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# Leeds City Council Procurement Strategy

2019 to 2024

## Foreword by Procurement & Commercial Services (PACS)

This strategy outlines our aims for 2019-2024, and shows how procurement will contribute towards achieving the priorities set down in the [Best Council Plan 2018-19 to 2020-21](#).

The council spent in excess of £800 million during 2017-18 on the procurement of its goods, works and services. It is our duty to ensure this money is spent in the most effective way and delivers value for money.

Procurement has driven the release of savings through efficient procurement in the council for many years. In 2018-2019, Procurement and Commercial Services continued to generate savings for the council and in the coming years we will see further targets being set for procurement savings.

As well as delivering efficient procurement, it is essential to deliver effective procurement – that is, procurements that comply with our internal governance and external legal obligations, minimising risk of challenge.

These two critical elements of procurement (efficiency and effectiveness) were recognised by the previous procurement strategy. While they remain cornerstones of the updated strategy, we also recognise that procurement has a significant role to play in helping the council deliver all of its priorities. By ensuring we achieve the desired outcomes from our all contracts, in accordance with our values, we will demonstrate that we are efficient and enterprising in our procurement activity, in order to support the council's ambition of a strong economy and a compassionate city for all.

Consequently, the 5 key areas for this procurement strategy are:

- **Value for money and efficiency.** We will: seek to ensure the council gets maximum value from every pound that is spent through best value and innovative procurement practice; adopt a consistent corporate approach to commissioning; adopt a clearly identified savings strategy; and continue a category management approach to procurement.
- **Governance.** We will ensure compliance with the Contract Procedure Rules, the council's Constitution and public procurement law (including the Public Contracts Regulations 2015) in order to manage procurement risk and to comply with legal requirements.
- **Social value.** We will seek to improve economic, social and environmental wellbeing from our contracts, over and above the delivery of the services directly required, at no extra cost.
- **Commercial opportunities:** We will seek new ways to develop and create commercial opportunities through procurement and commissioning activities, not just by promoting revenue generation, but by looking at how we engage with, and influence, the marketplace and potential suppliers in order to drive innovation and develop new ideas around service delivery.

- **Strategic supplier engagement and contract management:** We will manage our strategic supplier relationships through. continuous engagement with them. We will also ensure effective management of all contracts from beginning to end in order to control costs, obtain the quality outcomes and performance levels set out in the contract, and minimise the level of risk.

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# 1 Introduction

1.1 The council's previous procurement strategy focused on:

- Efficiency - improve outcomes and value for money from the goods, works and services that it buys; and
- Governance - ensuring the council has appropriate and proportionate controls, systems and standards to manage procurement risk and to comply with legal requirements.

1.2 Achieving this vision was achieved by focusing on category management and a whole lifecycle approach, with clear accountabilities, openness and transparency.

1.3 Category management is still considered the best approach as a starting point for procurement activity within the council. Category management allows procurement resources to focus on specific areas of spend which enables category managers to focus their time and conduct on in depth market analysis to fully leverage their procurement decisions on behalf of the whole organisation.

1.4 However, this focus on efficiency and good governance needs be complimented going forward with a much greater focus on delivering maximum benefits locally from council spending thereby helping the council achieve its overall strategic objectives set down in the [Best Council Plan 2018-19 to 2020-21](#).

1.5 This document sets out the council's procurement strategy for the next 5 years (2019-2024) and is centred on our findings using the [National Procurement Strategy for Local Government in England 2018 toolkit](#). Building on the previous strategy, it identifies 5 "key areas" of focus for this strategy. In addition, it identifies four "enablers" which are necessary if we are to achieve the ambitions identified in this strategy. Full details are set out in Appendix 2.

1.6 Over the life of this strategy it will be reviewed accordingly to review progress towards the stated goals and to consider key issues that may arise (e.g. Brexit) so comments, queries, or suggestions for improvement are welcome. Please send an email to [PACS.Administration@leeds.gov.uk](mailto:PACS.Administration@leeds.gov.uk).

## **2 Background**

- 2.1 The council currently spends approximately £800 million externally each year, across both revenue and capital. We use a variety of contracts, from simple purchase orders to long-term partnership agreements. Some contracts are with a single provider, others are frameworks or dynamic purchasing systems with multiple providers.
- 2.2 The council procures a very wide range of goods, works and services, including front-line services and back-office support. Examples include foster care, home care, homelessness support, energy, vehicles, seeds, catering products, building works, highways repairs and IT software.
- 2.3 As noted at paragraph 1.2, the council utilises a category management approach to procurement. A map of our ideal procurement categories is included at Appendix 1. Unfortunately, resource implications mean we are currently not able to concentrate on all categories as much as we would like, which may have an adverse impact on the council's ability to obtain value for money in terms of both costs and in respect of fully delivering the wider outcomes that could be achieved through increased social value. Our ambition over the life of this strategy is to fully resource to each of these categories – see section 6.
- 2.4 This strategy builds on the councils' achievements under its previous procurement strategy, a major part of which was focussed on making savings. Whilst we operate in a challenging environment, in which savings will always be a factor for consideration, we need a strategy which also focuses on achieving increased outcomes from our procurement activity, at no extra cost. By leveraging our procurement expenditure and engaging with suppliers we can help the council enhance our communities through increased social value.

### 3 Our approach

3.1 This strategy is not simply about continuing along the same path. It is about using procurement activity to help the council achieve its vision:

*“...for Leeds to be the best city in the UK: one that is compassionate and caring with a strong economy, which tackles poverty and reduces inequalities. We want Leeds to be a city that is fair and sustainable, ambitious, creative and fun for all with a council that its residents can be proud of: the best council in the country”*

and to help deliver the council’s strategic ambitions detailed in the [Best Council Plan 2018-19 to 2020-21](#), namely:

- **Inclusive growth:** We will use the procurement and commissioning process to embed the twelve big ideas set out in the [Leeds Inclusive Growth Strategy – 2018-2023](#).
- **Health & wellbeing:** We will use our contracting opportunities to support healthy, physically active lifestyles allowing more people to manage their own health conditions in the community and by enabling people with care and support needs to have choice and control.
- **Child-friendly city:** We will work with businesses and employers to encourage investment and provide opportunities to children and young people, developing their skills and education through improved careers advice, mentoring and work experience.
- **Safe, strong communities:** Through robust contract management we will ensure our contracts deliver quality services to end users and have built-in flexibility so that we can respond to changing local needs quickly and efficiently.
- **Housing:** The council has adopted an ambitious house building plan and is committed to delivering sustainable development through the future construction procurements we undertake.
- **21<sup>st</sup> century infrastructure:** We will work with colleagues to adopt a cost-effective approach to procurement in order to create an infrastructure ready to meet the city’s requirements in the 21st-century.
- **Culture:** We will contribute to growing the culture and creative sector through effective procurement in support of major events and attractions at various venues throughout the city.

3.2 In order to help the council achieve its vision and strategic ambitions we will concentrate on the five key areas identified and break them down into a

number of priority deliverables, against which we will measure progress and achievements.

3.3 The key areas for this procurement strategy are:

- **Value for money and efficiency.** We will: seek to ensure the council gets maximum value from every pound that is spent through best value and innovative procurement practice; adopt a consistent corporate approach to commissioning; adopt a clearly identified savings strategy; and continue a category management approach to procurement.
- **Governance.** We will ensure compliance with the Contract Procedure Rules, the council's Constitution and public procurement law (including the Public Contracts Regulations 2015) in order to manage procurement risk and to comply with legal requirements.
- **Social value.** We will seek to improve economic, social and environmental wellbeing from our contracts, over and above the delivery of the services directly required, and at no extra cost.
- **Commercial opportunities.** We will seek new ways to develop and create commercial opportunities through procurement and commissioning activities, not just by promoting revenue generation, but by looking at how we engage with, and influence, the marketplace and potential suppliers in order to drive innovation and develop new ideas around service delivery.
- **Strategic supplier engagement and contract management:** We will manage our strategic supplier relationships through continuous engagement with them. We will also ensure effective management of all contracts from beginning to end in order to control costs, obtain the quality outcomes and performance levels set out in the contract and minimise the level of risk.

