engagement events and communication channels.</p> <p>Relationships with SME organisations are strong and optimal for partnership working.</p> |

Key area: Local small and medium enterprises (SMEs) and micro business engagement

| Minimum | Developing | Mature | Leader | Innovator |
|--|--|--|--|--|
| Market engagement and partnerships | | | | |
| <p>SMEs are not seen as important and there is no attempt to engage with them.</p> | <p>There is knowledge of the SME landscape and the value they could bring to public services, but this is unevenly distributed across council departments.</p> <p>There is no point of contact for SMEs. They are assumed to understand the commissioning process and how to participate.</p> <p>Communication materials rely on jargon and no dedicated support exists to make processes more accessible to SMEs.</p> | <p>SMEs are seen as part of a diverse supply chain, but they are not seen as a provider with a particularly unique value.</p> <p>Efforts are made to establish a lead contact for SMEs to help upskill SMEs to participate in procurement.</p> <p>There is awareness of SMEs' need for support to effectively contribute to the commissioning process.</p> <p>Efforts are made to clarify jargon and facilitate SME input and participation, but SMEs are often unable to effectively feed in.</p> | <p>Good understanding of the local SME landscape and their value exists.</p> <p>There is a lead commissioning contact who takes some responsibility for facilitating SMEs' input into the commissioning process.</p> <p>A conscious effort is made to clarify language and procedures related to the commissioning process. SMEs are fully aware of ways to feed in.</p> | <p>There is strong understanding of the SME sector and the social and financial value they bring to the local area.</p> <p>There is a designated contact who proactively facilitates SMEs' input into the commissioning process.</p> <p>A variety of support is available to help SMEs understand the ways in which they can contribute to design or apply to deliver public services. Clear language is used, without jargon.</p> |

Key area: Local small and medium enterprises (SMEs) and micro business engagement

| Minimum | Developing | Mature | Leader | Innovator |
|---|--|--|--|---|
| Procurement | | | | |
| <p>There is little to no understanding of the capacity and capability of SMEs, and processes and procedures are not adapted to their capability. This excludes SMEs from commissioning and procurement processes.</p> | <p>There is a prescriptive procedure for all procurement exercises and little awareness of how SMEs might engage.</p> <p>There is engagement with a limited number of SMEs ahead of notices of tenders being published. However, there is little or no understanding of the capacity or capability of SMEs and processes are not adapted to their needs.</p> <p>Dynamic purchasing systems (DPS) are implemented by some in the council.</p> | <p>There is engagement with SMEs ahead of publishing a notice of tender.</p> <p>There is an attempt to better understand the capacity and capability of SMEs and adapt procurement processes to reflect this.</p> <p>DPS is used regularly and enables SMEs to bid for services.</p> <p>Tenders are broken down into lots to make contracts more attractive to SMEs.</p> | <p>Processes have been adapted to ensure that SMEs are fully engaged from the outset.</p> <p>There is proactive engagement with SMEs and relevant infrastructure bodies ahead of publishing a notice to tender. This gives SMEs sufficient time to galvanise resources to bid for the service.</p> <p>There is a good understanding of the capacity and capability of SMEs. Where appropriate, after evaluating service specifications and contract sizes, processes are adapted to reflect this capability.</p> | <p>Procurement procedures are flexible according to the size of contract and supplier market. Prescriptive measures are only used when necessary, according to law or regulations. SMEs are fully able to respond to the process.</p> <p>SMEs have had the opportunity to contribute to the service specification ahead of a notice to tender being published via a variety of communication channels. SMEs have had a significant amount of time to galvanise resources to put together a bid and shape the service.</p> <p>Commissioners and procurers have a strong understanding of the capacity and capability of SMEs and adapt their processes, when appropriate to the service specification and contract size, to reflect this capability.</p> |

