

## Dacorum Borough Council - LGA National Procurement Strategy 2018

(submitted on 18th October 2018)



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- VCSE relationships
- VCSE engagement measurement

- Commissioning with VCSEs
- VCSE market engagement
- Procurement with VCSEs
- Contract management with VCSEs
- Governance of VCSE engagement

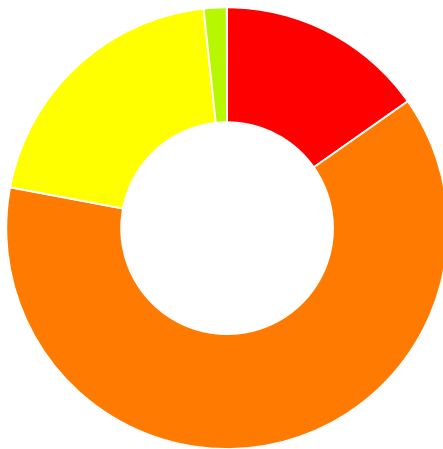
#### **Enablers**

- Developing talent
- Exploring digital technology
- Enabling innovation
- Embedding change

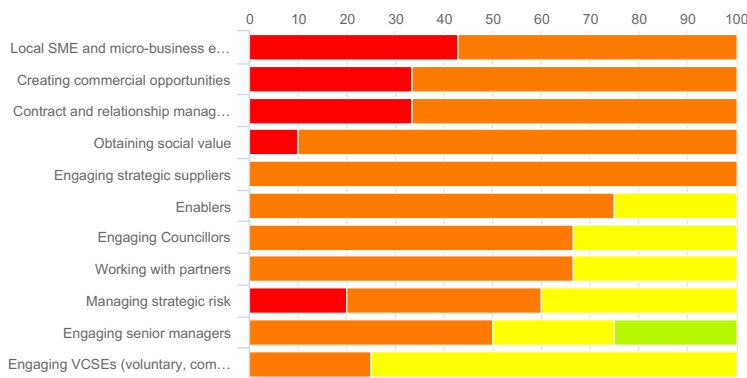
# Summary *(draft)*

The following charts summarise the scores to give an overview of: how many question scores were given at each level, how many question scores were given per section at each level, and which questions were given scores at each level.

### Overall Score Distribution



### Section Score Distributions



### Key

- 1 - Minimum
- 2 - Developing
- 3 - Mature
- 4 - Leader
- 5 - Innovator
- unscored

### Scores



# Engaging Councillors *(draft)*

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Engaging Councillors refers to the engagement of councillors in the leadership and governance of council procurement and commercial activity. This includes both the Cabinet/portfolio holders and overview and scrutiny members. To perform their roles effectively councillors must be equipped with the necessary skills and value and benefit from good procurement and commercial advice.

**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. Councillors need to be fully engaged in these roles. Councillor engagement needs to be supported through training, good procurement and commercial advice and reporting arrangements.

**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. Among other things, councillor engagement leads to better project delivery and better outcomes for the local community.

## Proc. and commercial champions *(draft)*

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**Description:** The extent to which the role of procurement and commissioning is recognised by members.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
Councillors recognise the role of procurement and commercial 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 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/group of councils project or another innovative project.

### Comment

*(no comment)*

## Reporting *(draft)*

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**Description:** The extent to which reporting is used to inform your councillors and those councillors in collaborative networks.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
Councillors in executive and overview and scrutiny roles receive reports required for formal decision-making and reviews.	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.	Councillors are performing their roles more effectively due to enhanced reporting arrangements.	Enhanced reporting extends to combined authority/group of councils projects and other innovative projects.

### Comment

*(no comment)*



## Councillor development *(draft)*

**Description:** The extent to which councillors are offered personal development programmes to support collaborative procurement.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
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/group of councils projects or other innovative projects.

### Comment

*(no comment)*

# Engaging senior managers *(draft)*

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Engaging senior managers refers to the corporate management team valuing and benefiting from procurement and commercial advice at all stages of decision-making, including early advice on major projects.

**What it is:** Key decision-makers value and benefit from procurement and commercial advice, including advice 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.

**Why it is important** Good procurement and commercial (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 the procurement and commercial issues from the earliest stages of the project.

## Influence and impact *(draft)*

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**Description:** The extent to which the corporate management team influences and makes an impact.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
Procurement and commercial is contributing but contribution is not visible to senior managers.	Contribution of procurement and commercial has been noted on isolated projects.	Contribution recognised through representation on corporate management team.	Representation on corporate management team contributing to better strategic planning, coordination and decision-making.	Representation on combined authority/ group of councils, decision-making bodies or governance structure of an innovative project.

### Comment

*(no comment)*

## Mission and strategy (draft)

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**Description:** The extent to which procurement is represented with a working mission and strategy.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
Obsolete procurement strategy or no procurement strategy.	Procurement strategy being reviewed and refreshed.	Council has approved a procurement strategy aligned to corporate and service strategies.	Council has approved procurement and commercial mission to harness supplier innovation.	Council committed to providing procurement and commercial support to combined authority/group of councils approach to the harnessing of supplier innovation or other approaches to innovation.

