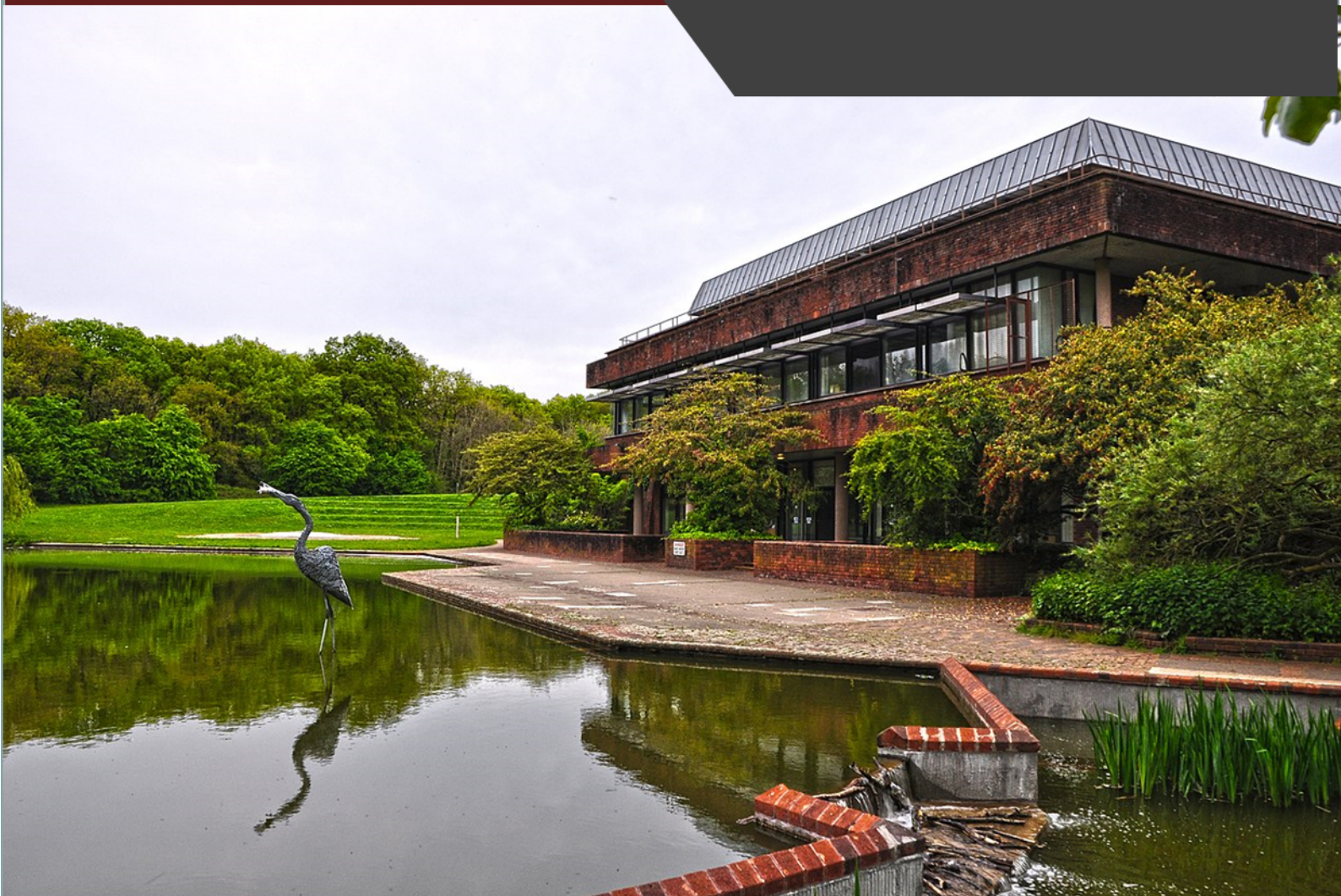


Worcestershire County Council

Corporate Procurement Strategy

2022 - 2025



Foreword from Councillor Adam Kent



As the Cabinet Member with Responsibility for Corporate Services and Communication, it is my role to help ensure our organisation is operating in a commercially astute and appropriate manner. I have set unequivocal expectations that how we conduct business, and how we operate on a day-to-day basis should demonstrate a clear consideration of the commercial implications of our decisions. That we should continually and consistently strive to ensure value for money is achieved from our expenditure. And that we should treat every pound that we spend as if it is our own.

In working closely with the commercial team within my portfolio, we have established a strategy that recognises the importance of engagement and input across all areas of the Authority, but with a particular focus on increasing Member engagement and consequently the representation of our constituents. Our strategy outlines how we will go about improving our commercial culture organisation wide, and how in turn we improve the value for money achieved from our £600m+ of third party expenditure year on year. And our strategy defines how we will strive to drive social benefits/value and demonstrate a clear corporate social responsibility, supporting local businesses wherever we can, and creating employment opportunities right here in Worcestershire.

As an organisation, we have embarked on a transformation programme which will fundamentally change how we deliver procurement and commercial activities within the Council. We want to embody a culture where every officer feels accountable and responsible for every pound we spend. We want to ensure we are structured in a way that allows us to leverage the vast expertise and experience we possess to support the wider organisation in delivering our commercial aspirations. And we want to enable effective decision making through the good use of our systems, data and information, in a meaningful and real-time manner.

There are significant challenges ahead for the finances of public services. And it has never been more important to ensure we are achieving the greatest value possible from the money we spend. As the CMR responsible for commercial services, I will continue to work with the commercial team to achieve our commercial aims. And to challenge the organisation to demonstrate we are performing in this regard. I believe this strategy is a key step in achieving these aspirations and I am fully supportive of the proposals herein.

Councillor Adam Kent

Cabinet Member with Responsibility for Corporate Services and Communication

Foreword from the Assistant Director



Never more so in recent times has the role of procurement both locally and nationally been so critical. We find ourselves navigating an era of severe economic volatility, coupled with ever increasing social inequality and a political landscape nationally and internationally that is far from stable.

Within the Public Sector, the UK spends approximately £290BN, annually, on externally procured goods, works and services, £105BN within local government alone. Our ability to improve the outcomes for individuals and families, communities and business is immense. Locally, Worcestershire County Council spends over £600M with our supply chain, and consequently, we too have an opportunity to positively impact the lives and outcomes of our residents across our County in a significant and meaningful way, whilst preparing us for the challenges that will emerge in the coming years.

The strategy we have developed takes us to 2025 and beyond, and the responsibility we have to bring our influence to bear in delivering these outcomes is a core guiding principle. We will look for opportunities to further support local businesses and SMEs.: to work in partnership with our third sector and charitable organisations as closely as possible.; to create jobs and encourage economic prosperity; and to do so in a manner that promotes our environmental sustainability, minimising and mitigating our carbon footprint. It also recognises the challenges we will face financially as an organisation and the importance of ensuring we achieve whole life value for money which is sustainable and supports our Medium-Term Financial Plan.

As an organisation, we have shown great leadership and direction since 2020 in the face of a global crisis- we have delivered one of the best responses to the COVID pandemic in the country. The procurement team has played a central role in that success employing highly skilled and experienced individuals who have gone above and beyond. In order to meet the challenges of the next three years, we need to continue to develop. The nature of the challenges we face has changed, and we need to change with them. We have transformed our team and how we operate.- as a team, we will look to embed new ways of working to further improve the services we offer and the outcomes we deliver; through enhanced training and development ;,new streamlined, best practice processes and procedures; and new technology and systems. We will have a service which is class leading and best placed to support the wider objectives of the council and its Corporate Plan.; a service that is engaged on a sub-regional and national stage and that can play an active role in improving the lives and wellbeing of the residents we are here to serve.

The next three years will continue to be incredibly challenging. As we tackle the impacts of COVID-19, of Brexit, and of the conflict in eastern Europe, and as we adapt to the changes in procurement legislation which are imminent. There will be many opportunities that we must ensure we are positioned to exploit with the strategy we have developed.; the team we have created.; and with the support and engagement of the wider organisation, our residents, and businesses. We believe we have never been better equipped to do so.