3.4 The above are all areas where we believe procurement can make a major contribution. However, this will only be achieved:

- through strong leadership and best use of resources;
- by working closely with commissioners, budget holders, and suppliers; and
- through working in collaboration with our partners in the wider public sector and other stakeholders.

## **4 Our strategy – Key Areas**

4.1 The starting point is to reiterate that we will continue to seek value for money and efficiency, and work with council colleagues to identify and achieve savings, from procurements. We will also continue to apply best practice in governance, and to improve compliance with internal governance processes and our legal obligations.

4.2 To facilitate this, we will continue to adopt a category management approach, where related purchasing is grouped together to take advantage of better intelligence of our buying needs and of what providers have to offer, and to support bulk buying where appropriate, in order to improve quality, savings and efficiency. In addition, we will continue to adopt a whole lifecycle approach, which starts from assessing needs and analysing options, through preparation and procurement, to mobilisation, contract management and exit, to ensure quality outcomes and value for money are achieved.

4.3 However, through our review of the council's procurement maturity described in section 5, we have recognised other key areas that we need to address in order to achieve the priorities set out in section 3.

### **4.4 Value for money and efficiency**

- We will ensure the council gets maximum value from every pound that is spent through best value and innovative procurement practice; we will continue to apply a consistent approach to commissioning, and category management in procurement, thereby delivering savings for the council.
- To identify procurement savings we will be working closely with Corporate Finance, internal audit and service areas to create a realistic methodology and to define responsibilities for the tracking and recording of savings both in terms of value and social outcomes. This will be achieved through monitoring budgeted values against actual tendered contract values, monitoring contract expenditure and volumes, with contract managers routinely reporting on savings, including social value outcomes.

### **4.5 Governance**

- We will comply with legal requirements through our Contract Procedure Rules, the council's Constitution and public procurement law (including the Public Contracts Regulations 2015). We will keep up to date with relevant legislative changes, procurement case law and other evidence of best practice. We will ensure that all council officers involved in procurement activity are aware of their obligations

in this regard. We will take pro-active measures to protect against fraud.

- In addition we will ensure compliance with the council's financial regulations, budgetary control mechanisms (such as "no purchase order, no pay") and officer schemes of delegation for the procurement of all goods, works and services. Further, we will continue to engage with members and senior managers by championing the impact of good procurement practices, developing and maintaining the council's Contracts Procedure Rules and together ensuring a professional and consistent approach through the continued development of good practice documents and toolkits.
- We will facilitate cross-council discussions relating to procurement through the Corporate Procurement Group, Procurement Practitioners Group, attendance at various board meetings and commissioning groups particularly in relation to sharing lessons learnt, best practice and innovations, and we will facilitate access to appropriate training. On a regional level we support programme management of, and participate in, the Strategic Procurement Group (SPG), which is attended by the Heads of Procurement from public bodies through the Yorkshire and Humber region, and which provides a forum and voice for regional procurement collaboration. Collectively the SPG feeds back into the National Advisory Group for Local Government Procurement, which in turn reports to the Local Government Association. Category Managers will also attend category sub-groups (such as Adults and Health) set up via the SPG
- We will ensure we have effective risk management processes in place. New legislation may provide additional challenges and most notably Brexit will require amendments to the Public Contracts Regulations 2015, but these are not expected to be radical. It is anticipated that the key challenges in this area over the coming few years will be managing supply chains and we will be looking at ways to deal with these going forward.

#### 4.6 Social value

- We will seek to improve economic, social and environmental wellbeing from our contracts, over and above the delivery of the services directly required, and at no extra cost. Further, we will seek to explore how those activities can deliver the council's wider strategic outcomes.
- We will support the local economy by ensuring tendering opportunities are made more attractive such that local, small and medium sized enterprises and voluntary, community and faith organisations can bid for work either individually or as part of a consortium. We will also provide support to small and medium sized

enterprises and voluntary, community and faith organisations, including regular market engagement sessions, training and greater publication of tendering opportunities.

- We recognise that despite progress and achievements being made in relation to obtaining social value through procurement activity, the opportunity to achieve maximum social value is not being fully exploited. This is not due to a lack of effort or commitment, but it is a result of the lack of a clearly agreed responsibility for driving and coordinating our approach to social value across the council. Responsibility for pursuing the social value objectives is currently progressed as a result of the effort of individual colleagues and services across the council e.g. Employment and Skills Service. In order to achieve a consistent approach to social value across the council when procuring goods, works and services we have worked with colleagues in Communities and Environment to start development of a Commissioners Social Value Toolkit. The Commissioners Social Value Toolkit identifies employment and skill as a priority which is required to be considered as part of all procurements, alongside “good employer ambitions”. Two other priorities will be identified in due course. The Commissioners Social Value Toolkit will also provide ideas for commissioning economic, social and environmental added value – such as, increasing employment opportunities and routes into employment, spending the Leeds £ in Leeds, improving health and quality of life, building strong communities and reducing negative environmental impacts.
- We will take the lead on coordinating and driving the council’s approach to seeking to deliver social value, including:
  - further developing the Social Value Toolkit in order to improve the consistency and transparency of the council’s requirements for ‘added value’ from its procurement activity; and
  - developing Social Value Guidelines for procurement/commissioning staff which will require consideration of the council’s wider ambitions when undertaking all procurement and commissioning activity.

Such activity will compliment the council’s commitments under the Social Value Charter.

#### 4.7 **Commercial opportunities**

- As funding shrinks we understand the need to explore new ways to maximise income. In order to protect valuable frontline services and

ensure positive outcomes for local communities we will work with directorates to take a more commercial approach in the activities we undertake by using our assets wisely, offering our services to others across the public and private sectors and selling our commodities to generate income.

- Whilst this procurement strategy concentrates on the priorities that are important to Leeds, the council is committed to operating in an environment where all opportunities for efficiencies and economies of scale are considered and, where applicable, applied. This may include the sharing of resources and/or commitment to specific joint projects/contracts across Leeds and the wider Yorkshire and Humber region. In particular, we will continue to play an active role in SPG.

#### 4.8 **Supplier relationships and contract management**

- We recognise that effective management of strategic supplier relationships can deliver a range of benefits. We will undertake pre-market engagement, develop existing supplier relationships and engage with suppliers in areas of deprivation within Leeds.
- We will analyse the data and intelligence collected to drive supplier performance and achieve improved outcomes for the public, added social value, reduced cost, reduced risk and innovation.
- Effective contract management is key to ensuring that council contracts deliver the outcomes required, and provide a quality service at the right cost and minimal risk. Failure to manage contracts properly may lead to inefficiencies, poor contractor performance or commercial failure which can seriously damage the council's reputation and its ability to deliver effective services and support to our communities. It is therefore essential to budget time and resources in this area and we will work with our commissioners to update the contract management toolkit to ensure it is fit for purpose, and provides the guidance and support required to effectively manage contracts.

## 5 Enablers

- 5.1 As noted elsewhere, the key areas of “Value for Money and Efficiency” and “Governance” have formed part of the council’s procurement strategy for several years. As such, work has been ongoing to recognise and deliver savings opportunities in respect of procurement. Similarly, the council has made great strides in adopting best-practice governance in respect of procurement, and this has supported the improvement in delivering spend which is “on contract” and reducing reliance on waivers of the council’s CPRs. As part of this strategy we will work with colleagues across the council to further improve in respect of these 2 key areas, and deliver the commitments at sections 4.4 and 4.5.
- 5.2 In order to understand areas where our procurement practices can be developed and enhanced we have worked through the themes and key areas set out in the [National Procurement Strategy for Local Government in England 2018 \(National Procurement Strategy\)](#) to identify the council’s current level of procurement maturity. Utilising the National Procurement Strategy toolkit has helped us to:
- a) identify a further three key areas of focus for our procurement strategy (“social value”, “commercial opportunities” and “Supplier relationships and contract management”); and
  - b) identify the level of maturity we believe the council can realistically achieve over the next five years in relation to these areas.
- 5.3 In determining the council’s baseline level of maturity in these three areas, the Local Government Association indicated that scoring should be done on the basis of the weakest level of attainment in the council rather than attempting to arrive at an average. In order to determine where the weakest level lies within the council, we consulted with commissioning/procurement staff across the council and the current maturity level has been set at the weakest level within the council. The results are attached at Appendix 2.
- 5.4 Using our findings at Appendix 2 as a baseline, we have identified the maturity levels we realistically believe we can achieve in these three new key areas by 2024.
- 5.5. We have also devised a number of KPI’s against which to measure our progress towards our goals in respect of all five key areas. These KPI’s are set out at Appendix 3.