Key area: Local small and medium enterprises (SMEs) and micro business engagement

| Minimum | Developing | Mature | Leader | Innovator |
|--|--|--|---|--|
| Contract management | | | | |
| <p>Contract management is generally poorly undertaken in the council and no consideration of SMEs given.</p> | <p>Some parts of the council manage contracts with SMEs, but this is not consistent.</p> <p>Contract management only relates to the prime contractor. There is no expectation on how subcontracting relationships with smaller SMEs should be conducted.</p> | <p>Contract management processes assess how prime contractors have engaged with SMEs in their supply chains.</p> <p>Contracts with SMEs are monitored, and regular feedback provided.</p> <p>Prime contractor payment terms in supply chains are monitored to ensure compliance.</p> | <p>Contract management processes encourage proactive engagement with SMEs in prime contractor supply chains.</p> <p>Regular meetings occur with SMEs that have council contracts where they are provided with feedback to enable them to improve and apply for other work.</p> <p>Whistleblowing procedures are in place to enable SMEs in supply chains to highlight poor treatment by prime contractors.</p> <p>There is full monitoring of prime contractor supply chains.</p> | <p>Contract management processes require full monitoring of the performance of prime contractors to ensure they treat SMEs fairly (such as through prompt payments and not passing on risks) and obtain SME views when evaluating prime contractor performance.</p> <p>Assistance is given to SMEs in supply chains to improve their performance and help them apply for other work.</p> <p>SMEs that have council contracts are given proactive assistance with issues that they may have and to enable them to grow.</p> |

Key area: Local small and medium enterprises (SMEs) and micro business engagement

| Minimum | Developing | Mature | Leader | Innovator |
|--|---|--|---|--|
| Governance, accountability and reporting | | | | |
| <p>No reporting on SME engagement takes place.</p> | <p>Some analysis of SME spend is captured but no actions are taken based on the information gathered.</p> | <p>SME spend is captured and analysed to determine how engagement might be improved. A principal officer has been given responsibility for improving engagement.</p> | <p>Targets are set for expenditure on SMEs, and these are monitored and reported on at officer level boards.</p> <p>Performance on engagement with SMEs by the council is reported to scrutiny committee on a regular basis.</p> <p>Prime contractors are required to provide data on payment times to SMEs in supply chains and this information is reported to councillors.</p> <p>A balanced scorecard is used to assess the council's use of SMEs and treatment in their supply chains.</p> | <p>Use of SMEs is fully monitored and measured with an analysis by SME type and expenditure by ward.</p> <p>A portfolio holder has been appointed to lead on SME engagement and meets with representatives on a regular basis.</p> |

Key area: Enabling voluntary, community and social enterprise (VCSE) engagement

Description VCSE refers to organisations that include small local community and voluntary groups, registered charities both large and small, foundations, trusts and social enterprises and cooperatives. These are often also referred to as third sector organisations or civil society organisations.

Help

What it is: The VCSE sector is diverse in size, scope, staffing and funding of organisations. It provides a broad range of services to many different client groups. However, VCSE sector organisations share common characteristics in the social, environmental, or cultural objectives they pursue, their independence from government and the reinvestment of surpluses for those objectives.

Why it is important: VCSE organisations can play a critical and integral role in health and social care including as providers of services, advocates and representing the voice of service users, patients and carers.

| Minimum | Developing | Mature | Leader | Innovator |
|--|---|--|--|---|
| High level principle and specific behaviour | | | | |
| <p>Organisation does not see any benefits to be gained from VCSE engagement.</p> | <p>There is no ongoing communication with the market regarding local need, long-term strategies and desired outcomes.</p> <p>Small VCSEs are unaware of their role in responding to such needs.</p> <p>Services are commissioned to address current needs and have little or no focus on prevention and long-term needs of the community.</p> <p>VCSEs are not invited to inform service provision.</p> | <p>Commissioners and procurers have started to communicate to the market what the local need is, and the desired market outcomes.</p> <p>However, small VCSEs remain unaware of their place in the market.</p> <p>Short-term needs are a priority but there is some effort to bring in small VCSEs and to consider long-term and preventative needs.</p> | <p>Commissioners and procurers have informed the market what the local need is and the desired market outcomes. Small VCSEs can make efforts to collaborate with organisations to respond to local need.</p> <p>There is a good balance between addressing short-term needs and working with small VCSEs to establish the long-term priorities and needs of the community.</p> | <p>Commissioners and procurers have clearly set out how the market should deliver, and to what standards. Small VCSEs can collaborate with other organisations to effectively respond to local needs and meet desired outcomes.</p> <p>Services incorporate VCSE expertise on prevention and long-term needs while also providing relevant crisis services.</p> |