**Comment**

(no comment)

## Processes (draft)

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**Description:** The extent to which procurement commercial advice is sought for managing projects.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
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.	Arrangements for combined authority/ group of councils joint projects or other innovative projects provide for early procurement and commercial advice from the council.

### Comment

(no comment)

## Senior managers development *(draft)*

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**Description:** The extent to which the management team is trained in procurement and commercial decision making.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
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 and better decisions.	Development equips senior managers to play their role in combined authority/group of councils projects or other innovative projects.

### Comment

*(no comment)*

## Working with partners *(draft)*

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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.

**What it is:** The council works as a single team to design and implement solutions for public services and commissioners/budget holders, and commercial and procurement advisors work together as part of that team.

**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, VCSEs and other partners.

## Culture *(draft)*

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**Description:** The extent to which third parties are included in the design and delivery of solutions.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
Silo working is not questioned.	Benefits of a change in culture recognised. Pilots 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.

### Comment

*(no comment)*



## Governance and processes (draft)

**Description:** The extent to which partnerships are embedded in processes and structures.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
Departments generally have their own arrangements and processes.	Lessons being 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"> <li>• corporate service planning and budgeting processes</li> <li>• a structured approach to project management</li> <li>• effective governance arrangements.</li> </ul>	The team approach is supported by: <ul style="list-style-type: none"> <li>• joint planning and budgeting processes</li> <li>• common approach to project management.</li> <li>• strong cross-organisation governance structures.</li> </ul>	Peers acknowledge the transformational results being achieved through partnership working (including governance, processes and project management arrangements).

### Comment

(no comment)

## Staff development for partnership working (draft)

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**Description:** The extent to which staff development encompasses the benefits of partnership working.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
Training and development programmes do not cover partnership working.	Training programmes 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.

**Comment**

(no comment)

## Engaging strategic suppliers *(draft)*

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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.

**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.

**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.

## Data collection and analysis *(draft)*

**Description:** The extent to which data on strategic suppliers is collected and utilised.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<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>Council has partial data and intelligence on its suppliers and is developing criteria it will use to identify strategic suppliers.</p>	<p>Council routinely collects and analyses data and intelligence on supplier performance, cost, financial status, added social value and risk.</p> <p>Council strategic suppliers identified according to agreed criteria.</p> <p>Council has visibility of strategic supplier supply chains.</p>	<p>Council shares data and intelligence on performance, cost, financial status, added social value and risk.</p> <p>Contributes to analysis of data and identification of strategic suppliers at combined authority/ group of councils level.</p>	<p>Council participates in regional/national data and intelligence sharing.</p> <p>Contributes to analysis of data and identification of strategic suppliers at regional/national level.</p>

**Comment**

*(no comment)*

## Existing strategic supplier engagement (draft)

**Description:** The extent to which existing strategic supplier relationships are managed.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<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>Evaluating toolkits.</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, mitigation of risk and so on.</p> <p>Improvement/cost reduction plans in place. Contingency planning where there is significant risk.</p>	<p>Combined authority/ group of councils 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/cost reduction planning and contingency planning at combined authority/ group of councils level.</p>	<p>Regional/national lead role for strategic supplier monitoring and engagement.</p> <p>Leading delivery of a programme of engagement with one or more regional/national strategic suppliers.</p> <p>Regional/national risk assessment.</p> <p>Using regional/ national toolkit.</p> <p>Coordinating improvement/cost reduction planning and contingency planning at regional/national level.</p>

### Comment

(no comment)

## Early engagement with future suppliers *(draft)*

**Description:** The extent to which future strategic requirements are planned and managed.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
Not recognised as important.	<p>Some information on forward plans published.</p> <p>Experience of early market engagement on at least one council project.</p>	<p>Future needs signalled to the market using a variety of channels including publication of pipeline information and engagement events.</p> <p>Normal practice to engage early with bidders on significant projects to encourage innovative solutions.</p>	<p>Combined authority/ group of councils lead role for market engagement.</p> <p>Leading early engagement for a joint project.</p>	<p>Regional/national lead role for market engagement.</p> <p>Leading early engagement for a regional/national project.</p>

**Comment**

*(no comment)*

# Creating commercial opportunities *(draft)*

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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.

Commercialisation is a broad subject and this key area is confined to how procurement teams should contribute to its successful delivery.

**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.

**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 different ways, from conventional means such as increasing returns on assets to the way it engages with its development partners and third party contractors.

## Forward planning *(draft)*

**Description:** The extent to which forward planning is undertaken to maximise commercial attractiveness.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>Some forward planning is undertaken but with a focus on process compliance.</p>	<p>Forward planning is undertaken in some areas and/or for some acquisition types.</p> <p>Opportunities to create new revenue streams is sometimes investigated in some departments and for some expenditure categories.</p>	<p>Forward planning is always undertaken across the organisation for all strategic contracts.</p> <p>Opportunities to create new revenue streams is considered by all departments and for all relevant expenditure categories.</p> <p>Procurement encouraged to contribute ideas for revenue generation in the forward planning process.</p>	<p>Forward planning for contracts has developed to form an integral part of the organisation's budget setting and expenditure forecasting process.</p> <p>Procurement is able to contribute ideas for revenue generation in the forward planning process.</p>	<p>Forward planning for contracts is undertaken across multiple organisations in order to maximise leverage and commercial attractiveness to the market.</p>