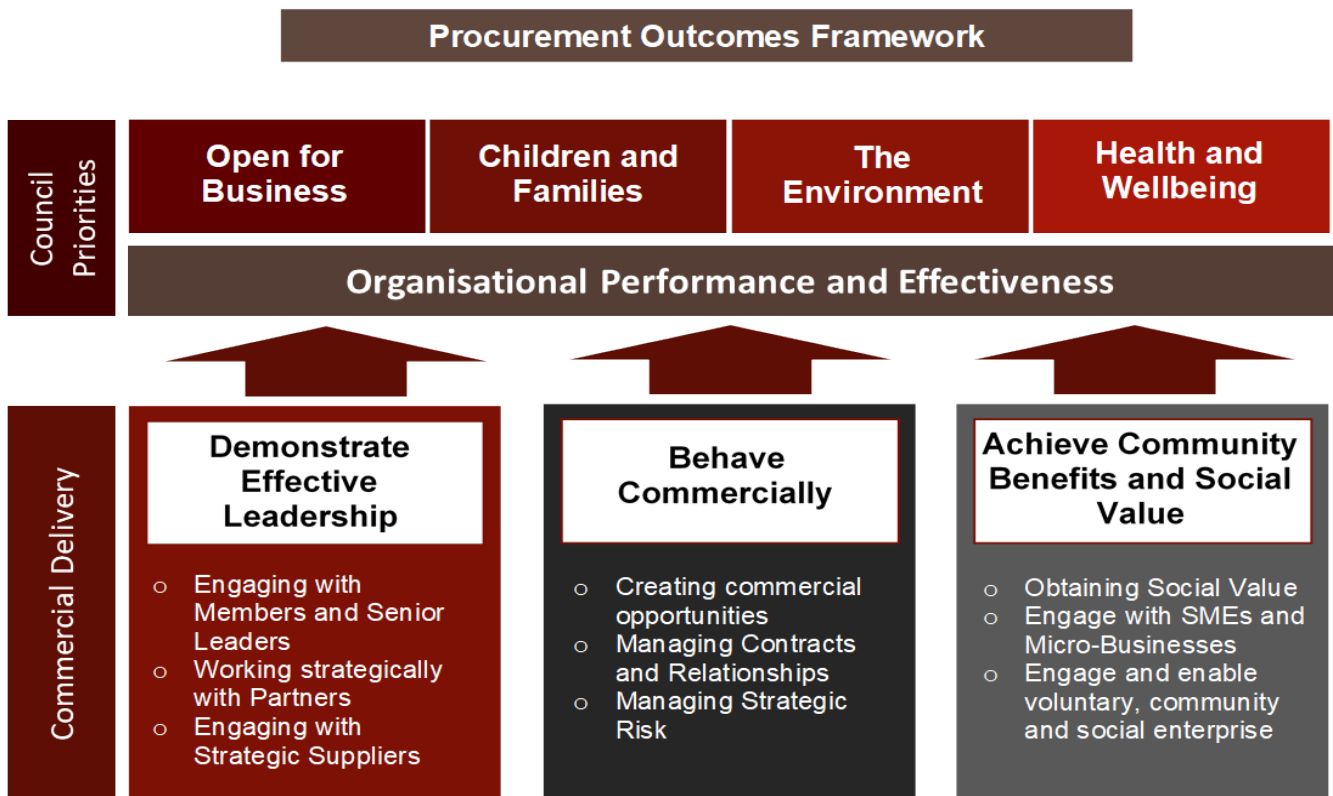
Jonathan Fitzgerald-Guy MCIPS, BSc, BA.
Assistant Director for Transformation and Commercial

1.0 Introduction

1.1 Purpose

Worcestershire County Council currently spends £633M per annum with external organisations for goods, services and works to support the delivery of the Council’s priorities. We have a responsibility to ensure these public funds are spent wisely and effectively, to meet the strategic intent of the organisation and the needs of our internal stakeholders, residents/communities, partners, and visitors to Worcestershire (our four core stakeholder groups).

This strategy defines how we will go about meeting the needs of these four key groups, as well as how the national procurement strategy for Local Government aims and objectives are reflected in our approach. It outlines how we will benchmark our performance to ensure consistency and effectiveness, as well as our progress over the coming months and years as we embed our new operating model. To that end, we have adopted the three key themes from the National Procurement Strategy, embedding these alongside our corporate priorities to form our Procurement Outcome Framework, ensuring these are integral to our operating model. These are:



This strategy gives the Council a framework to work within to ensure that we deliver the best possible outcomes for every pound spent with our suppliers and providers.

The procurement of goods, works and services has a huge impact on the success of any organisation, but never more so for the public sector than now, as we emerge from the COVID-19 pandemic, with a

clear expectation and desire to lead the local recovery and to tackle the financial challenges head on.

There are several Government Acts that place responsibilities on the Council in relation to commissioning, procurement and contract management, and whilst changes to the Public Contract Regulations are imminent, the principles of the Acts will remain at the center of our approach and practices.

There are priorities that the Council must address ranging from public procurement policy and legislation, working with partners in the county, through to the needs of communities and individuals.

This strategy sets the best practice and high standards that the Council will work to and how it will maximise the benefits from it spend. The strategy highlights the areas of focus over the next three years and The National Procurement Strategy for Local Government will be used to measure progress and success.

1.2 Our Procurement Vision

“We strive to be a procurement partner of choice, delivering an end-to-end strategic procurement service, tailored to our stakeholders’ individual needs and based on category centric support that collectively drives quality, innovation and optimised commercial outcomes throughout the whole purchasing lifecycle, for the benefit of our customers, residents and visitors to Worcestershire”

Spending through contracts with our supply base delivers essential front line public services and builds and maintains important public assets such as schools, highways, and libraries. We have seen this spending increase because of the UK Government’s response to the Covid-19 pandemic, with our suppliers and providers playing a central role in maintaining essential service delivery and supplying critical equipment and supplies.

Our procurement mission is to ensure best value for our citizens through our spend with third parties. This requires our Commercial Team to be at the heart of commercial decision making and playing a vital role in improving our commercial practices and capability, working with and across the other professions such as Social Care, Education, Infrastructure, Legal, Finance, Communications, IT, Risk, and Human Resources.

The scale and complexity of our work requires a best-in-class commercial function, and this strategy sets out the priorities we will focus on to achieve our vision of being “a procurement partner of choice”.

Being a best-in-class commercial function will mean focusing on the following:

1.2.1 Customer Service

- **Focus resources on where we add most value**, minimising transactional and tactical activities by delivering them in the most efficient way.
- **Tailor our service around stakeholder requirements**, reflecting the complexities and challenges of the different spend areas, and recognising that “one size doesn’t fit all”.
- **Are agile and responsive** to adapt to the changing needs of the organisation and stakeholders, responding in a practical and flexible manner, as a business partner.

1.2.2 Modernisation and Reform

- **Grow our team into category specialists**, to be recognised as subject matter experts amongst their peers. With job roles that are exciting, varied, and having a focus on whole life cost sourcing and lifecycle management, whilst ensuring stakeholders are engaged with and committed to the procurement process and feel supported by credible purchasing professionals.
- **Encourage our team to pursue continuous professional development** by engaging with central government, other local government bodies and the Chartered Institute of Purchasing & Supply to make best use of their skills and knowledge.
- **Develop strategic sourcing solutions** recognising the differences across our categories and how the market and suppliers need to be engaged.
- **Leverage our digital environment** to help drive efficient and effective sourcing.
- **Pursue collaborative and partnered solutions** by working closely with other local authorities, and the wider public, private, and voluntary, community and social enterprise sector.
- **Work within the legislation effectively** but not encumbered by it to deliver the best possible outcomes for our stakeholders.

1.2.3 Financial Benefits and Return on Investment

- **Consolidate our spend and supply base** to maximise on our use of resources and the knowledge, strength & skills of our suppliers and providers.
- **Deploy effective contracting and negotiations**, utilising innovative, dynamic, and lean methods, generating high levels of efficiency and significant cost reductions.
- **Make evidence based strategic and commercial decisions** derived from real time visibility of performance metrics and data supported by our analytics and MI specialists.

1.2.4 Level Up and Sustainability

- **Create opportunities for employment and economic growth** across the County by leveraging our procurement spend to drive social value.
- **Contract with a diverse set of suppliers**, including SMEs and voluntary, community and social enterprises to deliver better performance.
- **Reduce the Council's direct negative impact on the environment** by embedding carbon targets where appropriate in contracts.
- **Increase efforts to identify and eliminate modern slavery** from our supply chain.

2.0 Our Values

2.1 STRIVE TO BE A PARTNER OF CHOICE

- A service that our customers want to be engaged with. Providing the right level of support and engagement and where they can see real, tangible value from what we do.
- Providing a service that strives to build on collaboration and co-operation with our customers, understanding their requirements and needs and making those our own.
- Having a feeling of ownership and equity in delivering our corporate objectives.