Key area: Enabling voluntary, community and social enterprise (VCSE) engagement

| Minimum | Developing | Mature | Leader | Innovator |
|--|---|---|--|---|
| Policy and scope | | | | |
| <p>The organisation has no policy in place for VCSE engagement and does not see any benefit from doing so.</p> | <p>There is no ongoing communication with the market regarding local need, long-term strategies and desired outcomes.</p> <p>Small VCSEs are unaware of their role in responding to such needs.</p> <p>Services are commissioned to address current needs and have little or no focus on prevention and long-term needs of the community.</p> <p>VCSEs are not invited to inform service provision.</p> | <p>Commissioners and procurers have started to communicate to the market what the local need is, and the desired market outcomes. However, small VCSEs remain unaware of their place in the market.</p> <p>Short-term needs are a priority but there is some effort to bring in small VCSEs and to consider long-term and preventative needs.</p> | <p>Commissioners and procurers have informed the market what the local need is and the desired market outcomes. Small VCSEs can make efforts to collaborate with organisations to respond to local need.</p> <p>There is a good balance between addressing short-term needs and working with small VCSEs to establish the long-term priorities and needs of the community.</p> | <p>Commissioners and procurers have clearly set out how the market should deliver, and to what standards. Small VCSEs can collaborate with other organisations to effectively respond to local needs and meet desired outcomes.</p> <p>Services incorporate VCSE expertise on prevention and long-term needs while also providing relevant crisis services.</p> |

Key area: Enabling voluntary, community and social enterprise (VCSE) engagement

| Minimum | Developing | Mature | Leader | Innovator |
|---|--|--|---|--|
| Facilitating good relationships with VCSEs | | | | |
| The organisation does not see any benefit from engaging with VCSE organisations. | Relationships between small VCSEs and other providers are not facilitated. It is not considered to be an area where intervention is needed or appropriate. As a result of this, there is an absence of consortia and networking in the locality. | There is some acknowledgment for the convening role that commissioners or procurers can have and what the benefit of facilitated relationships between small VCSEs and other providers could bring. Procurers and commissioners have started to make some efforts to bring these parties together. VCSE ‘umbrella’ organisations are used as a go-between where they exist. | There is responsive willingness to facilitate relationships between small VCSEs and certain larger providers. Some of the benefits of this are being realised. As a result of this, small VCSEs have formed some partnerships with larger providers via VCSE umbrella organisations where they exist. | Commissioners or procurers proactively facilitate, and nurture, relationships between small VCSEs and a broad range of providers through local umbrella organisations where they exist. In turn, small VCSEs have created their own networks and consortia with other providers. |
| Measurement | | | | |
| There is no measurement of VCSE usage or impact, and it is not seen as important. | There is little time given to the strategic evaluation and impact measurement of services. The perspective of small VCSEs and users is not sought. | Commissioners have recognised the value in employing small VCSEs to reach users, where they could seek insightful service feedback, but have yet to engage them in the process. | Commissioners or procurers often ask small VCSEs to aid them in the user feedback process, recognising their expertise in this area. | Commissioners or procurers work closely with small VCSEs to seek extensive user feedback in order to review the effectiveness of their service in meeting local need. |

Key area: Enabling voluntary, community and social enterprise (VCSE) engagement

| Minimum | Developing | Mature | Leader | Innovator |
|---|---|---|--|--|
| Commissioning | | | | |
| <p>There is no knowledge of VCSE organisations in the local area, nor their capabilities.</p> | <p>There is no or little knowledge of the local expertise that small VCSEs can bring to public services and their ability to reach more marginalised parts of the community. Small VCSEs are not integrated into the wider service provision.</p> <p>There is minimal VCSE engagement throughout the commissioning process. There are no established communication channels or designated engagement events for small VCSEs.</p> <p>There is no partnership working or ongoing relationships.</p> | <p>There is some knowledge of how VCSEs' local expertise and community outreach can add value and attempts are made to integrate them into the wider service provision.</p> <p>A limited number of small VCSEs are invited to contribute to the commissioning process. There are some general engagement events and communication channels that they can feed into, but response is low.</p> <p>There is interest in VCSE partnership working but no lasting relationship has been established.</p> | <p>There is strong knowledge of the value small VCSEs bring in providing niche, localised services; they often draw upon their broad community outreach and actively integrate them into their service provision.</p> <p>A variety of relevant small VCSEs are proactively invited to contribute to co-design in the commissioning process. There are designated voluntary sector engagement events and specified communication channels.</p> <p>Efforts are made to establish continuous partnership working with VCSE organisations.</p> | <p>VCSE's ability to provide niche, localised services is being celebrated and drawn upon routinely. Their broad community outreach is actively integrated into service provision.</p> <p>Small VCSEs have regular and significant opportunities to feed into public service design through a host of designated market engagement events and communication channels.</p> <p>Relationships with VCSE organisations are strong and optimal for partnership working.</p> |