### Comment

*(no comment)*



## Options appraisal (Make or Buy) *(draft)*

**Description:** The extent to which options appraisal is included in the commercial cycle and the extent of options that are explored.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>Sometimes undertaken, but only seen as an in-house/outsource decision.</p>	<p>Undertaken for high profile/high value projects and exercises.</p> <p>Evaluation criteria sometimes incorporating commercial and social considerations.</p>	<p>A policy exists, setting out how and when options appraisal must be applied and is used by all departments.</p> <p>Clear guidance on how to identify and evaluate 'make or buy' options, including commercial and social considerations, is in place and widely used.</p> <p>Procurement is consulted on options appraisals.</p>	<p>Options appraisal includes seeking commercial opportunities and/ or collaborative contracting with others in the sector.</p> <p>Creation of new models for delivering services.</p> <p>Procurement viewed as an integral aspect of options appraisals.</p>	<p>Expanded to include alternative service delivery vehicles, includes creation of new trading companies, seeking commercial opportunities and/or collaborative contracting with other organisations in the wider public sector.</p>

### Comment

*(no comment)*

## Market/supplier research/analysis (draft)

**Description:** The extent to which supplier and market research is used to determine procurement and commercial decision making.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>Sometimes undertaken if time permits or there is a political imperative.</p>	<p>Undertaken when a new requirement is sought and/or where there have been problems on an earlier contract.</p> <p>Research sometimes includes looking for commercial opportunities or gaps in the market.</p>	<p>A policy exists, setting out how and when market and supplier research/analysis must be undertaken and is used by all departments.</p> <p>Clear guidance on how to interpret and apply the findings, including commercial and social considerations, is in place and widely used.</p> <p>Procurement is asked to give advice on market and supplier research.</p>	<p>Outcomes from market and supplier research are used to shape and determine the content and timing of the procurement process used.</p> <p>Outcomes are also used to contribute to the risk management process and options appraisal process.</p> <p>Procurement viewed as an integral aspect of market and supplier research and analysis.</p>	<p>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.</p>

### Comment

(no comment)

# Tendering *(draft)*

**Description:** The extent to which innovative tenders are utilised.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
Mainly focused on compliance and standard cost/quality ratios.	Focus still on compliance and standard cost/quality ratios but innovation sometimes considered.  Tenders mainly viewed as legal documents but written in plain language.  Procurement is sometimes invited to contribute to the planning phase.	Innovation is seen by the organisation as an important factor in the tendering process and scored at the evaluation stage.  Tenders viewed as needing to have a legal/ commercial balance are focused on attracting the best bids.  Procurement is asked to contribute to the planning phase.	Tendering is seen as a commercial process by the organisation.  Documentation is prepared to make it attractive to take part and is focused on innovation and opportunities.  Procurement is seen as an integral contributor to the planning phase.	Tendering opportunities are focused on innovation and opportunities and done in conjunction with development partners to maximise market attractiveness.

## Comment

*(no comment)*

## Performance reporting (draft)

**Description:** The extent to which performance reporting is utilised to maximise leverage and influence.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>Performance reporting is undertaken, but restricted to the level 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 Procurement 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 elected Members on a monthly basis.</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 is shared with other organisations in the sector to maximise potential leverage and influencing capability in markets and/or with development partners.</p>

### Comment

(no comment)

## Post contract review *(draft)*

**Description:** The extent to which contract reviews are used to improve performance exploit new opportunities.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>Occasional post contract reviews undertaken, but restricted to some departments and/ or categories of expenditure.</p> <p>Seen as something that is done after poor contract performance or contract failure.</p>	<p>Post contract reviews undertaken, by most departments and/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 undertaken as part of an organisational policy.</p> <p>Well defined criteria published for undertaking post contract reviews including the identification of commercial opportunities.</p> <p>Procurement 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>

### Comment

*(no comment)*

## Contract and relationship management *(draft)*

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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.

**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** Research by the International Association for Contract and Commercial Management (IACCM) shows that contracts exceed their expected costs by 9.4 per cent on average over their lifetime. 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.

## Information storage/accessibility (draft)

**Description:** The extent to which a contract register is implemented and used to influence procurement planning and decision making.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>Basic contracts register on a spreadsheet with limited accessibility.</p> <p>Data held is often incomplete/out of date.</p>	<p>Contracts register exists with some access possible, mainly viewing and searching capability.</p> <p>Data held is incomplete/ 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 C and RM software/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/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>

### Comment

(no comment)

## Change control (draft)

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**Description:** The extent to which a change control policy is implemented and used to manage variations.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
No change control policy in place except for isolated contracts.	A change control policy exists for capturing the details of any changes or variations made to some contracts.  Standard documentation is available and used by some departments.	Change control policy implemented across the board for all contract changes and variations.  Standard documentation is available and used in all circumstances across all departments.	All contract changes and variations processed through change control stored on the contracts register.  Details shared online with contract managers, owners and contractors.	Details of all contract changes and variations used for calculating impacts on budgets and assessing contractor risk/performance.  Cost/time overruns reported to service heads and Leadership Team.