5.6 Finally, we have adopted the “enablers” identified in the National Procurement Strategy which need to be addressed and developed in order to support the council’s achievement of these ambitions and KPIs:

- Developing talent – see section 6 (Procurement professionals);
- Exploiting Digital Technology;
- Enabling innovation;
- Embedding change.

5.7 As we did in respect of the three new key areas of this strategy, we have also utilised the National Procurement Strategy toolkit to identify our current maturity level as a council in relation to each of these “enablers”, along with how we can realistically improve over the next five years in our application of these “enablers”.

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## **6 Procurement professionals**

- 6.1 To deliver a world class procurement service requires appropriately skilled and experienced staff. We will continue to support the training and development of our staff to maintain and raise standards across the profession. This will include informal coaching and training, and more formal training and professional qualification through CIPS (the professional body) and QA (the council's training provider).
- 6.2 Procurement and commissioning staff across the council will also continue to share issues, lessons, best practice and innovations.
- 6.3 Each directorate remains accountable for the procurements and commissioned services that they need, to deliver the services and secure the outcomes that they are responsible for, including in some cases joint procurement with partners such as the health service and including in some cases procurement on behalf of other directorates, for example energy. The directorates own the preparation of the specification and the evaluation criteria, and take all decisions in relation to the procurement, in line with the governance procedures and decision-making rules laid down in the constitution. This includes the proportion of the budget to be allocated to the contract, the decision to commence a procurement, and which organisation to award the contract to. The directorate is then accountable for mobilising, managing, and exiting the contract.
- 6.4 We are accountable for providing a central source of expertise, advice and support and providing check and challenge as appropriate. At a more detailed level, it is imperative that directorates involve PACS at the earliest opportunity to ensure the most appropriate procurement route is identified and used. PACS will work with directorate colleagues via the established category teams, to ensure consistency of approach and advice. PACS will ensure that procurement staff have appropriate knowledge and experience in respect of the relevant category of spend. Each category team will include specialist staff with high levels of expertise who can provide support to directorates in developing strategic approaches and in delivering highly complex or sensitive procurements, in addition to staff who can support more straightforward procurements. As noted elsewhere, unfortunately, resource implications mean we are currently not able to concentrate on all categories as much as we would like, which may have an adverse impact on the council's ability to obtain value for money in terms of both costs and in respect of fully delivering the wider outcomes that could be achieved through increased social value. We aim to address this by creating new category manager posts, and providing procurement training/ apprenticeship opportunities (as identified at sections 6.1 and 6.2) in order to provide staff with opportunities for career development.

- 6.5 The category teams will have access to specialist in-house commercial expertise (legal, financial and technical), and support in using the online tendering system.
- 6.6 The procurement function will act as a central source of management information for the council with respect to the council's procurement activity and will report annually to the council's Corporate Governance and Audit Committee, providing information and assurance on procurement policies and practices within the remit of the Chief Officer Financial Service, including spend analysis. It will be responsible for maintaining the council's electronic tender system, and for publishing a register of contracts awarded and a calendar of the council's planned procurement activities.

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## 7 Implementation

- 7.1 The sections above describe the approach and proposed future shape of the council's procurement activity.
- 7.2 It is anticipated that it may take two to three years to:
- (a) achieve the maturity levels we have set ourselves at Appendix 2;
  - (b) ensure that the enablers set out at paragraph 3.4 above are embedded in day-to-day working practices, and achieve the further enabler maturity levels detailed at Appendix 2; and
  - (c) ensure the council as a whole has the capacity and capability to embed good procurement practice and be an exemplar council going forward offering assistance to other councils who may wish to improve their maturity levels.
- 7.3 We will monitor our progress in delivering this strategy and provide a review of the strategy, particularly of the KPIs set out at Appendix 3, in two years.
- 7.4 Independent audit and assurance will be sought to challenge and test on a sample basis both the system as a whole and compliance with it, in order to identify (and correct) any remaining weaknesses.
- 7.5 This procurement strategy will be reviewed annually by PACS in consultation with directorates, to ensure lessons learned and feedback from stakeholders continues to be captured. We will ensure the documents reflect any changes in legislation/case law developments, guidance and best practice, this will include any changes due to Brexit. The [National Procurement Strategy for Local Government in England 2018](#) is a "living strategy" such that redundant maturity indices can be removed and replaced by new indices that reflect new or changed priorities, and this strategy adopts the same approach.