2.2 CONSISTENT HIGH PERFORMANCE

- A service that is class leading, adopts industry standard models and methodologies that are proven to deliver the best possible results.
- Delivering a single, consistent level of high performance, with clear roles and responsibilities by adopting the category management operating model, and where our Customers know what they can expect.
- Providing a service that is light-touch and non-bureaucratic by adopting a pragmatic approach, without impacting on our ability to deliver an effective and well governed service.

2.3 CUSTOMER FOCUSED

- Being “Customer-Centric by Design”, ensuring our objectives and outcomes, resources, time, and effort all centre on delivering benefits to those that use our services, our customers, residents, and businesses.

2.4 AMBITIOUS, RISK TAKING AND INNOVATIVE

- Recognising that to succeed, risks are necessary.
- Taking risks provides an opportunity to learn.
- Accepting that risk is a cost of opportunity and innovation.

2.5 COMMERCIALY MINDED

- Spending every pound as if it was our own.
- Challenging our need to spend, what procure and how we procure it.
- Holding ourselves to account for achieving real value for money.

2.6 ENVIRONMENTALY FOCUSED

- Ensuring that the decisions we make are for the long-term benefit of Worcestershire’s communities and they consider the impacts on the local and global environment.
- Encouraging responsible environmental, social, and economic performance by our supply and service partners.

2.7 ENGAGED, MOTIVATED AND ENTHUSIASTIC TEAMS

- Ensuring our teams have the right variety in the work they do, and an interest in what they are doing.

- Being encouraged to be proactive, to provide input and direction, and where appropriate, to lead.

2.8 VALUING OUR PEOPLE

- Recognising our individual strengths, skills, and experience, and providing support to our people to allow them to enhance and develop their abilities and expertise
- A culture that rewards our people for their hard work and commitment, as well as showing appreciation and thanks.

2.9 HONEST, OPEN AND TRANSPARENT

- A service that is open, transparent, and can be trusted to keep to our commitments.
- A service that works in the best interests of our Customers and the Authority, without agenda and ensuring decisions are fair, equitable and transparent.

2.10 FOCUSED ON CONTINUOUS IMPROVEMENT

- A service always looking for opportunities to improve and developing a culture that continuously challenges ourselves
- A service that looks to support our customers to deliver improvements through cultivating a commercial mindset, to secure the best possible outcomes
- Providing Customers with the right market insights and intelligence to improve and enhance the services that they deliver.

3.0 Achieving the Objectives of our Procurement Outcomes Framework


3.1 Demonstrate Effective Leadership

3.1.1 Engaging with Elected Members

Our elected members set the Council vision and strategic priorities. Having our members fully engaged with commercial matters will lead to improved service delivery and better outcomes for the local community.

We will ensure that our members are supported through ongoing commercial training, good advice and insight, and up to date reporting arrangements.

Success measure:

Metric	Description	Target
Developing	The Council is exploring the best approach to Member engagement in procurement and commercial matters.	Where we are today
		
Leader	Member engagement is delivering better results across all procurement and commercial activity.	Where we want to be


3.1.2 Engaging with Elected Members and Senior Leaders

Our senior leaders provide direction on how the Council vision and strategic priorities will be delivered. Many of our services depend upon our suppliers and providers fulfilling their

contractual obligations. It is vital that the commercial arrangements for contract delivery are robust.

Having our senior leaders fully engaged with commercial matters will lead to improved service delivery and better outcomes for the local community. We will ensure that our elected members and senior leaders are supported through commercial training, good advice, and insight, and up to date reporting arrangements.


Success measure:

Metric	Description	Target
Mature	Senior leaders engaged with procurement and commercial issues, routinely taking advice at key decision points.	Where we are today
		
Leader	Demonstrating better results from early procurement and commercial advice on projects.	Where we want to be

3.1.3 Working Strategically with Partners

Undertaking a team approach makes best use of limited resources and will lead to innovative solutions and better results. Wherever, possible, we will strive to design and implement solutions with our county- based police, fire and health partners, our district councils, and the local voluntary and community-based organisations.


Success Measure:

Metric	Description	Target
Developing	Council acknowledges the business case for a cross council approach to design and implementation of solutions and is seeking to encourage this.	Where we are today
		
Mature	Designing and implementing solutions as a single team in high value / high risk projects.	Where we want to be

3.1.4 Engaging with Strategic Suppliers

Promoting proactive dialogue with our strategic suppliers will help to reduce supply risk, harness innovation by using their expertise, and provide opportunities for improved performance and reduced cost.

Success Measure:


Metric	Description	Target
Minimum	Firefighting. Ad hoc engagement with important suppliers usually when there is a problem to be resolved.	Where we are today
		
Mature	Delivering programme of engagement with strategic suppliers at council level.	Where we want to be

3.2 Behave Commercially

3.2.1 Creating Commercial Opportunities

As financial support from central government reduces, we are required to look at other means of reducing funding deficits to ensure our services to the community are not affected. Therefore, we will undertake frequent service reviews to assess if they are being delivered in the most effective way, enhance our engagement with the market to encourage innovation, and new ideas and solutions for service delivery. We will also look at new revenue opportunities, seeking to maximise return on investment on our assets and considering new capital acquisitions that can create new wealth.


Success Measure:

Metric	Description	Target
Developing	Some high value/ high profile acquisitions examined for creating commercial opportunities.	Where we are today
		
Leader	Revenue generation and potential wealth creation is a standard part of all contract review meetings. Procurement staff are encouraged to enhance commercial skills and demonstrate commercial behaviours.	Where we want to be

3.2.2 Managing Contracts and Relationships

Poor supplier performance or commercial failure can seriously damage our reputation and ability to deliver effective services and support to local communities. It is, therefore, vital that we have effective management and control of all contracts from their implementation through to closure. We will ensure our contract and supplier management policies, procedures, and systems, together with performance and risk management provide effective support to the successful and timely delivery of outcomes and control of costs.

Success Measure:


Metric	Description	Target
Developing	Identified the need to change and improve. Basic policies, procedures, and systems in place.	Where we are today
		
Innovator	Contract and relationship management recognised by the leadership team as being essential to driving ongoing improvement and better service outcomes. Systems, procedures, and staff delivering consistently high results.	Where we want to be

3.2.3 Managing Strategic Risk

The occurrence of any risk, particularly when it could be foreseen, can have a devastating impact on our reputation, the community we serve, the quality of the services provided, and our financial viability. Risk is inherent in procurement decisions but will take actions and implement policies designed to reduce the probability of a perceived risk occurring and minimising the detrimental effects that may occur should it materialise. We will also consider and maintain our risk appetite to reflect changing environmental factors and alter the level, nature, and balance of risks with which we are willing to operate to deliver public services.

Success Measure:

Metric	Description	Target
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Mature	Taking a proactive approach to strategic risk management with all vulnerable areas identified and mitigating policies and plans in place.	Where we are today
		
Innovator	Effective policies and plans in place in all areas, shared with contractors with contingency plans in place and active management of all strategic risks.	Where we want to be

3.3 Achieve Community Benefits and Social Value

3.3.1 Obtaining Social Value

Social value is about improving economic, social, and environmental wellbeing from our contracts over and above the delivery of the services directly required at no additional cost. Seeking social value from our procurement spend provides an opportunity to maximise the value obtained from the resultant contracts.


Success Measure:

Metric	Description	Target
Developing	Compliant but only proactively seeking social value in a few key contracts only.	Where we are today
		
Innovator	Social value is a core operational metric, integrated into all service areas with regular reporting against targets.	Where we want to be

3.3.2 Engaging Local Small Medium Enterprises (SMEs) and Micro-businesses

In Worcestershire, SMEs and Micro-businesses play a major role in creating jobs, fostering economic growth, providing social stability and are a source of innovation and contribute to the development of the private sector. We will take a proactive approach to these organisations and ensure they are considered in our commissioning and procurement strategies. We will continue to encourage the establishment and growth of SMEs Micro-businesses in the county.

Success Measure:


Metric	Description	Target
Developing	SME organisations are engaged in a few key contracts only.	Where we are today
		
Innovator	SME engagement is a core operational way of doing business, integrated into all service areas and activities with regular reporting against targets.	Where we want to be

3.3.3 Enabling Voluntary, Community and Social Enterprise (VCSE) Engagement

VCSE organisations share common characteristics in the social, environmental, and cultural objectives that they pursue, and the reinvestment of surpluses for those objectives. We

will foster good relations with the VCSE sector and seek new ways for delivering health and social care services.