### Comment

(no comment)



## Supplier financial distress *(draft)*

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**Description:** The extent to which suppliers in financial distress are identified and managed.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
Recognition of 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.

**Comment**

*(no comment)*

## Savings and benefits delivery *(draft)*

**Description:** The extent to which savings and other benefits are identified and delivered through the life of a contract.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
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 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/savings claimed in agreed business cases and/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>

### Comment

*(no comment)*

## Recognition/cultural acceptance *(draft)*

**Description:** The extent to which the value of contract and relationship management is recognised and embedded in the management culture.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>There is no recognition by the organisation of contract and relationship management.</p> <p>Only job roles which are 100% 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 and/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 and/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 is able to advise other organisations on how to achieve a similar transformation.</p>

### Comment

*(no comment)*

## C&RM skills and knowledge *(draft)*

**Description:** The extent to which officers are trained in contract and relationship management and encouraged to enhance their professional skills.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>Staff have limited access to any contract and relationship management skills and knowledge programmes.</p>	<p>Staff have access to general contract management training given as a one-off exercise rather than an ongoing skills enhancement programme.</p>	<p>Contract and Relationship Management is acknowledged as a core competency across the organisation.</p> <p>Briefings on Contract and Relationship Management are given in all induction and management programmes.</p> <p>Refresher programmes are available to all staff involved in contract and relationship management.</p>	<p>Contract and Relationship Management is acknowledged as a core competency across the organisation.</p> <p>Staff are invited to undergo advanced/ specialist training where contract management accounts for more than 20 per cent of their job role.</p>	<p>Contract and relationship management is recognised as a profession where staff are encouraged and supported to advance their skills in the subject and/or acquire professional qualifications.</p>

### Comment

*(no comment)*

# Managing strategic risk *(draft)*

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

**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.

## Fraud and financial loss *(draft)*

**Description:** The extent to which financial loss opportunities are identified and removed.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
The organisation does not see this as a priority/ is not aware, beyond statutory compliance.	Basic systems, controls and reporting 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/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.

**Comment**

*(no comment)*

## Supply chain and contractor failure *(draft)*

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**Description:** The extent to which supply chain failure risks are identified and managed.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
The organisation does not see this as a priority/ 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/ contracts where this might occur 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.

**Comment**

*(no comment)*

## Modern slavery (Legislation) *(draft)*

**Description:** The extent to which modern slavery legislation is understood and embedded within the commercial process.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
The organisation does not see this as a priority/ is not aware of its obligations and duties.	Aware of the legislation and how it might manifest itself in supply chains.	<p>Expenditure categories/ contracts with potential for modern slavery identified.</p> <p>Basic checks made with appropriate contractors.</p>	<p>All contracts where modern slavery might occur are known.</p> <p>Agreed reporting measures and compliance checks agreed and implemented by appropriate contractors.</p>	<p>All appropriate contractors and their supply chains are known with risk of occurrence fully managed.</p> <p>Assisting other organisations to advance.</p>

### Comment

*(no comment)*



## GDPR (Legislation) *(draft)*

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**Description:** The extent to which GDPR legislation is understood and embedded within the commercial process.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
The organisation does not see this as a priority/ 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.

### Comment

*(no comment)*

## External events (e.g. Brexit) *(draft)*

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**Description:** The extent to which contingency plans are put in place for high risk external events.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
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, as and when required.	Monitoring the high value/risk contracts.  Gaining visibility and understanding of vulnerabilities in supply chains and labour availability.	Thorough understanding of the possible impact on all high value/risk contracts.  Contingency plans in place in the event of contract failure.	Contingency plans in place for all high value/risk projects.  Back-up suppliers identified.  Fully engaged in discussions on how best to exploit the opportunities presented by the post-Brexit landscape.

### Comment

*(no comment)*

## Obtaining social value *(draft)*

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**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 to society through its corporate and community activities reported either as financial or non-financial (or both) performance.

**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 at no extra cost.

**Why it is important** Experience from procurements let by Councils that have fully included social value requirements has shown that a minimum +20 per cent social value 'additionality' can be obtained on contract value by way of direct community benefits.

## Policy and scope (social value) *(draft)*

**Description:** The extent to which the requirements of the Social Value Act are embedded into corporate policy.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>Complies with the Act by considering social value but not taking any action to implement.</p>	<p>No specific policy in place. Only complies with the Act (i.e. services above EU procurement threshold).</p>	<p>A process and policy is in place to identify which contracts should include social value.</p> <p>Justification provided for a relevant, proportional and considered threshold over which social value should be included.</p>	<p>Social value requirements applied to supplies, works and services above AND below OJEU thresholds.</p> <p>Requirements are tailored to reflect size and scope of contract.</p> <p>Social value embedded into all procurement routes where appropriate.</p>	<p>Social value requirements applied to grants, supplies, works, services AND planning.</p> <p>Innovators encourage other work through outside contracts, e.g. through time banks, charter accredited organisations.</p> <p>Specific policies in place on stakeholder involvement, materiality assessment and valuation. Policies include coverage of the Living Wage, ethical procurement and visibility of supply chain adoption.</p> <p>Policies are consistent with the policy criteria as set out by level one of the Social Value Certificate.</p>