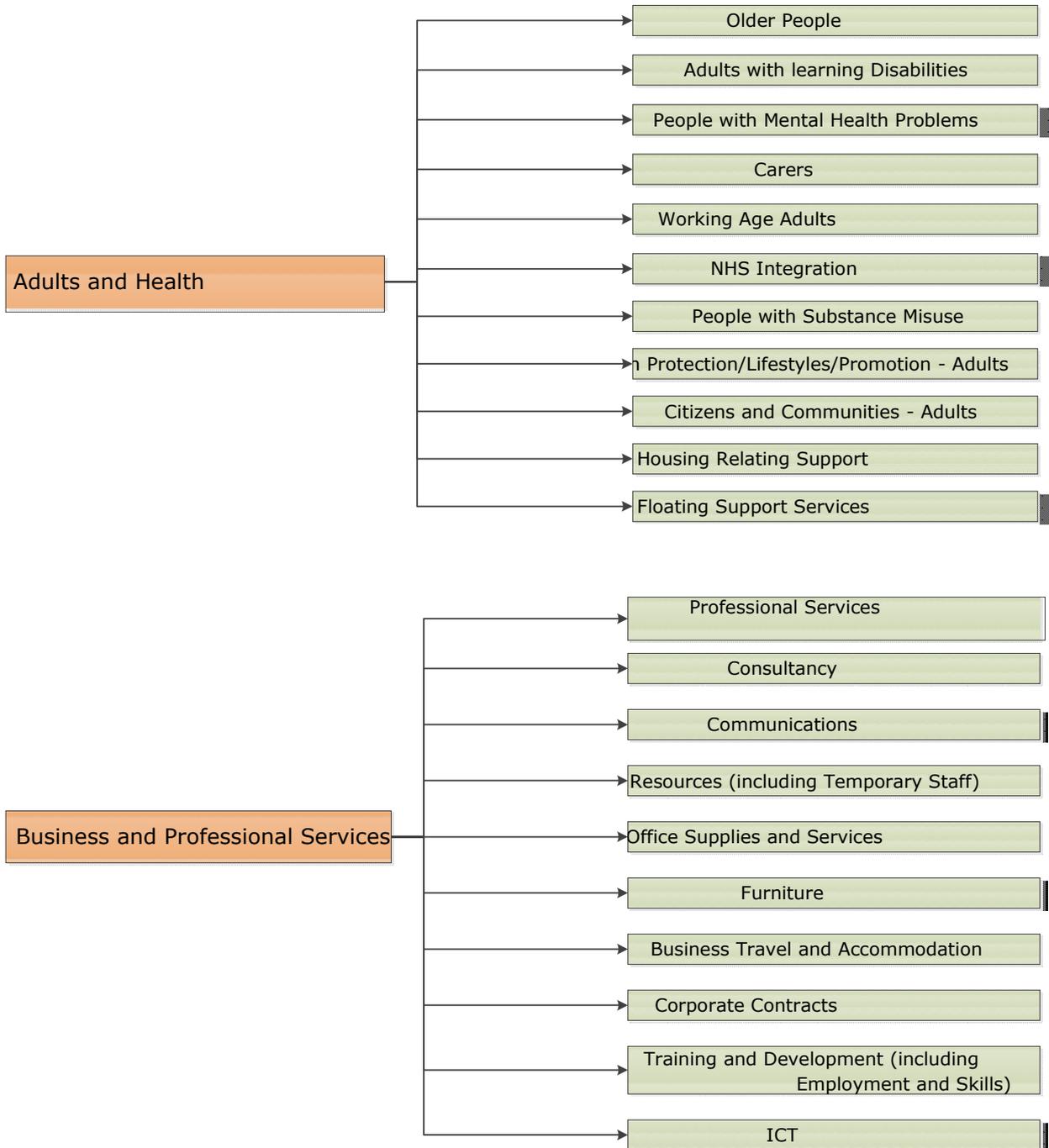
## 8 Contacting us

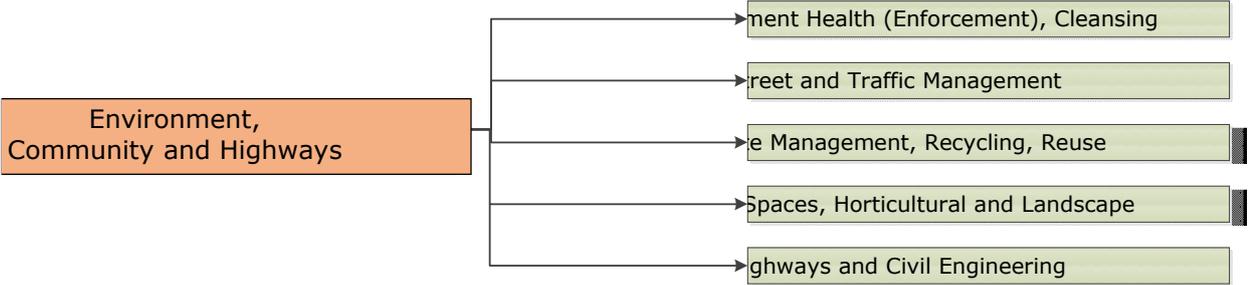
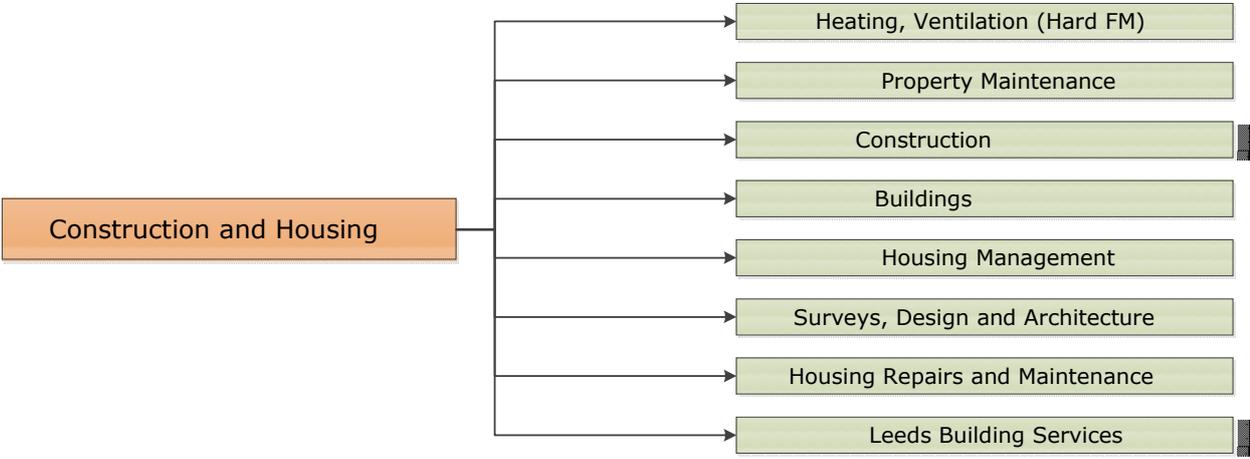
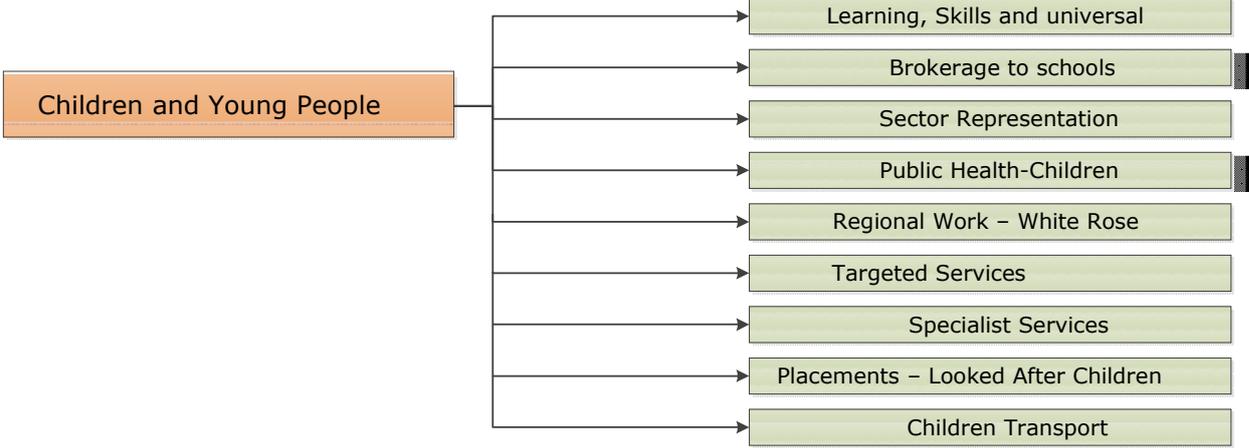
- 8.1 If you would like to read more about the council's procurement activity, please visit our web-site [www.leeds.gov.uk/business/working with us](http://www.leeds.gov.uk/business/working%20with%20us)
- 8.2 If you have any comments or queries, or suggestions for improvement, regarding procurement, please send an email to [xxxx@leeds.gov.uk](mailto:xxxx@leeds.gov.uk)
- 8.3 If you would like to tender for council contracts, please register at [https://www.yortender.co.uk/procontract/supplier.nsf/frm\\_home?openForm](https://www.yortender.co.uk/procontract/supplier.nsf/frm_home?openForm)

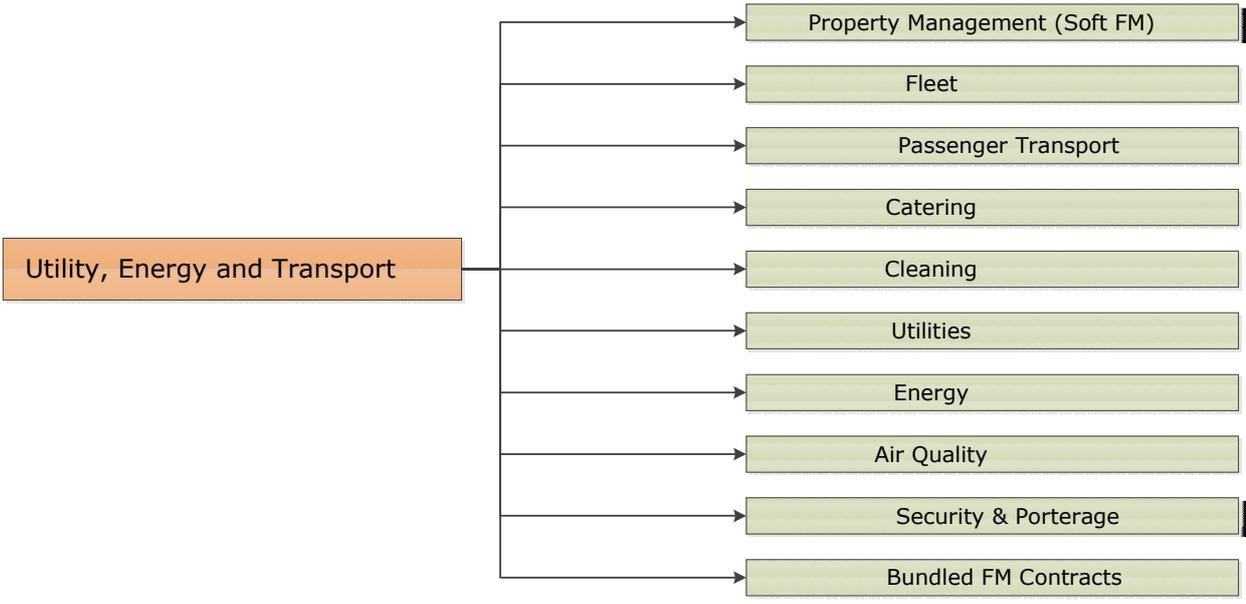
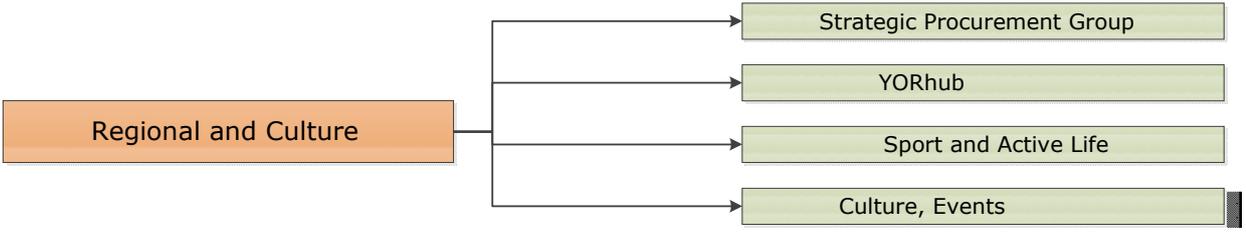
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## Appendix 1