Success Measure:

Metric	Description	Target
Developing	VCSE organisations are engaged in a few key contracts only.	Where we are today
		
Innovator	VCSE engagement is a core operational way of doing business, integrated into all service areas and activities with regular reporting against targets	Where we want to be

4.0 Contributing To Our Council Priorities

4.1 Open for Business

Worcestershire has one of the fastest growing local economies in the country. Being “Open for Business” remains the key priority for the Council. This is vital if both individuals and businesses are to achieve their full potential and if Worcestershire is going to continue to prosper.

A successful and growing local economy will generate wealth for residents and businesses, and this growth will increase Council income, enabling us to invest more in those areas that our residents and businesses tell us are most important to them.

Through our procurement activities we will contribute to this priority by:

- Engaging with local suppliers, particularly small and medium enterprises, voluntary, community and social enterprise organisations; to keep them updated on procurement related topics and future opportunities.
- Fostering links between local suppliers and the Council's Economic Growth team to help local suppliers maximise their ability to win public sector contracts.
- Include requirements in our major contracts to encourage the sourcing of subcontract opportunities from the local supply market that supports local employment.
- During the life of this strategy, and with the anticipated changes to the procurement legislation, explore opportunities to promote greater levels of expenditure within Worcestershire, either directly or through setting expectations with our larger strategic Partners.

4.2 Children and Families

We are focused on improving outcomes for all children, young people and families in Worcestershire. Our ambition is to see more children and young people achieving their full potential in education and being fully prepared to live happy, healthy, independent and prosperous adult lives.

We will actively encourage young people to prepare for their adult life by focusing on helping them to reach their full potential in education and to progress into employment. We will promote the importance of gaining employment and the positive impact this has on their future health and well-being.

Through our procurement activities we will contribute to this priority by:

- Targeting social value outcomes to provide work opportunities for Care Leavers.

- Encourage suppliers to develop links with our education providers including the university, colleges, and schools to support their future growth and employee requirements, particularly apprenticeships.
- We will invest in a schools' procurement lead, driving improved value for money across the supply chain of our primary (including middle school) and secondary school establishments, and in-turn facilitating the reinvestment of any saving back in to education.
- We will lead on the procurement and management of suppliers delivering school building refurbishment and builds, ensuring they are delivered on time, to budget and attaining the best possible standards.

4.3 The Environment

Protecting the environment is one of the Council's core priorities as the environment is one of Worcestershire's key assets and we, as a council, are acting to maintain and enhance it for the benefit of all who live, work, and visit our wonderful county. Our environment is one of the county's key features, providing easy access to the countryside and a wealth of stunning scenery. Our country parks, open spaces, and woodlands provide great walking and cycling opportunities which support our health and well-being vision.

Through our procurement activities we will contribute to this priority by:

- Specifying goods and services, based on whole life costing and minimise the use of resources.
- Encouraging and monitoring responsible environmental performance by our supply base in:
 - Reducing environmental impact
 - Reducing carbon footprint
 - Minimising waste and increasing recycling.

4.4 Health and Wellbeing

It is our priority, working with partners, to ensure Worcestershire residents are healthier, live longer, have a better quality of life, and remain independent for as long as possible. Over half of the Council's spend is for health and social care services that enable individuals to become or remain independent, self-reliant, and part of their local communities.

We are working with our local health partners on the county's Sustainability and Transformation Plan. This is a long-term initiative to address some of the local health and care issues we have, to improve health for people across the area and to ensure we can provide safe and sustainable care into the future. It will result in:

- Reducing duplication and making services easier to navigate and access.
- All of us doing more to support healthy living and self-care and manage aspects of our conditions.
- Providing more care at home or closer to home, reducing avoidable hospital admissions.
- Potentially travelling further for more specialist services so we can ensure they are safely and appropriately staffed with the right level of expertise.

Through our procurement activities we will contribute to this priority by:

- Encouraging suppliers to adopt workplace health initiatives that keep people in work, reduce sickness and create a workplace that is more conducive to good health.
- Providing suppliers with a route to contribute to voluntary and community organisations and projects that support local people through volunteering and crowd-funding initiatives.
- Ensuring that services are procured to support the aims of the Sustainability and Transformation Plan.
- Working collaboratively with health and social care partners to share knowledge, experience and expertise and jointly procure services to deliver savings.

5.0 Our Approach

Financial pressures on the Council emphasise the importance that our commercial activities can make real financial savings. By deploying a category management approach and providing an enhanced combination of support and challenge to commissioning practitioners, we will:

- Lead the way in seeking out opportunities for financial savings and ensuring that these become real cost reductions.
- Undertake research and engage with the market to both understand and influence the existing and future demand for our services.
- Exploit opportunities to make cost savings through investing and enhancing our category, supplier, and contract management activities; pursuing partnering and collaborative opportunities and, developing a skilled commercial team to deliver our requirements.

5.1 Category Management

We will adopt the principles of category management in our approach to commercial activities. The category management approach will ensure that we take a full view of procurement spend to maximise value for money and secure other non-financial benefits. Our purchase requirements will be divided into categories that best reflect the market's capacity to supply. The aim is to take a strategic view of how our demand is best supplied from bought in goods, services and works at the greatest value to the Council and the local community and to ensure that our priorities are adopted throughout the entire cycle.

Our need analysis will identify if there is any scope for improvement by changes in planning and control or changing the specification of what is needed. Supply analysis will establish opportunities by assessing supplier abilities and relationships, market analysis and positioning, supplier competition and differentiation.

Through our category management approach, we will:

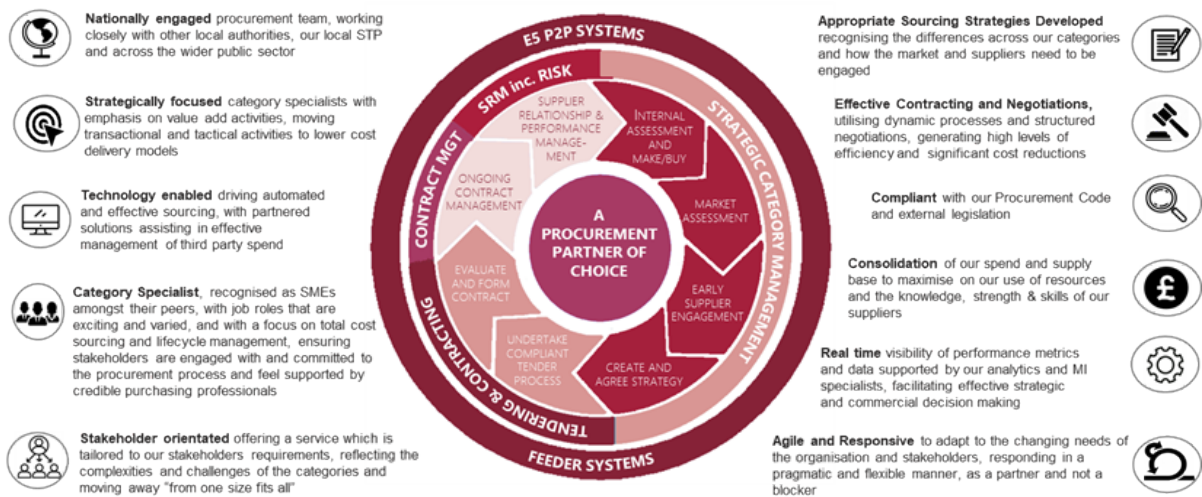
- Develop effective leadership on spend
- Develop and manage the supply market
- Design new models of service delivery
- Maximise value through spend aggregation
- Standardise specification to increase market competitiveness
- Understand the cost drivers that determine the costs we incur.