Key area: Enabling voluntary, community and social enterprise (VCSE) engagement

| Minimum | Developing | Mature | Leader | Innovator |
|--|--|--|---|--|
| Market engagement and partnerships | | | | |
| <p>No engagement takes place between the council and VCSE organisations.</p> | <p>There is little knowledge of the small VCSE landscape and the value they could bring to public services.</p> <p>There is no particular point of contact for small VCSEs. They are assumed to understand the commissioning process and how to participate.</p> <p>Communication materials rely on jargon and no dedicated support exists to make processes more accessible to small VCSEs.</p> | <p>Small VCSEs are seen as part of a diverse supply chain but they are not seen as a provider with a particularly unique value.</p> <p>Efforts are made to establish a lead contact for small VCSEs with the view to upskilling VCSEs to participate in procurement.</p> <p>There is some awareness of small VCSE need for support to effectively contribute to the commissioning process. Some efforts are made to reduce jargon and facilitate VCSE input and participation.</p> | <p>Good understanding of the local small VCSE landscape and their value exists.</p> <p>There is a lead commissioning contact who takes some responsibility for facilitating small VCSEs' input into the commissioning process.</p> <p>A conscious effort is made to clarify language and procedures related to the commissioning process.</p> | <p>There is strong understanding of the local voluntary sector and the social and financial value they bring.</p> <p>There is a designated contact who proactively facilitates small VCSEs' input into the commissioning process.</p> <p>A variety of support is available to help small VCSEs understand the ways in which they can contribute to design or apply to deliver public services. Clear language is used, without jargon.</p> |

Key area: Enabling voluntary, community and social enterprise (VCSE) engagement

| Minimum | Developing | Mature | Leader | Innovator |
|--|---|--|--|--|
| Procurement | | | | |
| <p>VCSE organisations are not considered at any time in procurement processes.</p> | <p>There is a prescriptive procedure for all procurement exercises.</p> <p>There is little to no prior engagement specifically aimed at small VCSEs ahead of notices of tenders being published. This is a major barrier in their ability to submit a bid in time.</p> <p>There is little to no understanding of the capacity and capability of small VCSEs, and processes are not adapted to their capability. This excludes small VCSEs from the commissioning process.</p> | <p>There is some consideration of whether a prescriptive procedure is needed for procurement exercises.</p> <p>There is some prior engagement with a limited number of small VCSEs ahead of publishing a notice of tender. However, small VCSEs often remain unable respond in time.</p> <p>There is an attempt to better understand the capacity and capability of small VCSEs and adapt procurement processes to reflect this. However, this has not yet enabled small VCSEs to better participate in the commissioning process.</p> | <p>There are attempts to adapt processes to ensure that small VCSEs are fully engaged.</p> <p>There is proactive engagement with small VCSEs and relevant infrastructure bodies ahead of publishing a notice to tender. This gives small VCSEs sufficient time to galvanise resources to put together a bid and shape the service.</p> <p>There is some understanding of the capacity and capability of small VCSEs. In certain cases, after evaluating service specifications and contract sizes, processes are adapted to reflect this capability.</p> | <p>Procurement procedures are flexible according to the size of contract and supplier market. Prescriptive measures are only used when necessary, according to law or regulations. Small VCSEs are fully able to respond to the process.</p> <p>Small VCSEs have had the opportunity to contribute to the service specification ahead of a notice to tender being published via a variety of communication channels. Small VCSEs have had a significant amount of time to galvanise resources to put together a bid and shape the service.</p> <p>Commissioners or procurers have a strong understanding of the capacity and capability of small VCSEs and adapt their processes to the service specification and contract size, to reflect this capability.</p> |