### Whole Council Category Structure



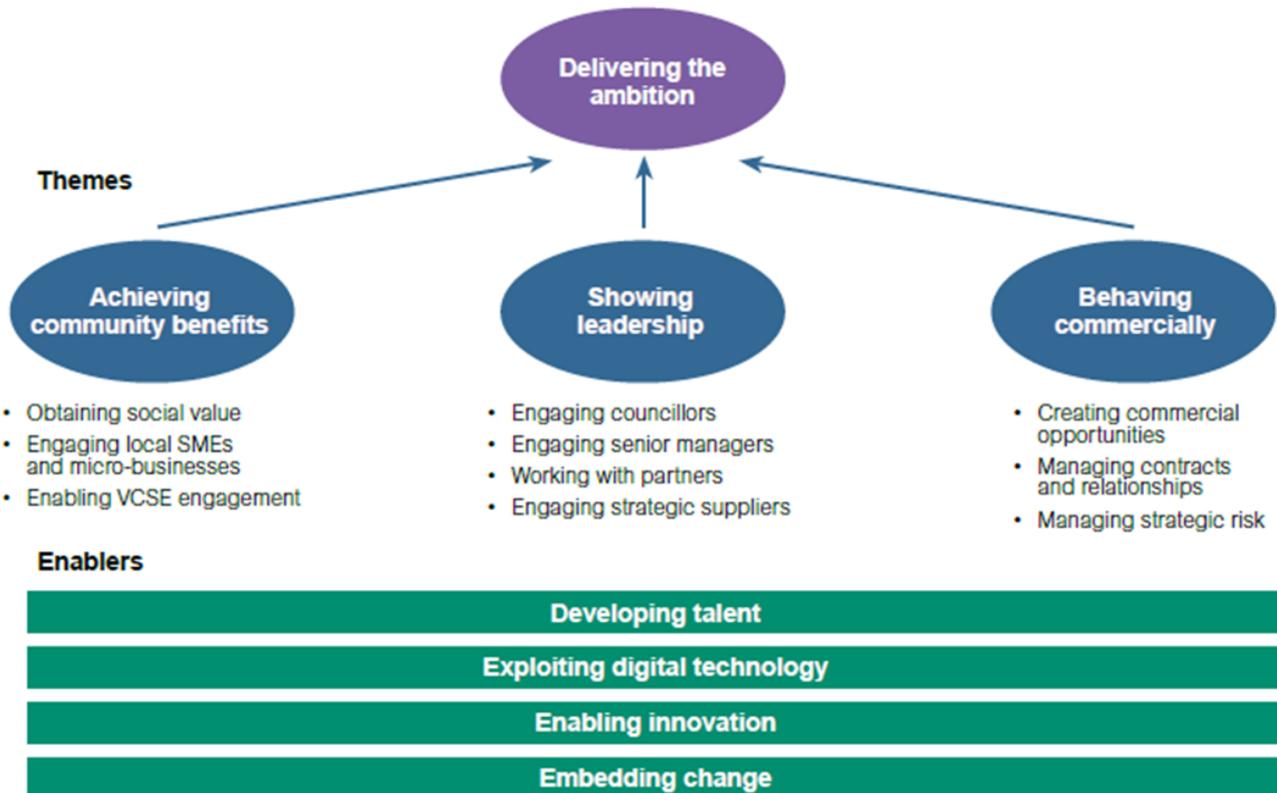




## Appendix 2

### The National Procurement Strategy for England 2018

The extracts below have been reproduced from the National Procurement Strategy for England 2018 with the kind permission of the Local Government Association.



Set out below are our current maturity levels in relation to the key areas above and the desired level we are seeking to achieve over the life of this procurement strategy.

# 1. Social Value

Key area: Social value					
Description:	<p><b>Social value</b> 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. Councils are encouraged to consider using national themes, outputs and measures (TOMs) in their procurement activity, as the basis of measuring social value: <a href="https://socialvalueportal.com/national-toms">https://socialvalueportal.com/national-toms</a></p>				
Help:	<p><b>What it is:</b> 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. Used properly, additional social value can be beneficial to both suppliers and councils and represent a joint effort to exploit maximum value from procurement.</p> <p><b>Why it is important:</b> 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.</p>				
High level principle/ specific behaviour:	<p><b>Minimum</b></p> <p>Compliant. Doing just enough to meet the conditions of The Act.</p>	<p><b>Developing</b></p> <p>Compliant but only proactively seeking social value in a few key contracts only.</p>	<p><b>Mature (Current Level)</b></p> <p>Taking a proactive approach to integrating social value into procurement and commissioning.</p>	<p><b>Leader</b></p> <p>Social value embedded into corporate strategy and have comprehensive frameworks for management and delivery.</p>	<p><b>Innovator (Ambition)</b></p> <p>Social value is a core operational metric, integrated into all directorates/ departments and activities with regular reporting against targets.</p>

## Key area: Engaging local small medium enterprises (SMEs) and micro-businesses

Description	<p>The usual definition of <b>SMEs</b> 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.</p>				
Help:	<p><b>What it is:</b> SMEs are non-subsiary, independent firms.</p> <p><b>Why it is important:</b> 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.</p>				
High level principle/ specific behaviour:	<p><b>Minimum</b></p> <p>Council does not see any benefits to be gained from SME engagement.</p>	<p><b>Developing</b></p> <p>SME organisations are engaged in a few key contracts only.</p>	<p><b>Mature (Current Level)</b></p> <p>Taking a proactive approach to integrating SME organisations into procurement and commissioning.</p>	<p><b>Leader (Ambition)</b></p> <p>SME engagement is embedded into corporate strategy.</p>	<p><b>Innovator</b></p> <p>SME engagement is a core operational way of doing business, integrated into all directorates/ departments and activities with regular reporting against targets.</p>

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

Description	<p><b>VCSE</b> 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 co-operatives. These are often also referred to as third sector organisations or civil society organisations.</p>				
Help:	<p><b>What it is:</b> 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.</p> <p><b>Why it is important:</b> 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.</p>				
High level principle/ specific behaviour:	<p><b>Minimum</b></p> <p>Organisation does not see any benefits to be gained from VCSE engagement.</p>	<p><b>Developing (Current Level)</b></p> <p>VCSE organisations are engaged in a few key contracts only.</p>	<p><b>Mature (Ambition)</b></p> <p>Taking a proactive approach to integrating VCSE organisations into procurement and commissioning.</p>	<p><b>Leader</b></p> <p>VCSE engagement is embedded into corporate strategy.</p>	<p><b>Innovator</b></p> <p>VCSE engagement is a core operational way of doing business, integrated into all directorates/ departments and activities with regular reporting against targets.</p>