5.2 Operating Model and our Team

Commercial Team, organised into 4 sub teams:

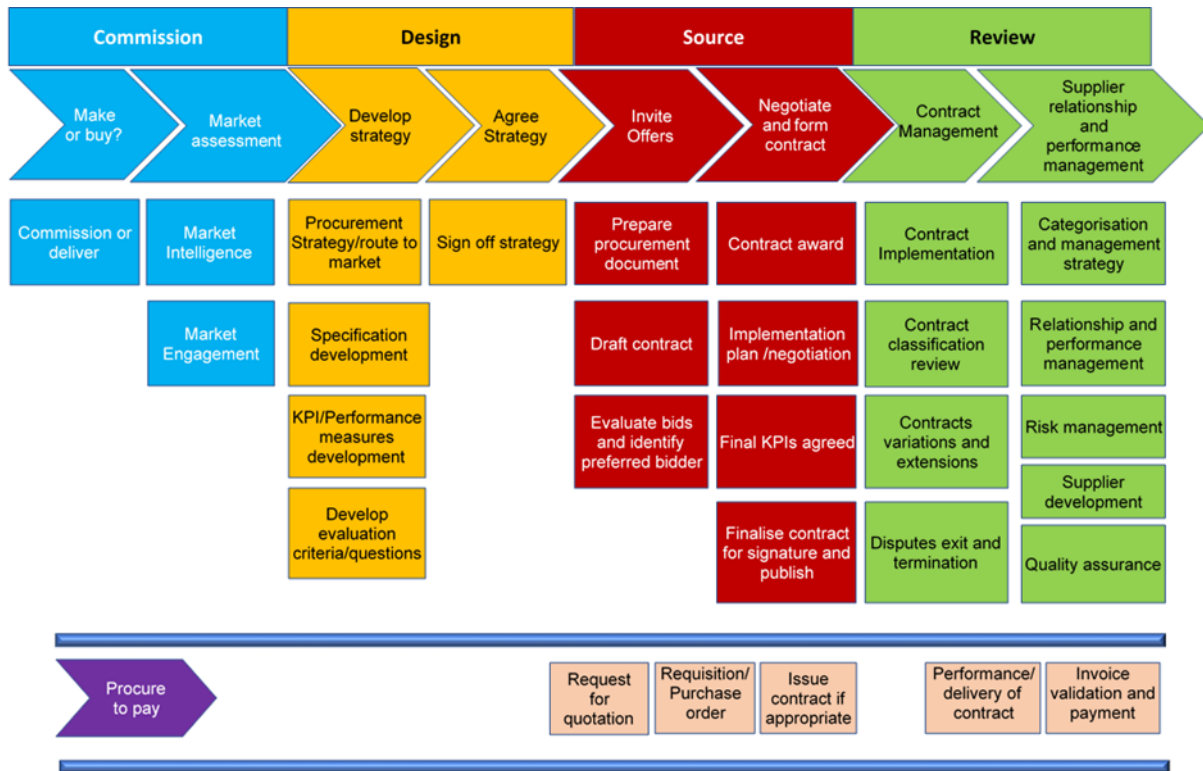
- People - Focussing on services for adults, children, and general health & well-being.
- Place - Supporting the Council’s infrastructure projects including waste, highways, and property.
- Corporate - Concentrating on IT, transport, and professional services.
- Operations - Developing the communications, processes, and management information.

We will deploy a fully integrated category management model adopting best practice principles of end to end purchasing lifecycle management. In doing so, we will be agile and responsive, and delivering real value based on whole life total cost and value of ownership. The model is shown in the following diagram:



5.2.1 Eight Steps

In adopting the operating model, we will follow the eight steps of category management, as depicted in the following diagram:



5.3 Supplier and Contract Management

We recognise that we need to be more effective in contract and supplier management to ensure we can maximise the opportunities for additional cost savings and non-financial benefits. Contract management is more than ensuring suppliers meet their contractual obligations, it helps to identify and manage risk that will be inherent in the contracts and to drive continuous improvement throughout the life of the contracts.

Key to delivering our strategic plan is developing our relations with suppliers. Our supplier engagement programme will be tailored for each supplier group depending on its relationship and influence with the Council. Stronger engagement will not only improve relations but also enhance communications to inform changes in the way we procure, including new processes and technology.

This programme will include supplier events with local suppliers and voluntary and community organisations to help establish a vibrant and sustainable local supply base.

- Reduce Council and Supplier costs.
- Eliminate waste and “off-contract spend”.
- Provide ongoing benchmarking to ensure competitiveness.

- Drive out unnecessary costs in the supply chain.
- Ensure performance measures are aligned to outcomes.
- Increase supplier performance at the same time as costs decrease.

5.4 Social Value

A key element of our procurement strategy is how our spend can contribute social value to improve economic, social, and environmental well-being. The Council's spend provides an opportunity to deliver benefits and realise outcomes that can improve the lives of residents in the county.

We must comply with the Public Services (Social Value) Act 2012, which requires us to consider how the services we procure can improve the well-being of the local area. We will do this by:

- Contributing to the Council's Priorities as stated in this strategy.
- Including a minimum of 10% as part of the evaluation criteria for all contracts over £100,000 (unless this is impractical).
- Undertaking and publishing an annual review of activity that has been done and the social value realised to through pursuing the following **Key Social Value Goals**:
 - **Unlocking community capacity through supporting more people to be active within their communities**
 - Building the capacity of local voluntary and community organisations and schools through the provision of resources and expertise.
Measure – number of local voluntary and community organisations and schools supported.
 - Supporting the crowd funding of projects initiated by local people.
Measure – number of crowd-funded projects contributed to and the value of contributions.
 - Creating opportunities for staff to volunteer.
Measure – number of hours of volunteering undertaken.
 - **Developing and growing a skilled workforce**
 - Creating training opportunities and apprenticeships for local people.
Measure – number of local people enrolled in training and apprenticeships.
 - **Improving outcomes for vulnerable and disadvantaged learners including care leavers**
 - Providing support and work experience, opportunities, and apprenticeships.
Measure – number of young people supported.
 - **Encouraging the use of the local economy**
 - Having a preference to buy locally on the condition that a suitable supplier exists and that this provides value for money.
Measure – spend that is retained within Worcestershire through contracts and second tier subcontracts with local suppliers.

- **Protecting the local environment**

- Performing contracts in an environmental responsible way by reducing waste and energy usage.

Measure – number of contracts that deliver positive environmental impacts.

5.5 Partnering and Collaboration

Where it is in our interests and meets our procurement policies and aims, we will actively pursue partnering opportunities with neighbouring authorities and public service bodies to secure and deliver common services through shared contracting arrangements with suppliers.

We will also engage with the wider public sector to explore ways we can aggregate spend, share experiences and expertise, and look beyond the traditional boundaries to see how services can be improved and procured more effectively.

5.6 Skills Development & Capacity Building

Our procurement vision and strategy require the development of staff to undertake a new approach as well as designing and populating the right structure to deliver. We recognise that this requires investment in our staff, and we have ambitions that the procurement service will be respected by other procurement organisations. To achieve this, we will:

- Strengthen commercial leadership and management skills
- Develop a pro-active, strategic, innovative, challenging and learning culture
- Build the capability and capacity of the commercial team to deliver our procurement service
- Equip managers and staff with appropriate procurement skills, including negotiation, influencing, contract and relationship management and contract law.

5.7 Compliance and Risk Management

We have a duty to our communities to apply controls and consistent standards across all our procurement activities. Applying good leadership and governance ensures that our key decisions, processes, and procedures are legal, reflect best practice and manages risk.

Our procurement is subject to European law and we must demonstrate that it is compliant with legislation and the principles of fairness, non-discrimination, and equality. Our governance arrangements will:

- Measure progress against this strategy
- Support our cost savings and benefits realisation plans
- Develop and champion the Council's approach to Strategic Commissioning
- Ensure robust scrutiny of all contracts with full appraisal of relevant options
- Review all significant procurement projects to ensure delivery of forecasted benefits
- Ensure all procurement complies with the Council's policies, procedures, and transparency code.

An element of risk is inherent in any procurement decision. It is essential that we assess and manage risk where it could impact on service delivery, our reputation, financial and legal exposure. By being aware of risk, we will actively manage any potential problems and issues.

We will audit our contracts to check for fraud and include whistleblowing policies as part of contract conditions. We shall require our main contractors to mirror these policies in subcontracting arrangements.

By recognising and proactively managing risk, other benefits will occur including effective decisions, fewer sudden shocks and surprises, better use of resources, reduced waste/fraud, improved service delivery, reduced management time in fire-fighting and improved innovation. Therefore, we will:

- Integrate risk management into the procurement process and regularly review with suppliers
- Improve risk management through implementing a supplier quality assurance scheme and robust contract management activities
- Review strategically important contracts.

5.8 Planning and Review

A major aim of our procurement strategy is to develop a pro-active and challenging culture, striving to deliver community benefits through innovation and new ways of delivery.

We will measure the effectiveness of this strategy and these measures will be reported on in an annual review and monitored monthly.

The output from the review will be used in conjunction with any changes in the Council's priorities and financial position for updating the strategy.