### Comment

*(no comment)*

## Social value internal management *(draft)*

**Description:** The extent to which social value awareness is embedded across all management levels.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
Not considered important.	No senior officer given a direct reporting responsibility for social value.	Councillor or cabinet board/authority member given responsibility for reporting leading on social value.	<p>Individual named officer(s) given responsibility for reporting to board/ member councillor, managing and delivering social value across procurement and commissioning.</p> <p>Relevant officers are provided with social value training and resources to implement social value strategy.</p>	<p>Expectation that all officers take responsibility for managing and delivering social value.</p> <p>Social value used as a KPI or as part of a balanced scorecard to assess progress at relevant cabinet or scrutiny committee meetings.</p> <p>Expectation that all officers take responsibility for managing and delivering social value, with individual named officer responsible for maintaining the organisation's approach.</p>

### Comment

*(no comment)*

## Social value TOMs (themes, outcomes and measures) *(draft)*

**Description:** The extent to which social value TOMs are, reported and used.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
No measurement undertaken.	Measuring some limited form of social value, e.g. SME spend.	<p>Measure social value in non-financial terms against national TOMs.</p> <p>Golden thread maintained between national TOMs, the corporate strategy and the social value policy.</p> <p>National TOMs available on website, to all suppliers as a part of social value policy.</p>	<p>Measure social value in BOTH non-financial AND financial terms against outcomes and themes.</p> <p>Local TOMs (including values) updated on an annual basis with evidence and methodology to support.</p> <p>Outcomes weighted systematically to council and local priorities (i.e. targeting).</p>	<p>Measure social value in BOTH non-financial AND financial terms against outcomes and themes.</p> <p>Financial weightings adjusted according to stakeholder feedback.</p> <p>Processes in place to allow local TOMs to be updated according to local community priorities.</p> <p>Other stakeholders and public sector bodies consulted in development of local TOMs including health, education and emergency services.</p> <p>Suppliers are asked to achieve, or be working towards, Social Value Certificate Levels 2 or 3 or equivalent.</p>

### Comment

*(no comment)*

## Commissioning for social value *(draft)*

**Description:** The extent to which social value requirements are embedded in the commissioning process.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>No attention given to commissioning for social value, above and beyond the Act.</p>	<p>Some attention given in larger contracts to commissioning for social value.</p>	<p>Needs assessment used to update approach to project commission.</p> <p>Key projects re-commissioned with social value creation at their core.</p>	<p>Social value threaded through commissioning cycle, procurement are involved throughout.</p> <p>All new contracts assessed before procurement for their potential contribution to social value objectives.</p> <p>TOMs adjusted to against overall social value delivery strategy.</p> <p>For user department led projects, social value is embedded within guidance, resources, and templates.</p>	<p>Outcomes approach taken to commissioning of all services with cross departmental collaboration including with planning.</p> <p>Regular feedback between Commissioning and Procurement teams to ensure local TOMs remain 'live' and relevant.</p> <p>Social value mapped to location of delivery and measured as a part of the evaluation criteria.</p> <p>Outcomes updated systematically to build on stakeholder feedback.</p>

**Comment**

*(no comment)*

## Procurement (social value) (draft)

**Description:** The extent to which social value requirements are embedded in the procurement process

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>Social value not considered to provide any value to organisation.</p>	<p>Social value is mentioned in tenders (where relevant) relating to services but no weightings or specific score allocated.</p> <p>Tenderers asked for social value commitments to improve the economic, social and environmental wellbeing of the relevant area.</p>	<p>Social value requirements included in all relevant tenders as a part of quality score.</p> <p>SV weighting as a part of quality score 5-10 per cent.</p>	<p>Social value requirements included in all tenders (contracts and frameworks).</p> <p>A specific scoring and weighting system in place of at least 5 per cent of the total score.</p> <p>Relevant 'Gateways and Checks' in place to ensure consistency in tenders.</p> <p>Processes in place to ensure lessons learnt and feedback incorporated for continuous practice improvement including policy and toolkit development.</p>	<p>Specific social value commitments sought from tenders that have been open/transparent to the public and adapted to take account of residents' input.</p> <p>Weighting system in place of at least 10 per cent of total score unless a robust rationale for lesser percentage exists.</p> <p>Processes in place across departments to ensure consistency.</p>

### Comment

(no comment)



## Social value market engagement (draft)

**Description:** The extent to which obtaining social value is part of market engagement and third party relationships.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
No engagement undertaken.	<p>Initial but ad hoc steps taken in market engagement around social value.</p> <p>Some information is made available to suppliers to support their understanding of social value.</p>	<p>Initiatives taken to build capacity and shape market with business community and the community and voluntary sector providers.</p> <p>Project specific market engagement offered/delivered as relevant and appropriate.</p> <p>Works proactively with suppliers to support their understanding of social value.</p>	<p>Regular 'supplier summits' held to build capacity AND to get feedback.</p> <p>Case studies and examples of innovation provided to illustrate the different levels/actions.</p> <p>A market development plan forms part of the policy underpinning commissioning development and action plan.</p> <p>A specific focus on upskilling of local micro, small, medium sized enterprises, business and VCSE organisations.</p>	<p>Specific initiatives taken to begin to build partnerships with business and the community and voluntary sector, such as time brokerage and banking.</p> <p>Promotion of B2B and B2Three relationships (for larger suppliers and long-term frameworks).</p> <p>Feedback mechanisms are ongoing, 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.</p>