## 2. Behaving commercially

Key area: Creating commercial opportunities (including income generation)					
Description:	<p><b>Creating commercial opportunities</b> refers to how an organisation promotes revenue generation and value creation through the way it plans its major third party acquisitions (works, services and goods); reviews its business options (make or buy); engages with, and influences, markets and potential suppliers; seeks to support and encourage innovation; and promotes the development of new ideas and solutions to service delivery.</p> <p>Commercialisation is a broad subject and this key area is confined to how procurement teams should contribute to its successful delivery.</p>				
Help:	<p><b>What it is:</b> There are many ways in which commercial opportunities can be created through the strategic management of the commercial cycle and the services and assets delivered through the contracts it creates. Commercialisation is a broad and important subject to the sector. This key area is confined to how procurement teams should contribute to helping identify and create commercial opportunities.</p> <p><b>Why it is important:</b> 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.</p>				
High level principle/ specific behaviour:	<p><b>Minimum</b></p> <p>Focused on business as usual and compliance.</p>	<p><b>Developing (Current Level)</b></p> <p>Some high value/ high profile acquisitions examined for creating commercial opportunities.</p>	<p><b>Mature</b></p> <p>Clear understanding of the ways in which new revenue generation opportunities can be created across the commercial cycle.</p> <p>End-to-end policies and processes promoting this approach in place across the organisation.</p>	<p><b>Leader (Ambition)</b></p> <p>Revenue generation and potential wealth creation is a standard part of all contract review meetings.</p> <p>Procurement staff are encouraged to enhance commercial skills and demonstrate commercial behaviours</p>	<p><b>Innovator</b></p> <p>Organisations work collectively to identify and exploit new commercial opportunities through market shaping and shared working with development partners</p> <p>Organisations see staff innovation and knowledge/ information utilisation as a commercial opportunity.</p>

### 3. Supplier relationships and contract management

Key area: Managing contracts and relationships					
Description:	<p><b>Contracts and relationship management</b> 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.</p>				
Help:	<p><b>What it is:</b> 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.</p> <p><b>Why it is important:</b> 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.</p>				
High level principle/ specific behaviour:	<p><b>Minimum</b></p> <p>Compliance driven. Reactive approach to contract and relationship management.</p>	<p><b>Developing (Current Level)</b></p> <p>Identified the need to change and improve. Basic policies, procedures and systems in place.</p>	<p><b>Mature</b></p> <p>All basic policies, procedures and systems in place to support contract and relationship management across the organisation and used in all departments.</p>	<p><b>Leader (Ambition)</b></p> <p>Well-developed policies, procedures and systems in place to support contract and relationship management. Used to drive forward planning, cost control and contractor performance.</p>	<p><b>Innovator</b></p> <p>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.</p>

## Key area: Working with partners

Description:	<p><b>Working with partners</b> refers to a ‘one team’ approach to the design and implementation of solutions for public services which spans council departments and organisations.</p>				
Help:	<p><b>What it is:</b> The council works as a single team to design and implement solutions for public services and commissioners/budget holders, and commercial and procurement advisers work together as part of that team.</p> <p><b>Why it is important:</b> A team approach makes 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.</p>				
High level principle/ specific behaviour:	<p><b>Minimum</b></p> <p>There are teams but they work in isolation from commercial and procurement advisers.</p>	<p><b>Developing</b></p> <p>Council acknowledges the business case for a cross council approach to design and implementation of solutions and is seeking to encourage this.</p>	<p><b>Mature (Current Level)</b></p> <p>Designing and implementing solutions as a single team in high value/ high risk projects.</p>	<p><b>Leader (Ambition)</b></p> <p>Designing and implementing solutions as a single team is the council’s normal way of working (policy).</p>	<p><b>Innovator</b></p> <p>Designing and implementing solutions as a combined authority or as a group of councils/ with health, fire, police, housing, VCSEs and other partners.</p>

Key area: Engaging strategic suppliers					
Description:	<b>Engaging strategic suppliers</b> refers to the process of identifying strategic suppliers and engaging with them to improve performance, reduce cost, mitigate risk and harness innovation.				
Help:	<p><b>What it is:</b> The council takes a strategic approach to the management of relationships with the most important suppliers (otherwise known as Strategic Supplier Relationship Management). This activity should be carried out cross department and is most effective when done cross organisation.</p> <p><b>Why it is important:</b> Effective management of strategic supplier relationships can deliver a range of benefits, including improved outcomes for the public, added social value, reduced cost, reduced risk and innovation.</p>				
High level principle/ specific behaviour:	<b>Minimum</b> Firefighting. Ad hoc engagement with important suppliers usually when there is a problem to be resolved.	<b>Developing (Current Level)</b> Acknowledges business case for improved strategic supplier management and is piloting engagement.	<b>Mature</b> Delivering programme of engagement with strategic suppliers at council level.	<b>Leader (Ambition)</b> Playing a leading role in a programme of engagement with strategic suppliers at combined authority/ group of councils level.	<b>Innovator</b> Playing a leading role in programme of engagement with strategic suppliers at regional/ national level.

## Enablers

Below we highlight where we believe we currently are as a council in relation to each of the “enablers” identified, along with what we realistically believe we can achieve over the next five years in our application of these “enablers”.

### Developing talent

Minimum	Developing	Mature (Current Level)	Leader (Ambition)	Innovator
Recruits staff with appropriate experience/ professional qualifications (eg CIPS).	Recruits staff with appropriate experience/ professional qualifications and responds to ad hoc requests for training and development.	Service plan includes support for staff to obtain professional qualifications and for apprenticeships.	Planned approach to talent development in relation to future procurement and contract management workload including: <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>	Planned talent development (as for Leader) but at combined authority/group of councils level.

## Exploiting digital technology

Minimum (Current Level)	Developing (Ambition)	Mature	Leader	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>	<ul style="list-style-type: none"> <li>• 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).</li> <li>• Technology used to forward plan all strategic acquisitions and to underpin sourcing and procurement decision-making.</li> <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>

## Enabling innovation

Minimum	Developing (Current Level)	Mature (Ambition)	Leader	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.	<ul style="list-style-type: none"> <li>Innovation in procurement and contract management is mainstreamed.</li> <li>Procurement techniques such as innovation partnerships, pre-commercial procurements used regularly.</li> </ul>	<p>All contracts reviewed to identify new service delivery and income generation models.</p> <p>Procurement challenges and innovative potential solutions shared across councils and regions.</p>

## Embedding change

Minimum	Developing	Mature (Current Level)	Leader (Ambition)	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.	<ul style="list-style-type: none"> <li>Senior leaders recognise the importance of procurement and contract management, and promote as a way of leading and managing organisational change.</li> </ul>	<p>Procurement and contract management are key drivers of organisational change and are embedded at all levels in the organisation.</p> <p>Lessons learned shared with other organisations at regional and national level.</p>

### Appendix 3 KPIs

The KPI's below will be used to measure our progress toward the level of ambition set out in this strategy. These will be assessed in 2021 and 2024 as follows:

- Where the KPI includes a value, by comparison of actual results against target; and
- Where the KPI does not include a value, by utilising the National Procurement Strategy toolkit to assess (with input from procurement and commissioning officers across the Council) the Council's maturity level.

	Performance Level	Baseline	Target 2020 - 2021	Target 2022 - 2024
<b>Key Area</b>	<b>Value for Money and Efficiency</b>	<b>Baseline</b>	<b>Target 2020-2021</b>	<b>Target 2022-2024</b>
1	Delivery of budget savings through procurement.	Figures for 19/20 to be agreed with Finance	Figures for future years to be agreed with Finance on an annual basis	Figures for future years to be agreed with Finance on an annual basis
2	Development of innovative procurement practices.	Innovation considered in some projects e.g. technology.	Innovative procurement approaches are not just applied to technology but to established services.	Outcomes based on procurement and market making are the 'standard' way of doing things.
3	Extend the Category Management Approach to cover all categories of spend including collaborative spend with the Yorkshire and Humber Region.	Currently have 6 Category managers in post to cover 7 categories.	To develop the regional category further and have 7 category managers in post.	Ongoing.
<b>Key Area</b>	<b>Governance</b>	<b>Baseline</b>	<b>Target 2020-2021</b>	<b>Target 2022-2024</b>
4	Procurements are undertaken legally (including in accordance with changes in legislation/case law e.g. Brexit), consistently and within the CPRs/financial regulations	Procurement Practice Notices issued by Government on a regular basis identifying impacts of legislative changes on the procurement process. CPRs are reviewed annually; training,	The impacts of new legislation is reviewed and procurement processes updated accordingly.  Procurement governance refresher training is provided and attended by all procurement officers on a regular basis.  The number of waivers reduced year on year from	Ongoing