Ensuring effective implementation of this strategy, we will develop an Annual Procurement Plan. The objectives of the plan will be to identify:

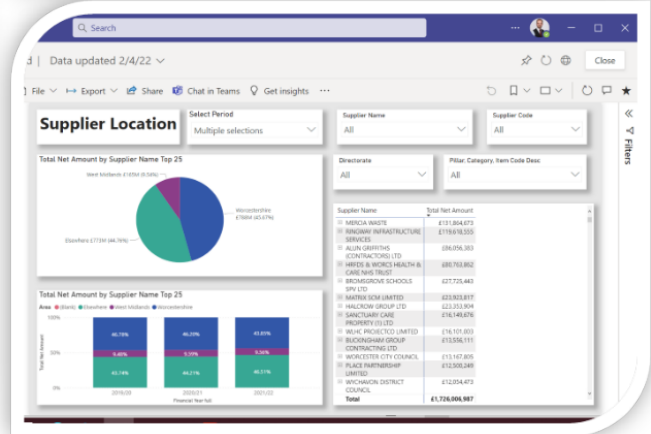
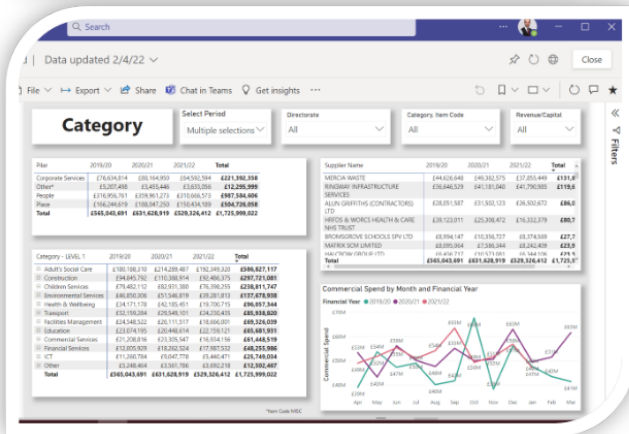
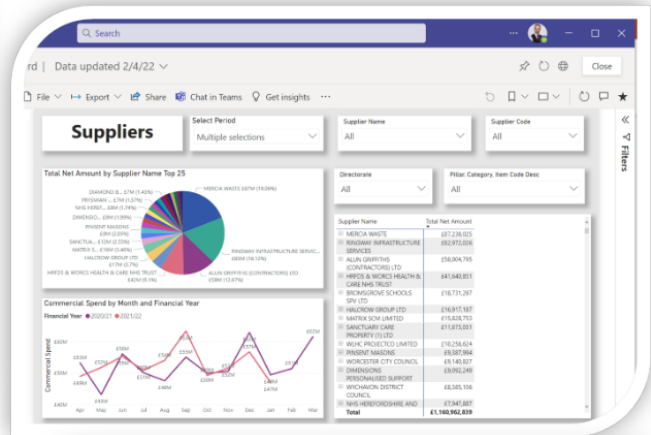
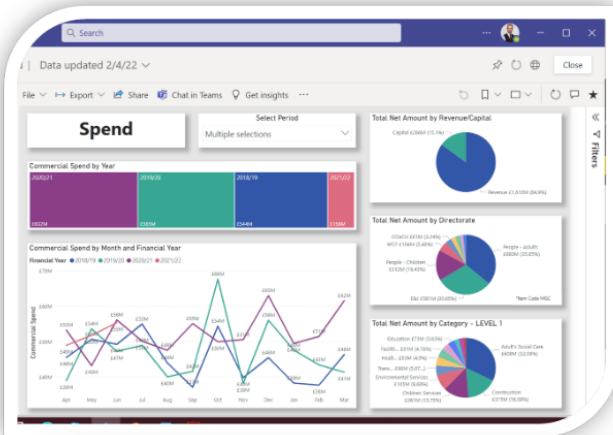
1. The forthcoming year's planned activity, savings, and other performance targets
2. Learning and development programme for staff
3. Market engagement activities, particularly with local organisations
4. Key risks and issues that will need managing to achieve the plan.

5.9 Systems and Tools

We will strive to deliver new and improved technology and system solutions, during the next three years, extending our capabilities, introducing greater process automation, and providing us with real time access to the data and information we need to support informed and effective decision making.

The Commercial Team currently has two main technology solutions which it relies on over and above the finance system. In-tend is our e-procurement solution and in the coming months, new functionality will be developed with the solution prior to its relaunch. In addition, we have developed an in-house analytics solution using the Microsoft Power BI platform, providing us with near real time business intelligence data on our category spend, suppliers, contract performance, savings, and other areas. This tool will undergo further development over the next three years, focusing on data integration with other systems, data integrity and accuracy, and an expansion in scope of the intelligence covered, such as carbon footprint, risk management, social value.

Examples below of current dashboards:



6.0 Conclusion and Summary

The 2022 to 2025 Corporate Procurement Strategy has been developed to set us on the right course for becoming a best-in-class procurement and commercial function over the next 3 years. It represents an honest assessment of where we are today, and outlines where we want to get to, defining our ambitions, objectives and desired outcomes, and challenging ourselves to achieve these at pace. We will maintain a clear focus on developing our people, processes and technology. On driving improved engagement both internally, and across our wider partners. And in promoting social value and community benefits through our extensive purchasing power. We will work with the Government Commercial Function and peers, as well as the LGA, to understand and benchmark our progress along this journey, and learn from and adopt developing best practices as we go, ensuring our strategy remains live and relevant, and delivering against our needs. At the heart of what we do will be supporting our internal customers as partners, and in-turn our wider residents, offering confidence that the public money with which we are entrusted is spent wisely and continues to offer the best possible value for money.

We have a great team who are engaged, motivated and driven. And who possess the right expertise and experience to enable us to deliver the ambitions of this strategy effectively. We all recognise the challenge that this strategy sets us, and what will be involved to achieve it, and we are confident in our ability to do so.

Appendix 1

Measuring Success – Our Key Performance Indicators

KPI	Where we are now:	Where we want to be:
High level principle/ specific behaviour	Developing The Council is exploring the best approach to Elected Member engagement in procurement and commercial matters.	Leader Elected Member engagement is delivering better results across all procurement and commercial activity.
Procurement & commercial champions	Developing The Council is exploring the best way for Elected Members to champion procurement and commercial matters.	Mature Procurement and commercial are within the portfolio of a Cabinet member.
Reporting	Developing Council is exploring better ways of informing Elected Members about procurement and commercial activities.	Leader Elected Members are performing their roles more effectively due to enhanced reporting arrangements.
Training & development	Minimum No formal training for Elected Members on procurement and commercial issues.	Leader Development programmes have resulted in better Elected Member engagement with procurement and better decisions.

High level principle/ specific behaviour	Mature Senior Leaders engaged with procurement and commercial issues, routinely taking advice at key decision points.	Leader Council demonstrating better results from early procurement and commercial advice on projects.
Influence and impact	Mature Contribution recognised through representation on corporate management team.	Leader Representation on corporate management team contributing to better strategic planning, coordination, and decision-making.
Mission and strategy	Developing Procurement strategy being reviewed and refreshed.	Mature Council has approved a procurement strategy aligned to corporate and service strategies.
Processes	Mature Structured approach to project management clearly defining roles and	Leader Demonstrably better outcomes from projects due to early procurement and commercial advice.

	responsibilities in relation to procurement and commercial advice.	
Training & development	Minimum No formal training for senior leaders on procurement and commercial issues.	Mature Senior leader development programmes include procurement and commercial modules for all participants.
High level principle/ specific behaviour	Developing Council acknowledges the business case for a cross-council approach to design and implementation of solutions and is seeking to encourage this	Mature Designing and implementing solutions as a single team in high value/high risk projects
Culture	Developing Benefits of a change in culture recognised. Pilots challenging attitudes and behaviours	Mature Working as a single team is ‘the way we do things here’
Governance and processes	Mature The team approach is supported by: <ul style="list-style-type: none"> • corporate and service planning and budgeting processes • a structured approach to project management • effective governance arrangements. 	Leader The team approach is supported by: <ul style="list-style-type: none"> • joint planning and budgeting processes • common approach to project management. • strong cross- organisation governance structures.
Training & development	Minimum Training and development programmes do not cover partnership working.	Mature Training programmes cover ‘soft skills’ of partnership working as well as council processes.
High level principle/ specific behaviour	Minimum Firefighting. Ad hoc engagement with important suppliers, usually when there is a problem to be resolved.	Mature Delivering programme of engagement with strategic suppliers at council level.
Data collection and analysis	Developing Council has partial data and intelligence on its suppliers and is developing criteria it will use to identify strategic suppliers.	Mature 1. Council routinely collects and analyses data and intelligence on supplier performance, cost, financial status, added social value and risk. 2. Council strategic suppliers identified according to agreed criteria.