### Comment

(no comment)

## Social value contract management *(draft)*

**Description:** The extent to which social value requirements in contracts are managed.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
Social value not sought from contracts.	Contracts not monitored in any coherent way for social value afterwards.	Specific, targeted social value action plans agreed at commissioning/ procurement stage and are bound into the contract and performance monitored.	<p>Performance reviews and regular feedback and action taken to ensure continuous improvements to social value implementation and delivery.</p> <p>Processes in place to ensure lessons are learnt and feedback incorporated for continuous practice improvement, including benchmarking and case law.</p> <p>Meetings regularly held with contractors to discuss delivery of social value.</p>	<p>Benchmarking across all contracts shared with other Councils to establish best practice.</p> <p>Suppliers provided with quarterly feedback on progress.</p> <p>Clauses built into contracts to apply service credits or to recover costs of replacement in the event of non-delivery of social value promised.</p>

### Comment

*(no comment)*

## Cross sector collaboration (draft)

**Description:** The extent to which obtaining social value is embedded in a wider collaborative environment.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
Social value not considered important.	Limited collaboration through joint occasional contract with other public sector bodies held regarding social value.	Relevant public bodies identified such as Health, Education and Emergency Services – preliminary discussions held.  Unofficial sharing of data with ad hoc joint procurement/ commissioning.	Cross sector committee formed to develop and manage the delivery of joined up social value policies and shared TOMs.  Regular meetings and feedback sessions held.  Shared implementation plan.	Common set of TOMs created which all public sector bodies in region/ area use as a part of their commissioning/ procurement and reporting.  Regular cross sector meetings held to share feedback and benchmarking.  Opportunities explored for shared commissioning and procurement.  Cost savings identified and results shared to help build financial benefits.  Common reporting.

**Comment**

(no comment)

## Reporting social value *(draft)*

**Description:** The extent to which progress in obtaining social value is communicated and reported.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>Social value not considered important.</p>	<p>Limited or informal social value reporting and feedback only.</p>	<p>Annual feedback to cabinet/scrutiny committee on social value creation.</p> <p>Robust reporting in place on progress and delivery and published annually.</p>	<p>Regular feedback to cabinet/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 local performance.</p> <p>Innovative ways of communication employed to ensure citizen feedback, including provision of data to location and digital communication.</p> <p>Evidence published setting out impact where social value has made a difference along with relevant case studies.</p> <p>Suppliers are asked to produce Assured Impact reports.</p>

**Comment**

*(no comment)*

## Social value governance (draft)

**Description:** The extent to which social value is embedded and managed in the commissioning and procurement process.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>No visibility of issue at authority meetings.</p>	<p>Council/authority has met the requirements of the Act to 'consider' social value and this is minuted.</p>	<p>Social Value Act mentioned in corporate strategy.</p> <p>Social value recognised as a core principle supported by a published social value policy and implementation strategy.</p> <p>All relevant documentation made available on web site.</p>	<p>Cabinet member has direct oversight of social value performance.</p> <p>Social value has been embedded into commissioning and procurement practice, tools, resources and processes with a ratified policy and 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>Cabinet level scrutiny of performance with regular reporting as appropriate.</p> <p>Council/authority has set SMART targets and is prepared to be accountable for these targets.</p> <p>For larger councils, targets are set for each department and reported against annually.</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 (e.g. independent assurance).</p>

### Comment

(no comment)

## Local SME and micro-business engagement *(draft)*

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The usual definition of SMEs used in the public sector is any business with fewer than 250 employees and turnover of less than £50 million. There were 5.2 million SMEs in the UK in 2014, which was over 99 per cent of all business. Micro-businesses are business with 0-9 employees and turnover of under £2 million. For the purposes of this document the term 'SME' shall refer to both SME and micro-businesses.

**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. With the potential localisation of business rates, it will be even more important for local authorities to encourage the establishment and growth of SMEs in their areas.

## Policy and scope (SMEs) *(draft)*

**Description:** The extent to which small business engagement is included in commissioning and procurement policies.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<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 in place for addressing SMEs.</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 need.</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>Full policy or strategy in place to direct the organisation's engagement with SMEs.</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/policy delivery.</p>

### Comment

*(no comment)*

## SME relationships (draft)

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**Description:** The extent of communications with small business are communicated with.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
Fostering good relationships with SMEs not deemed to be important.	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.	There is acknowledgment for 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.	There is responsive willingness to facilitate relationships between SMEs and certain larger providers. Some of the benefits of this are being realised.  As a result of this, SMEs have formed some partnerships with larger providers.	Commissioners proactively facilitate, and nurture, relationships between SMEs and a broad range of providers.  In turn, SMEs created their own networks, and consortia with other providers.