	<b>Performance Level</b>	<b>Baseline</b>	<b>Target 2020 - 2021</b>	<b>Target 2022 - 2024</b>
		masterclasses and guidance is provided. Waivers of CPRs are routinely monitored and reported to Scrutiny Board/audit and governance committee.	the baseline figure of 189 in 18/19.  On-contract spend to increase year on year from the baseline figure of 96.6% in 18/19.	
5	To develop an e-learning tool for compliance with CPRs.	E-learning tool in development by Children's Services. Should be finalised by the end of financial year 2018/19.	Roll out to all staff across the Council.	Ongoing.
6	Review of tender documentation and procurement toolkits.	Standard tender/toolkit documents in place and being used across the council.	All tender documents and procurement toolkits reviewed to ensure they reflect up-to-date procurement practices.	Ongoing.
7	External events (e.g. Brexit)	Keeping abreast with central government briefings and taking appropriate action, as and when required.	Thorough understanding of the possible impact on all high value/risk contracts.  Contingency plans in place in the event of contract failure.	Ongoing
8	Fraud and financial loss	Basic systems, controls and reporting is in place to ensure compliance and minimise potential for financial loss from both internal and external sources.	Well defined systems to be in place targeting both financial loss and fraud.  Audit teams working closely with all departments to make this a priority.	Active deployment and use of analytical software.
<b>Key Area</b>	<b>Obtaining Social Value</b>	<b>Baseline</b>	<b>Target 2020-2021</b>	<b>Target 2022 - 2024</b>
9	Policy and scope.	A process and policy is in place to identify which contracts should include social value.	We will further develop, roll out and embed our Social Value Framework to ensure social value is always considered as part of the procurement/commissioning process.	Ongoing

	Performance Level	Baseline	Target 2020 - 2021	Target 2022 - 2024
			<p>Using the Social Value Framework will provide justification for a relevant, proportional and considered threshold over which social value should be included in the evaluation criteria (5% to 10% weighting where relevant).</p> <p>We will establish the baseline figure as to the number of procurement exercises which have included social value criteria at end 19/20 and then increase this sum year on year</p>	
10	Councillor or cabinet board/authority member given responsibility for reporting leading on social value.	We have a Lead Member who has responsibility for leading on social value.	<p>Individual named officer(s) within PACS given responsibility for reporting to Lead Member and Scrutiny Board, and managing and delivering social value across procurement and commissioning. Relevant officers are provided with social value training.</p>	Relevant officers are provided with social value training and resources to implement social value strategy.
11	Market engagement and Contract Management	<p>We currently work closely with the business community on various projects and representatives from third sector organisations are invited to attend the People's Commissioning Group every quarter. Where relevant, specific, targeted social value action plans are agreed at the commissioning/ procurement stage, are bound into the</p>	<p>Through the Anchors Initiative we will seek to build capacity and shape the market with the business community and the community and voluntary sector providers.</p> <p>We will continue to work proactively to support third sector suppliers and their understanding of social value. Performance reviews will be undertaken and regular feedback obtained. Action will be taken to ensure continuous improvements to social value implementation and delivery.</p>	<p>We will hold regular 'meet the buyer' events to build capacity AND to get feedback.</p> <p>We will produce case studies and examples of innovation to illustrate the different levels/actions we have achieved. Meetings will be regularly held with contractors to discuss delivery of social value.</p>

	<b>Performance Level</b>	<b>Baseline</b>	<b>Target 2020 - 2021</b>	<b>Target 2022 - 2024</b>
		contract and performance against those targets are monitored Where relevant, specific		
12	Governance and accountability	Social value is recognised as a core principle of the council's procurement strategy.  All relevant procurement documentation is available on Insite.	We will continue to ensure Lead Member for social value has direct oversight of social value performance.  We will embed social value into commissioning and procurement practice, tools, resources and processes with a ratified policy and toolkit that are published.	We will ensure that social value implementation is underpinned by an overarching action plan.  Social value will be measured and reported on regularly
	<b>Local SMEs, micro-business and VCSE engagement</b>	<b>Baseline</b>	<b>Target 2020-2021</b>	<b>Target 2022 - 2024</b>
13	Policy and scope.	Commissioners have started to communicate what local needs are and the desired market outcomes.	Commissioners have informed SMEs, micro-businesses and VCSE organisations what local needs there are and the desired market outcomes.	SMEs, micro-businesses and VCSE organisations are encouraged to collaborate with larger organisations to respond to local need.
14	Facilitating good relationships with SMEs , micro-businesses and VCSE organisations	Relationships between SMEs, micro-businesses, VCSE organisations 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 etc and other providers could bring.  They have started to make some efforts to bring these parties together.  The value of spend with local suppliers and SMEs to increase year on year from the baseline figure of [51.97%] in 18/19.	Ongoing  Ongoing

	Performance Level	Baseline	Target 2020 - 2021	Target 2022 - 2024
Key Area	Commercial opportunities	Baseline	Target 2020-2021	Target 2022-2024
15	Forward planning	<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>Procurement encouraged to contribute ideas for revenue generation in the forward planning process.</p>	<p>Opportunities to create new revenue streams is considered by all departments and for all relevant expenditure categories.</p>
16	Tendering	<p>Tendering is seen as a commercial process by the organisation.</p> <p>Standard tender documentation is drafted to encourage bidder participation and is focused on innovation and opportunities.</p> <p>Procurement is seen as an integral contributor to the planning phase</p>	<p>We will ensure that tendering opportunities are focused on innovation and opportunities, and carried out in conjunction with development partners to maximise market attractiveness.</p>	Ongoing
17	Performance reporting	<p>Performance reporting is undertaken and includes commercial and social benefits achieved, as well as savings across the whole organisation.</p> <p>PACS produce summary reports for chief officers and elected</p>	<p>We will report performance on commercial and social benefits achieved included in a performance dashboard.</p> <p>We will provide an annual report covering achievements and aspirations which will be published on our website.</p>	<p>We will ensure that the PACS becomes an integral part of performance reporting and is viewed by the leadership as contributing to commercialism.</p>

	<b>Performance Level</b>	<b>Baseline</b>	<b>Target 2020 - 2021</b>	<b>Target 2022 - 2024</b>
		Members on a annual basis.		
18	Post contract review	<p>Post contract reviews are undertaken by most directorates and/or identified categories of expenditure.</p> <p>Such reviews are seen as being an integral part of improving outcomes and identifying commercial opportunities.</p>	<p>Post contract reviews will be undertaken as part of council policy.</p> <p>We will develop well-defined published criteria for undertaking post contract reviews including the identification of commercial opportunities.</p> <p>PACS will support the post contract review process.</p>	Ongoing
<b>Key Area</b>	<b>Supplier relationships and contract management</b>	<b>Baseline</b>	<b>Target 2020-2021</b>	<b>Target 2022-2024</b>
19	Data collection and analysis	We have partial data and intelligence on our strategic suppliers.	<p>We will routinely collect and analyse data and intelligence on supplier performance, cost, financial status, added social value and risk.</p> <p>Our strategic suppliers will be identified according to agreed criteria.</p>	<p>We will ensure visibility of strategic supplier supply chains.</p> <p>We will share data and intelligence on performance, cost, financial status, added social value and risk with our regional partners.</p> <p>We will contribute to analysis of data and identification of strategic suppliers at combined authority/ group of councils level.</p>
20	Engagement of existing strategic suppliers	<p>Specific officers are responsible for monitoring and engaging with strategic suppliers.</p> <p>Supply chain risk assessments are carried out in</p>	<p>We will work with the combined authority/ group of councils and take a lead role for strategic supplier monitoring and engagement within the region.</p> <p>We will lead delivery of a programme of engagement</p>	<p>We will undertake a joint risk assessment with the combined authority/ group of councils.</p> <p>We will develop a shared toolkit for</p>