		3. Council has visibility of strategic supplier supply chains.
Engagement of existing strategic suppliers	<p>Minimum</p> <ol style="list-style-type: none"> 1. Roles and responsibilities in relation to strategic suppliers not defined. 2. Engagement (when it happens) is firefighting in response to a crisis. 	<p>Mature</p> <ol style="list-style-type: none"> 1. Roles and responsibilities allocated for monitoring and engaging strategic suppliers. 2. Engagement toolkit adopted. 3. Supply chain risk assessment carried out. 4. Programme of engagement to identify and realise opportunities for cost reduction, performance improvement, added social value, mitigation of risk and so on. 5. Improvement/cost reduction plans in place. Contingency planning where there is significant risk.
Early engagement with future strategic suppliers	<p>Developing</p> <ol style="list-style-type: none"> 1. Some information on forward plans published. 2. Experience of early market engagement on at least one council project. 	<p>Mature</p> <ol style="list-style-type: none"> 1. Future needs signalled to the market using a variety of channels including publication of pipeline information and engagement events. 2. Normal practice to engage early with bidders on significant projects to encourage innovative solutions.
High level principle/ specific behaviour	<p>Developing</p> <p>Some high value/high profile acquisitions examined for creating commercial opportunities.</p>	<p>Leader</p> <p>Revenue generation and potential wealth creation is a standard part of all contract review meetings. Procurement staff are encouraged to enhance commercial skills and demonstrate commercial behaviours.</p>
Forward planning	<p>Developing</p> <p>Forward planning is undertaken in some areas and/or for some acquisition types. Opportunities to create new revenue streams is sometimes investigated in some departments and for some expenditure categories.</p>	<p>Leader</p> <p>Forward planning for contracts has developed to form an integral part of the organisation's budget setting and expenditure forecasting process. Procurement can contribute ideas for revenue generation in the forward planning process.</p>

<p>Options appraisal (Make or Buy)</p>	<p>Developing Undertaken for high profile/high value projects and exercises. Evaluation criteria sometimes incorporating commercial and social considerations.</p>	<p>Leader Options appraisal includes seeking commercial opportunities and/ or collaborative contracting with others in the sector. Creation of new models for delivering services. Procurement viewed as an integral aspect of options appraisals.</p>
<p>Market and supplier research and analysis</p>	<p>Developing Undertaken when a new requirement is sought and/or where there have been problems on an earlier contract. Research sometimes includes looking for commercial opportunities or gaps in the market.</p>	<p>Leader Outcomes from market and supplier research are used to shape and determine the content and timing of the procurement process used. Outcomes are also used to contribute to the risk management process and options appraisal process. Procurement viewed as an integral aspect of market and supplier research and analysis.</p>
<p>Tendering</p>	<p>Mature 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.</p>	<p>Innovator Tendering opportunities are focused on innovation and opportunities and done in conjunction with development partners to maximise market attractiveness.</p>
<p>Performance reporting</p>	<p>Developing Performance reporting is undertaken and includes commercial and social benefits achieved as well as savings but restricted to specific procurement exercises and some departments. Summary reports are produced by Procurement for service heads on an annual basis.</p>	<p>Leader 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. An annual report for the Leadership team and potential delivery partners covering achievements and aspirations is published by the organisation. Procurement is viewed as an integral aspect of performance reporting and is viewed by the</p>

		leadership as contributing to commercialism.
Post contract review	Minimum Occasional post contract reviews undertaken but restricted to some departments and/ or categories of expenditure. Seen as something that is done after poor contract performance or contract failure.	Innovator Contract reviews and relationships are seen as a continuous process and fundamental to improved performance and the creation of new opportunities. Reviews are extended to sector partners so that supplier relationship management can be undertaken in partnership with multiple organisations.
High level principle/ specific behaviour	Developing Identified the need to change and improve. Basic policies, procedures, and systems in place.	Innovator Contract and relationship management recognised by the leadership team as being essential to driving ongoing improvement and better service outcomes. Systems, procedures, and staff delivering consistently high results.
Information storage and accessibility	Developing Contracts register exists with some access possible, mainly viewing and searching capability. 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.	Leader Contracts Register is dynamic and fully accessible to all who need to use it. Information is always up-to-date with comprehensive, complete and accurate records on all contracts. Contracts register has action/renewal alerting capabilities for contract owners and managers and in-built Learning Management capability.
Change control	Developing 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.	Leader All contract changes and variations processed through change control stored on the contracts register. Details shared online with contract managers, owners, and contractors.
Supplier financial distress	Developing Structured approach to early engagement of suppliers in financial difficulties.	Innovator Implementing advanced approach to supplier financial distress extending beyond contract clauses.

<p>Savings & benefits delivery</p>	<p>Developing A formal policy is in place for capturing savings and accruing benefits from contracts but is not uniformly implemented.</p>	<p>Innovator A proactive system is in place in partnership with contractors to review all contracts for potential savings, cost reductions and benefits realisation. Contractors work with the organisation on an ongoing basis to reduce costs and eliminate potential waste.</p>
<p>Recognition and cultural acceptance</p>	<p>Developing There is recognition by the organisation of Contract and Relationship management in some departments. Job roles are designated as contract manager and/or contain specific contract and management activity in their content description in some departments.</p>	<p>Leader 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>Skills & knowledge</p>	<p>Minimum Staff have limited access to any contract and relationship management skills and knowledge programmes.</p>	<p>Leader Contract and Relationship Management is acknowledged as a core competency across the organisation. Staff are invited to undergo advanced/ specialist training where contract management accounts for more than 20 per cent of their job role.</p>
<p>High level principle/ specific behaviour:</p>	<p>Developing Good awareness of issues involved and potential threats with basic systems in place to manage should they occur.</p>	<p>Mature Taking a proactive approach to strategic risk management with all vulnerable areas identified and mitigating policies and plans in place.</p>
<p>Fraud and financial loss</p>	<p>Mature 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.</p>	<p>Leader 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.</p>

Supply chain and contractor failure	Developing Aware of the risks and issues involved and attempting to identify where this may occur.	Innovator Full picture of all high-risk suppliers and contractors with supply chain vulnerabilities identified. Active management of, and reporting against, high risk suppliers and their supply chains.
Modern slavery (Legislation)	Developing Aware of the legislation and how it might manifest itself in supply chains.	Leader All contracts where modern slavery might occur are known. Agreed reporting measures and compliance checks agreed and implemented by appropriate contractors.
GDPR (Legislation)	Developing Aware of legislation and taking steps to ensure compliance.	Leader 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.
External events (e.g., Ukraine/ Russia conflict)	Developing Keeping abreast with central government briefings and taking appropriate action, as and when required.	Leader Thorough understanding of the possible impact on all high value/risk contracts. Contingency plans in place in the event of contract failure.
High level principle/ specific behaviour:	Developing Compliant but only proactively seeking social value in a few key contracts only.	Leader Social value embedded into corporate strategy and have comprehensive frameworks for management and delivery.
Policy and scope	Developing No specific policy in place. Only complies with the Act (i.e., services above UK procurement threshold).	Leader 1. Social value requirements applied procurements above & below UK thresholds. 2. Requirements are tailored to reflect size and scope of contract. 3. Social value embedded into all procurement routes where appropriate.
Internal management	Developing No senior officer given a direct reporting responsibility for social value.	Leader 1. Individual named officer(s) given responsibility for reporting to board/elected member, managing and delivering social value across procurement and commissioning. 2. Relevant officers are provided with social value training and

		resources to implement social value strategy.
Measurement: Themes, outcomes, and measures (TOMs)	Developing Measuring some limited form of social value, e.g., SME spend.	Leader 1. Measure social value in both non-financial & financial terms against outcomes and themes. 2. Local TOMs (including values) updated on an annual basis with evidence and methodology to support. 3. Outcomes weighted systematically to council and local priorities (i.e., targeting).
Commissioning	Developing Some attention given in larger contracts to commissioning for social value.	Leader 1. Social value threaded through commissioning cycle. 2. All new contracts assessed before procurement for their potential contribution to social value objectives. 3. TOMs adjusted to against overall social value delivery strategy. 4. Social value is embedded within guidance, resources, templates.
Procurement	Developing 1. Social value is mentioned in tenders (where relevant) relating to services but no weightings or specific score allocated. 2. Tenderers asked for social value commitments to improve the economic, social, and environmental wellbeing of the relevant area.	Leader 1. Social value requirements included in all tenders (contracts and frameworks). 2. A specific scoring and weighting system in place of at least 10% of the total score. 3. Relevant 'Gateways and Checks' in place to ensure consistency in tenders. 4. Processes in place to ensure lessons learnt and feedback incorporated for continuous practice improvement including policy and toolkit development.
Market engagement and partnerships	Developing 1. Initial but ad hoc steps taken in market engagement around social value. 2. Some information is made available to suppliers to	Leader 1. Regular 'supplier summits' held to build capacity & to get feedback. 2. Case studies and examples of innovation provided to illustrate the different levels/actions.