Key area: Enabling voluntary, community and social enterprise (VCSE) engagement

| Minimum | Developing | Mature | Leader | Innovator |
|--|---|---|--|---|
| Contract management | | | | |
| <p>Contract management not undertaken.</p> | <p>Some contract management but this is not consistent across the organisation</p> <p>Contract management structures only relate to the prime contractor. There is no consideration on how subcontracting relationships with smaller VCSEs should be conducted.</p> | <p>Contract management structures consider how prime contractors should engage and manage their sub-contracts with smaller VCSEs yet to be set.</p> | <p>Prime contractor relationships with VCSE organisations in their supply chain are taken into consideration when evaluating the large providers' contract performance.</p> <p>Whistleblowing procedures are in place to enable VCSEs in supply chains to highlight poor treatment by prime contractors.</p> | <p>Contract management structures fully monitor the performance of prime contractors to ensure they fairly treat VCSEs in their supply chains (such as through prompt payments, not passing on risks) and obtain VCSE organisations' views when evaluating prime providers' contract performance.</p> |

Key area: Enabling voluntary, community and social enterprise (VCSE) engagement

| Minimum | Developing | Mature | Leader | Innovator |
|---|---|--|---|---|
| Governance, accountability and reporting | | | | |
| <p>No reporting on VCSE engagement takes place.</p> | <p>Some analysis of VCSE spend through procurement activity is captured but no actions are taken based on the information gathered.</p> | <p>VCSE spend through procurement activity is captured and analysed to determine how engagement might be improved. A principal officer has been given responsibility for improving engagement.</p> | <p>Targets are set for expenditure on VCSEs, and these are monitored and reported on at officer level boards. These include spend on VCSE organisations by prime contractors.</p> <p>Performance on engagement with VCSEs by the council is reported to scrutiny committee on a regular basis.</p> <p>A balanced scorecard is used to assess a council's use of VCSEs and treatment in supply chains.</p> | <p>Use of VCSEs is fully monitored and measured with an analysis by VCSE type and expenditure by ward.</p> <p>A portfolio holder has been appointed to lead on VCSE engagement and meets with representatives on a regular basis.</p> <p>Prime contractors required to provide data on payment times to VCSEs in supply chains and this information is reported to councillors.</p> |

Enablers

| Adding value | |
|---------------------|---|
| Description | <p>Procurement has a key role in adding value in council spend.</p> <p>We need to work proactively to understand emerging issues and learn how to manage them, we need to understand and mitigate against risks. We need to demonstrate the value we add to our colleagues and partners, sharing data and good practice to move from good to great.</p> <p>This goes beyond making monetary savings, implementing category management, contract management, adding social value and ensuring value for money. As well as ensuring that these building blocks are in place, the sector needs to work openly, closely and rapidly with partners including the wider public sector, central government and key suppliers to seek out and realise all opportunities for adding value through the procurement process.</p> |

| Minimum | Developing | Mature | Leader | Innovator |
|---|--|---|---|--|
| The organisation implements value for money considerations through competitive procurement procedures and implementation. | The organisation is developing value considerations through category management, savings and demand management, risk and fraud management, performance and transparency, partnering and collaboration. | The organisation has clear policies in place to increase value through the procurement process. | The organisation works across councils on adding value initiatives including good practice on emerging issues, risk management, rapid data sharing including price data, talent development in commercial skills and managing contracts to gain benefits. | The organisation embraces developments and initiatives across councils, across the wider public sector, including central government, and with strategic suppliers. These initiatives include good practice on emerging issues, risk management, rapid data sharing including price data, talent development in commercial skills and managing contracts to gain benefits. |

| Developing talent | |
|--------------------------|---|
| Description | <p>Talent management, recruitment and retention which are key building blocks to an excellent procurement function.</p> <p>Developing talent includes professionalisation of council procurement talent, addressing recruitment and retention of procurement talent and developing agile procurement talent that can address commercial challenges and innovation in the procurement role.</p> <p>Developing talent underpins councils' ability to address issues and particularly issues of value.</p> |

| Minimum | Developing | Mature | Leader | Innovator |
|---|---|--|---|---|
| Identifies some procurement roles and responsibilities in job descriptions. | Recruits staff with appropriate experience or professional qualifications and responds to ad hoc requests for training and development. | Service plan includes support for staff to obtain professional qualifications and for apprenticeships. | <p>Planned approach to talent development in relation to future procurement and contract management workload including:</p> <ul style="list-style-type: none"> • contracts pipeline • resourcing plan • competency framework • remuneration strategy • comprehensive training and development plan, including provision for development of staff not currently in procurement or contract management roles. • secondments to and from the private sector and VCSE sector. | <p>The planned approach to talent development is in place at combined authority, or group of councils, level.</p> <p>Talent development includes commercial skills development.</p> |