	Performance Level	Baseline	Target 2020 - 2021	Target 2022 - 2024
		<p>relation to key contracts.</p> <p>Contingency planning is undertaken where a significant risk is identified.</p>	<p>with one or more shared strategic suppliers.</p>	<p>engaging with strategic suppliers.</p> <p>We will Coordinate improvement/cost reduction planning and contingency planning at combined authority/ group of councils level.</p>
21	Early engagement with future strategic suppliers	<p>Our future needs are signalled to the market using a variety of channels including publication of pipeline information and engagement events.</p> <p>We engage early with bidders on significant projects through market consultation/testing and seek to encourage innovative solutions.</p>	<p>We will work with the combined authority/ group of councils and take a lead role for market engagement.</p> <p>We will take the lead in early engagement for any joint projects we undertake.</p>	Ongoing.
22	Information storage and accessibility	<p>We have contracts registers at Category Management level, with access possible at directorate level, mainly viewing and searching capability.</p> <p>Data held is not always complete, or is out of date, but efforts are being made to increase data quality.</p>	<p>We will aim to have a contracts register that is dynamic and provided through a purpose- built solution (in- house/ external C and RM software/hosted service).</p> <p>The contracts register will be fully visible to the whole council with read/ write/edit and search capabilities for all contract owners and managers.</p> <p>We will have complete data sets for all major third party spend.</p>	<p>We will have a contracts register that is dynamic and fully accessible to all who need to use it.</p> <p>Information will always be as up-to-date as possible with comprehensive, complete and accurate records on all contracts.</p> <p>The contracts register will contain action/renewal alerting capabilities for contract owners and managers and</p>

	Performance Level	Baseline	Target 2020 - 2021	Target 2022 - 2024
				in-built Learning Management capability.
23	Supplier financial distress	We have a structured approach to early engagement of suppliers in financial difficulties	<p>We will include supplier financial distress clauses in all contracts for goods, works and services.</p> <p>We will provide guidance to commissioners and contract managers on managing suppliers in financial distress.</p>	Ongoing.
24	Savings and benefits delivery	A formal policy is in place for capturing savings and accruing benefits from contracts but this is not uniformly implemented.	Savings captured from contracts and benefits-realisation will be applied uniformly across the council and reported to chief officers on a regular basis.	<p>All contracts will be regularly reviewed to monitor actual versus planned spend.</p> <p>Opportunities for savings from specification and performance reviews will be assessed on an ongoing basis.</p> <p>All benefits/savings claimed in agreed business cases and/or promised by contractors will be managed and accrued to the council by effective contract management.</p>
25	Recognition and cultural acceptance	<p>There is recognition by the organisation of contract and relationship management in directorates.</p> <p>Job roles are designated as contract manager and/or contain specific contract and management</p>	<p>Contract and relationship management will be recognised as being essential to overall contract performance.</p> <p>The council will have a policy of creating specific job roles designated as contract and relationship managers and/or contain contract and relationship management</p>	Regular briefings and meetings will be held to brief all staff involved in contract and relationship management on commercial, developments, new initiatives and professional development.

	Performance Level	Baseline	Target 2020 - 2021	Target 2022 - 2024
		activity in their content description in some directorates.	activity in their content description.  Performance will be reviewed with job holders in their annual appraisals.	
26	Skills and knowledge	Staff have access to general contract management training given as a one-off exercise rather than an ongoing skills enhancement programme.	Contract and relationship management will be acknowledged as a core competency across the council.  Briefings on contract and relationship management will form a part of all induction and management programmes.  Refresher programmes will be available to all staff involved in contract and relationship management.	Contract and Relationship Management will be a core competency across the council.  Staff will be invited to undergo advanced/ specialist training where contract management accounts for more than 20 per cent of their job role.
27	Supply chain and contractor failure	We are aware of the risks and issues involved and attempting to identify where this may occur.	Effective policies will be implemented in collaboration with relevant contractors.	Ongoing
	Enablers	Baseline	Target 2020-2021	Target 2022 -2024
28	Developing Talent	The PACS service plan includes support for staff to obtain professional qualifications and for apprenticeships.	We will have a planned approach to talent development in relation to future procurement and contract management workload including: <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> </ul>	We will seek to arrange secondments to and from the private sector and VCSE sector.
29	Exploiting Digital Technology	We currently have basic purchase ordering functionality for	We will make use of an integrated Procure to Pay (P2P) system in conjunction with online ordering for all	Technology will be used to forward plan all strategic acquisitions and

	Performance Level	Baseline	Target 2020 - 2021	Target 2022 - 2024
		<p>some products and/or services using finance and/or operational systems.</p> <p>There is limited procurement and contract management information available via static sources.</p> <p>We use an electronic tendering and quotations system for some tenders/ quotes.</p>	<p>services/ products. However, this may include some human intervention and paper trails.</p> <p>Some procurement and contract management Information will be available online to all stakeholders with appropriate search and filtering functions available.</p> <p>Access and interaction to the electronic tendering system, P2P system and contract management information will be possible from any electronic mobile device.</p>	<p>will underpin sourcing and procurement decision- making.</p> <p>Performance monitoring and communications will be underpinned by dashboards and diagnostics.</p>
30	Enabling Innovation	Innovation is only considered in a few contracts where technology is involved.	Outcomes will be based on procurement and establishing a market where there isn't one will be our 'standard' way of doing things.	Innovative procurement approaches will not just be applied to technology but to all established services.
31	Embedding Change	Procurement practices are comprehensively applied across multiple projects and directorates.	The importance of procurement and contract management will be recognised by all senior managers, and will be promoted as a way of leading and managing organisational change.	<p>Procurement and contract management will be key drivers of organisational change and will be embedded at all levels in the organisation.</p> <p>Lessons learned will be shared with other organisations at both regional and national level.</p>

## APPENDIX 4

### Glossary

**Buying** – placing orders under relevant contracts, use of purchasing cards and purchase-to-pay systems, receipting, making payments and associated transactions. This is also sometimes called Purchasing.

**Category Management** – best practice approach to managing and organising Procurement spend and resources; a structured framework of activities designed to deliver better Procurement outcomes through a holistic approach which focuses on the interrelated needs of buyers and suppliers; managing buying activity by grouping together related Goods, Works and Services across the council and mapping them onto the Provider market, to improve quality, savings and efficiency across the council as a whole.

**Commissioning** – the entire cycle of assessing the needs of people in a local area, designing and putting into place Goods, Works and Services to meet those needs, and monitoring and evaluating the outcomes. In a commissioning approach, the council seeks to secure the best outcomes for local communities by making use of all available resources, whether the resources are provided in-house, externally or through various forms of partnership. This activity continues throughout the Whole Lifecycle.

**Contract Management** – the tasks and activities which seek to ensure we receive what we have contracted to receive, at the price we contracted to receive it, taking account of agreed change and continuous improvement. Activity is focused from prior to the contract starting through to contract expiry and de-commissioning. It includes supplier relationship management and also ensures that we meet our obligations under the contract.

**Goods** – things that we buy, such as pens and paper, or plants and seeds, or fruit and vegetables.

**Procurement** – the tasks and decisions which secure an external Provider to provide what we want, at a price that we can afford. Activity is focused on the period from prior to advertising a tender to signing the contract. It includes both competitive tenders and circumstances where we negotiate with a single supplier.

**Provider** – any organisation that provides Goods, Works or Services to the council or on behalf of the council.

**Purchasing** – placing orders under relevant contracts, use of purchase-to-pay cards and systems, receipting, making payment, and associated transactions.

**Services** – services that we buy include specialist support for vulnerable children and adults, and also repairs and maintenance services, financial advice, designs and surveys for new building works.

**SME or Small and Medium Enterprises** – firms that employ 9 or fewer staff (micro), and firms that employ 50 or fewer staff (small), and firms that employ 250 or fewer staff (medium).

**Social Value** – the additional economic, social and environmental benefits that a contract achieves.

**Value for Money or VfM** – buying the right thing at the right price, taking account of price, quality, outcomes and whole life costs; the combination of whole-life costs and benefits to meet the customer's requirement; the relationship between economy, efficiency and effectiveness.

**Whole lifecycle** – the whole cycle of assessing needs, analysing options, preparation, Procurement, mobilisation, Contract Management and exit.

**Works** – construction works that we buy, including construction of new buildings, or extensions, and also creation and improvements to roads and bridges and open spaces.