### Comment

(no comment)



## Commissioning with SMEs (draft)

**Description:** The extent to which commissioning opportunities are extended to small businesses and developed for mutual benefit.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>There is no or 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 'usual suspects' 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/knowledge of them is limited.</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>

### Comment

(no comment)

## Market engagement with SMEs (draft)

**Description:** The extent to which small businesses are encouraged and supported to engage in delivering public services.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<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 particular 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 with the view to upskilling SMEs to participate in procurement.</p> <p>There is awareness of SMEs' need for support to effectively contribute to the commissioning process. Efforts are made to clarify jargon and facilitate SMEs' 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>

### Comment

(no comment)

## Procurement with SMEs (draft)

**Description:** The extent to which procurement processes engage and build relationships with small businesses.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<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) used by certain areas of 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>DPSs used regularly to go to market and enable SMEs to provide services.</p> <p>Lotting used proactively to ensure contracts are available 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 put together a bid and shape the service.</p> <p>There is 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>

### Comment

(no comment)

## Contract management with SMEs *(draft)*

**Description:** The extent to which the requirements of small businesses are reflected in ongoing contract management.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<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 particular 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 payments 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 in place to enable SMEs in supply chains to highlight poor treatment by prime contractors.</p> <p>Full monitoring of prime contractor supply chains.</p>	<p>Contract management processes require full monitoring of the performance of prime contractors to ensure they fairly treat SMEs in their supply chains (e.g. through prompt payments, not passing on risks) and obtain SME organisations' views when evaluating prime providers' contract performance.</p> <p>Assistance given to SMEs in supply chains to improve their performance and 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>

### Comment

*(no comment)*

## Governance of SME engagement (draft)

**Description:** The extent to which the engagement of small businesses is monitored and reported.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<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 required to provide data on payment times to SMEs in supply chains and this information is reported to members.</p> <p>A balanced scorecard is used to assess the council's use of SMEs and treatment in 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>

### Comment

(no comment)

# Engaging VCSEs (voluntary, community and social enterprises) *(draft)*

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

**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.

## Policy and scope (VCSEs) *(draft)*

**Description:** The extent to which VSCE engagement is included in commissioning and procurement policies.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<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 the local need, long-term strategies and desired outcomes. 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. VCSEs are not invited to inform service provision.</p>	<p>Commissioners/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 the community via small VCSEs to consider long-term and preventative needs.</p>	<p>Commissioners/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/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>

### Comment

*(no comment)*

## VCSE relationships *(draft)*

**Description:** The extent of communication with VCSEs.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>The organisation does not see any benefit from engaging with VCSE organisations.</p>	<p>Relationships between small VCSEs and other providers are not facilitated. It is not considered to be an area where intervention is needed or appropriate.</p> <p>As a result of this, there is an absence of consortia and networking in their locality.</p>	<p>There is some acknowledgment for the convening role that commissioners/procurers can have and what the benefit of facilitated relationships between small VCSEs and other providers could bring.</p> <p>They have started to make some efforts to bring these parties together. VCSE 'umbrella' organisations are used as a go-between where they exist.</p>	<p>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.</p>	<p>Commissioners/procurers proactively facilitate, and nurture, relationships between small VCSEs and a broad range of providers via local umbrella organisations where they exist. In turn, small VCSEs created their own networks, and consortia with other providers.</p>

**Comment**

*(no comment)*



## VCSE engagement measurement *(draft)*

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**Description:** The extent to which VCSE engagement is measured and reported.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
No measurement of VCSE usage or impact not seen as important.	There is no or 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/procurers often ask small VCSEs to aid them in the user feedback process, recognising their expertise in this area.	Commissioners/procurers work closely with small VCSEs to seek extensive user feedback in order to review the effectiveness of their service in meeting local need.

### Comment

*(no comment)*

## Commissioning with VCSEs *(draft)*

**Description:** The extent to which commissioning opportunities are extended to VCSEs and developed for mutual benefit.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<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 no, or 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 'usual suspects' 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/ knowledge of them is limited.</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>

### Comment

*(no comment)*

## VCSE market engagement *(draft)*

**Description:** The extent to which VCSEs are encouraged and supported to engage in delivering public services.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
No engagement takes place between the council and VCSE organisations.	<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 VCSEs' need for support to effectively contribute to the commissioning process. Some efforts are made to clarify jargon and facilitate charities' input and participation but charities are often unable to effectively feed in.</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. Charities are aware of ways to feed in.</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>

### Comment

*(no comment)*

## Procurement with VCSEs (draft)

**Description:** The extent to which procurement processes engage and build relationships with VCSEs.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>VCSE organisations are not taken into account at any time in procurement processes.</p>	<p>There is a prescriptive procedure for all procurement exercises and little use of Dynamic Purchasing Systems (DPS) or flexibilities possible under the 'light touch' regime.</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 create 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, the light touch regime and DPSs are used wherever appropriate.</p> <p>There is some prior engagement with a limited amount 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>The Light Touch Regime and the use of DPSs are taken advantage of in the majority of cases. 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/ procurers have a strong understanding of the capacity and capability of small VCSEs and adapt their processes, when appropriate, to the service specification and contract size, to reflect this capability.</p>

### Comment

(no comment)