	support their understanding of social value.	<ol style="list-style-type: none"> 3. A market development plan forms part of the policy underpinning commissioning development and action plan. 4. A specific focus on upskilling of local micro, small, medium sized enterprises, business and VCSE organisations.
Contract management	<p>Developing Contracts not monitored in any coherent way for social value afterwards.</p>	<p>Leader</p> <ol style="list-style-type: none"> 1. Performance reviews and regular feedback and action taken to ensure continuous improvements to social value implementation and delivery. 2. Processes in place to ensure lessons are learnt and feedback incorporated for continuous practice improvement, including benchmarking and case law. 3. Meetings regularly held with contractors to discuss delivery of social value.
Cross sector collaboration	<p>Developing Limited collaboration through joint occasional contract with other public sector bodies held regarding social value.</p>	<p>Leader</p> <ol style="list-style-type: none"> 1. Cross sector committee formed to develop and manage the delivery of joined up social value policies and shared TOMs. 2. Regular meetings and feedback sessions held. 3. Shared implementation plan.
Reporting	<p>Developing Limited or informal social value reporting and feedback only.</p>	<p>Leader</p> <ol style="list-style-type: none"> 1. Regular feedback to cabinet/scrutiny committee on social value. 2. Annual reporting includes benchmarking and progress against targets.
Governance and accountability	<p>Developing Council/authority has met the requirements of the Act to 'consider' social value and this is minuted.</p>	<p>Leader</p> <ol style="list-style-type: none"> 1. Cabinet member has direct oversight of social value performance. 2. Social value has been embedded into commissioning and procurement practice, tools, resources and processes with a ratified policy and toolkit that are published.

		<p>3. Social value implementation is underpinned by an overarching action plan.</p> <p>4. Social value is measured and reported on regularly.</p>
High level principle/ specific behaviour:	<p>Developing</p> <p>SME organisations are engaged in a few key contracts only.</p>	<p>Leader</p> <p>SME engagement is embedded into corporate strategy.</p>
Policy and scope	<p>Developing</p> <p>1. Commissioners have started to communicate what local needs are and the desired market outcomes.</p> <p>2. No policy or strategy in place for addressing SMEs.</p>	<p>Leader</p> <p>1. Commissioners engage regularly with SMEs, both on an individual basis and collectively to achieve desired market outcomes.</p> <p>2. Support is provided to SMEs to understand how to respond to Council requirements.</p> <p>3. Full policy or strategy in place to direct the organisation's engagement with SMEs.</p>
Facilitating good relationships with SMEs	<p>Developing</p> <p>Relationships between SMEs and other providers are not facilitated. It is not considered to be an area where intervention is needed or appropriate.</p> <p>As a result of this, there is an absence of consortia and networking in the locality.</p>	<p>Leader</p> <p>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.</p>
Commissioning	<p>Developing</p> <p>1. 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>2. 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>Leader</p> <p>1. There is strong knowledge of the value SMEs bring in providing niche, localised services and actively integrate them into their service provision.</p> <p>2. 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>3. Efforts are made to establish continuous partnership working with SME organisations.</p>

	3. There is interest in SME partnership working but no lasting relationship has been established.	
Market engagement and partnerships	<p>Developing</p> <ol style="list-style-type: none"> 1. There is knowledge of the SME landscape and the value they could bring to public services, but this is unevenly distributed across Council departments. 2. There is no point of contact for SMEs. They are assumed to understand the commissioning process and how to participate. 3. Communication materials rely on jargon and no dedicated support exists to make processes more accessible to SMEs. 	<p>Leader</p> <ol style="list-style-type: none"> 1. Good understanding of the local SME landscape and their value exists. 2. There is a lead commissioning contact who takes some responsibility for facilitating SMEs' input into the commissioning process. 3. A conscious effort is made to clarify language and procedures related to the commissioning process. SMEs are fully aware of ways to feed in.
Procurement	<p>Developing</p> <ol style="list-style-type: none"> 1. There is a prescriptive procedure for all procurement exercises and little awareness of how SMEs might engage. 2. 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. 3. Dynamic purchasing systems (DPS) used by certain areas of the Council. 	<p>Leader</p> <ol style="list-style-type: none"> 1. Processes have been adapted to ensure that SMEs are fully engaged from the outset. 2. 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. 3. 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.
Contract management	<p>Developing</p> <p>Some parts of the Council manage contracts with SMEs but this is not consistent. Contract management only relates to the prime contractor. There is no expectation on how subcontracting relationships with smaller SMEs should be conducted.</p>	<p>Leader</p> <p>Contract management processes encourage proactive engagement with SMEs in prime contractor supply chains. 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>
Governance, accountability, and reporting	<p>Developing</p> <p>Some analysis of SME spend is captured but no actions are taken based on the information gathered.</p>	<p>Leader</p> <p>Targets are set for expenditure on SMEs and these are monitored and reported on at Officer level boards. Performance on engagement with SMEs by the council is reported to scrutiny committee on a regular basis. Prime contractors required to provide data on payment times to SMEs in supply chains and this information is reported to members. A balanced scorecard is used to assess the council's use of SMEs and treatment in supply chains.</p>
High level principle/ specific behaviour:	<p>Developing</p> <p>VCSE organisations are engaged in a few key contracts only.</p>	<p>Leader</p> <p>VCSE engagement is embedded into corporate strategy.</p>
Policy and scope	<p>Developing</p> <p>1. 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>2. 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>Leader</p> <p>1. 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>2. 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>
Facilitating good relationships with VCSEs	<p>Developing</p> <p>Relationships between small VCSEs and other providers are not facilitated. It is not considered to be an area where intervention is needed</p>	<p>Leader</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</p>

	or appropriate. As a result of this, there is an absence of consortia and networking in their locality.	of this, Small VCSEs have formed some partnerships with larger providers via VCSE umbrella organisations where they exist.
Measurement	<p>Developing</p> <p>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.</p>	<p>Leader</p> <p>Commissioners/procurers often ask small VCSEs to aid them in the user feedback process, recognising their expertise in this area.</p>
Commissioning	<p>Developing</p> <p>1. 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>2. 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>3. There is no partnership working or ongoing relationships.</p>	<p>Leader</p> <p>1. 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>2. 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>3. Efforts are made to establish continuous partnership working with VCSE organisations.</p>
Market engagement and partnerships	<p>Developing</p> <p>1. There is little knowledge of the small VCSE landscape and the value they could bring to public services.</p> <p>2. There is no point of contact for small VCSEs. They are assumed to understand the commissioning process and how to participate.</p> <p>3. Communication materials rely on jargon and no dedicated support exists to make processes more accessible to small VCSEs.</p>	<p>Leader</p> <p>1. Good understanding of the local small VCSE landscape and their value exists.</p> <p>2. There is a lead commissioning contact who takes some responsibility for facilitating small VCSEs' input into the commissioning process.</p> <p>3. 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>Procurement</p>	<p>Developing</p> <p>1. 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>2. 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>3. 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>Leader</p> <p>1. The Light Touch Regime and the use of DPSs are taken advantage of in most cases. There are attempts to adapt processes to ensure that small VCSEs are fully engaged.</p> <p>2. 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>3. 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>Contract management</p>	<p>Developing</p> <p>Some contract management but this is not consistent across the organisation. 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>Leader</p> <p>Prime contractor relationships with VCSE organisations in their supply chain are taken into consideration when evaluating the large providers' contract performance. Whistleblowing procedures in place to enable VCSEs in supply chains to highlight poor treatment by prime contractors.</p>
<p>Governance, accountability, and reporting</p>	<p>Developing</p> <p>Some analysis of VCSE spend through procurement activity is captured but no actions are taken based on the information gathered.</p>	<p>Leader</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. Performance on engagement with VCSEs by the council is reported to scrutiny committee on a regular basis. A balanced scorecard is used to assess a council's use of VCSEs and treatment in supply chains.</p>