Exploiting digital technology

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|--------------------|--|
| Description | Rapid use of data is critical for understanding how to manage procurements and contracts. Increasing data and transparency data is available, along with artificial intelligence, and making good use of this will be key to managing the pressures on councils. |
|--------------------|--|

| Minimum | Developing | Mature | Leader | Innovator |
|---|---|--|---|--|
| <p>Basic purchase ordering functionality for some products or services using finance or operational systems.</p> <p>Limited procurement and contract management information available via static sources.</p> | <p>Use of an integrated Procure to Pay (P2P) system in conjunction with online ordering for all services or products.</p> <p>May include some human intervention and paper trails.</p> <p>Some procurement and contract management Information available online to all stakeholders with appropriate search and filtering.</p> <p>Use of electronic tendering and quotations system for some tenders or quotes (either as a dedicated system or tender box rental).</p> | <p>Use of an integrated Procure to Pay (P2P) system in conjunction with online ordering for all services or products fully automated and paperless, with human intervention being restricted to exceptions only.</p> <p>Comprehensive procurement and contract management information available online to all stakeholders with appropriate search and filtering.</p> <p>Use of electronic tendering and quotations system for all tenders or quotes (either as a dedicated system or tender box rental).</p> <p>Access and interaction to all the above possible from any electronic mobile device.</p> | <p>Access to a Procure to Pay (P2P) system via secure mobile application, promoting a self-service approach for suppliers (access should include online viewing of payment records or status and the ability to auto convert orders to invoices).</p> <p>Technology used to forward plan all strategic acquisitions and to underpin sourcing and procurement decision-making.</p> <p>Performance monitoring and communications underpinned by dashboards and diagnostics.</p> | <p>Mobile applications designed for supplier and contractor interactions including future opportunity alerts, contract management, contractor performance ratings and procurement satisfaction levels.</p> <p>Shared systems and information with delivery partners (including voluntary sector or local businesses) and other councils and citizens.</p> <p>Knowledge management, accessing paper and electronic sources to build comprehensive intelligence about contracts, markets and trends.</p> <p>Sharing data rapidly across councils, wider public sector and with key suppliers to implement commercial approaches.</p> |

Enabling innovation

| | |
|--------------------|--|
| Description | The procurement rules reform will provide more opportunity to innovate in procurement and flexible procedures. Making use of these opportunities is key. |
|--------------------|--|

| Minimum | Developing | Mature | Leader | Innovator |
|--|---|--|--|--|
| Ability to capture and harness procurement innovation in organisation is non-existent. | Innovation only considered in a few contracts where technology is involved. | Outcomes based on procurement and market making are the 'standard' way of doing things. Innovative procurement approaches are not just applied to technology but to established services. | Innovation in procurement and contract management is mainstreamed. Procurement techniques such as innovation partnerships and pre-commercial procurements are used regularly. | All contracts reviewed to identify new service delivery and income generation models. Procurement challenges and innovative potential solutions shared across councils and regions. Procurement rules reform opportunities are embraced. |

| Embedding change | | | | |
|--|--|---|---|--|
| Description | Procurement has a key role within councils and across the wider public sector and needs to sit at the top table to ensure commercial considerations run through the council decision-making. | | | |
| Minimum | Developing | Mature | Leader | Innovator |
| Success depends on individuals, not organisational engagement. | New approaches and ideas are applied in isolated procurement processes. | Procurement change is comprehensively applied across multiple projects and departments. | Senior leaders recognise the importance of procurement and contract management and promote it as a way of leading and managing organisational change. | Procurement and contract management are key drivers of organisational change and are embedded at all levels in the organisation. Lessons learned are shared with other organisations at regional and national levels. |



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