## Contract management with VCSEs *(draft)*

**Description:** The extent to which the requirements of VCSEs are reflected in ongoing contract management

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>Contract management not required.</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 expectation on how subcontracting relationships with smaller VCSEs should be conducted.</p>	<p>Contract management structures are beginning to 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 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 (e.g. through prompt payments, not passing on risks) and obtain VCSE organisations' views when evaluating prime providers' contract performance.</p>

**Comment**

*(no comment)*

## Governance of VCSE engagement *(draft)*

**Description:** The extent to which the engagement of VCSEs is monitored and reported.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<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 members.</p>

### Comment

*(no comment)*

# Enablers *(draft)*

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Councils have identified a number of cross-cutting issues that will also need to be addressed if they are to realise their ambitions in the key areas. These are referred to as 'enablers' of the strategy.

**What it is:** These 'enablers' are common issues that are essential to driving success with each of the strategy's three themes.

**Why it is important:** Inherent weaknesses with any of the 'enablers' will make it difficult for a council to drive improvement with the value codes found under each of the three themes.

## Developing talent *(draft)*

**Description:** The extent to which staff are recruited and developed in relation to procurement and contract management.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>Recruits staff with appropriate experience/ professional qualifications (e.g. CIPS).</p>	<p>Recruits staff with appropriate experience/ professional qualifications and responds to ad hoc requests for training and development.</p>	<p>Service plan includes support for staff to obtain professional qualifications and for apprenticeships.</p>	<p>Planned approach to talent development in relation to future procurement and contract management workload including:</p> <ul style="list-style-type: none"> <li>• Contracts pipeline</li> <li>• Resourcing plan</li> <li>• Competency framework</li> <li>• Remuneration strategy</li> <li>• Comprehensive training and development plan including provision for development of staff not currently in procurement or contract management roles</li> <li>• Secondments to and from the private sector and VCSE sector.</li> </ul>	<p>Planned talent development (as for Leader) but at combined authority/group of councils level.</p>

### Comment

*(no comment)*



## Exploring digital technology *(draft)*

**Description:** The extent to which digital technology is used to underpin the procurement cycle.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>Basic purchase ordering functionality for some products and/or services using finance and/ 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/ products. 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/ 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/ 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/ quotes (either as a dedicated system or tender box rental).</p> <p>Access and interaction to all of 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/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> <ul style="list-style-type: none"> <li>• Performance monitoring and communications underpinned by dashboards and diagnostics.</li> </ul>	<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/ 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>

### Comment

*(no comment)*

## Enabling innovation (draft)

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**Description:** The extent to which innovation in procurement and contract management is recognised and adopted.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
Ability to capture and harness procurement innovation in organisation 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, pre-commercial procurements 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.

### Comment

(no comment)

## Embedding change *(draft)*

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**Description:** The extent to which change management in procurement and contract management is used to drive wider organisational change.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
Success depends on individuals, no organisational engagement.	New approaches and ideas applied in isolated procurement processes.	Procurement change 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 shared with other organisations at regional and national level.

### Comment

*(no comment)*

# Appendix A: Guidance

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The following was given as guidance for completing this response:

## About the 2018 diagnostic

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This diagnostic sets contains all the value codes that were included in the toolkit accompanying the 2018 National Procurement Strategy for English local government (NPS). For each value code, it articulates 'what good looks like' as a series of clear, progressively attainable steps. It allows each council to:

- Engage with colleagues with an interest in procurement outcomes to indicate their council's current position and reduce the risks associated with mismatched expectations
- Identify where purposeful improvement activities are required and manage them to a successful conclusion

You can read in detail about [the strategy and this approach here](#).

Please use comments to:

- provide examples of good practice (especially where you have selected a high score)
- tell us which NPS value codes are most important to you and/or where you believe support is required
- describe how the value codes set out in the Toolkit were / are being implemented
- provide any other observations

## How to complete the diagnostic

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We have produced a full [web based LMS](#) which provides background and support information. Gain quick access on the following topics in the LMS by clicking on the links:

- [How to submit a response](#)
- [How to assess your organisation](#)
- [How to access and download your response report](#)
- [Frequently Asked Questions](#)

Navigate the diagnostic by clicking on the grey 'tabs' above.

Within each 'tab' there are a series of statements that express the extent of current development with each value code from the NPS Toolkit

**Please read each statement and use the slider bar to select the score description that best reflects your council's current position. If you would like to see all scoring statements at once to help you choose your answer, click on 'Draft Report' in the top right - that report can then be accessed as a PDF to support your use of this system. Note, you can directly click on the slider bar to choose a score without having to first slide to it.**

**Scoring should be done on the basis of the weakest level of attainment in the council rather than attempting to arrive at an average. Also, please note that if you assess your attainment level as 5, you should be prepared to act as a case study and exemplar for weaker councils.**

Your progress will be automatically saved at least every 4 minutes.

If you don't complete the Diagnostic in one session, you can save your progress by clicking "Save" (top right) – this will save everything entered on all pages. You can save and return later by following the link from your original email and log in with the password you selected.

**To submit your scores and comments for consideration click "Save" and then "Submit".**

Once you've submitted your final response, you can view, print and share your response report as a PDF.