

Commercial Strategy

December 2023



Contents

1	OBJECTIVES.....	3
2	BENEFITS.....	5
3	BACKGROUND.....	6
4	SUPPORTING SOCIAL, ECONOMIC AND ENVIRONMENTAL PRIORITIES	6
5	DELIVERING THE NEW SERVICE.....	10
6	BUSINESS PLANNING	11
7	COMMERCIAL OBJECTIVES.....	11
8	COMMERCIAL CAPABILITY AND ORGANISATIONAL STRUCTURE	12
9	GOVERNANCE, ASSURANCE AND APPROVALS	13
10	CONTRACT AND SUPPLIER RELATIONSHIP MANAGEMENT	14
11	TECHNOLOGY.....	15
12	SUPPORTING THE BUSINESS COMMUNITY	16
13	GRANT MANAGEMENT	16
14	RISK & ISSUES.....	16

1 Objectives - Delivering a new Commercial Strategy

- 1.1 The West of England Mayoral Combined Authority (MCA) was set up in 2017 to make decisions and investments that benefit people living and working in Bath and Northeast Somerset, Bristol and South Gloucestershire. The aim is to deliver economic growth for the region and address some of our challenges, such as productivity and skills, housing and transport.
- 1.2 The West of England region has a diverse population of more than 1.1million people and boasts a highly skilled workforce and one of the highest levels of graduates in the UK. The region is home to innovation and creative businesses with an economy, built on strong foundations, worth over £40bn a year.



- 1.3 The West of England Combined Authority is creating a better, greener future for people who live and work in the MCA. The vision for the region as set out within the 2023/24 Business Plan are:
 - Create West of England sustainable transport
 - Tackle the climate and ecological emergency
 - Secure decent jobs and training
 - Make the West of England an amazing place to call home
 - Put the West of England on the map for national and global success
- 1.4 A new Commercial Strategy will enable services to realise this vision, drive longer term initiatives and behavioural change that will deliver sustainable improvements in services to the residents of the region and the surrounding areas.
- 1.5 The Commercial Team will deliver activities and exhibit the behaviours to ensure that:
 - The team respond to and actively contribute towards the direct action needed to quickly and effectively impact resident's lives and experience of the region. This will be through their role of providing high performing commercial expertise in new and existing projects, procurement activity and their role across the commercial lifecycle.
 - Effective planning and support are given to lay the foundations of projects and initiatives which unlock funding and benefit the region for the longer term.

Figure 1: Delivering the 23/24 MCA Business Plan & Ways of Working



- 1.6 Economic pressures, across all markets means that the Combined Authority (MCA) must realise operational efficiencies and manage supply chain performance to deliver:
- Innovation
 - Cashable & cost avoidance savings
 - Sustainable commercial activity that embeds our environmental and social commitments (e.g., Net zero and nature in recovery).
 - Improved commercial performance through continuous improvement
 - Drive increased revenue/income into the region through Commercial Strategies
- 1.7 Increased cost pressures through rising inflation, the levelling up agenda, climate change, ecological emergencies and continued funding pressures, will require highly proactive and strong Commercial Team to meet these challenges.
- 1.8 The MCA has been successful in securing significant funding from central Government to support the delivery of ambitious projects which will make an impact to residents across the region. These projects will improve the reputation and productivity of the MCA which will encourage further investment. The Commercial Team will be a centre of innovation, driving the successful delivery of projects to further support confidence in the region and its continued funding.
- 1.9 The Commercial Team must now move into a more pivotal role to become a key business partner, both internally and externally, to a proactive, influential, and high performing team. This will be through early and continued engagement with the supply chain markets and fully supporting the commissioning cycle. By doing this, the Team will put residents and local communities at the heart of decision making by creating economic, environmental and social value in everything it does.



2 Benefits

- 2.1 **Building a strong Commercial Team:** A structured approach to building and delivering a highly effective Commercial Team within the Combined Authority will have significant benefits to the whole organisation. Through collaborative working relationships and utilising data and insights, the Team will make better decisions and drive improved outcomes, resulting in improved services for residents and communities.
- 2.2 **Adding Value:** The MCA will benefit from a Team that delivers procurement activities to a high level but also providing its internal customers a strategically led service covering the full commercial lifecycle, working closely with stakeholders to plan, challenge traditional service requirements. This includes value for money, as well as ensuring procurement activities aligned to MCA policy in delivering social and environmental.
- 2.3 **Improved Relationships:** The Team will be proactive in its communication with key customers and stakeholders understanding the wider MCA priorities and demands facing the service areas. This will enhance knowledge and build trust, driving mutually beneficial relationships which are honest and open, working together to improve outcomes.
- 2.4 **Working closely with the Supply Market:** Improving how the MCA interacts with the supply market through improved market engagement will support improved planning, understanding trends, future capacity and how local providers can help to shape and support internal strategic plans. As planning and pipeline development becomes structured, this external engagement will support market testing; how the market will support changes in legislation and give visibility of available supply chains.
- 2.5 **Utilising the right tools to drive better decision making:** The Commercial Team will use digital tools and automate processes to capture and effectively use sources of information for the benefit of its internal customers and the management of its external suppliers. This will support the Team to be a more effective, efficient and dynamic to ensure improved procurement outcomes. This will also positively impact how suppliers and contracts are managed, with improved quality and visibility of performance information. Improved tools and information will also assist how risks are managed, particularly in a more volatile supply environment, together with tracking and reporting internal governance and controls.

2.6 Service offering and the benefits to ensure the strategic plan is delivered:

Table 1: Service offering and benefits

Service Offering	Benefit
Successfully integrate MCA climate and nature goals and objectives, into the commercial lifecycle decision making, track and monitor progress and implementation impact on goals and objectives	Support the delivery of the MCA's climate and ecological goals ensuring we achieve our commitments to net zero and nature in recovery by 2030; and our procured services and products are resilient to the impacts of climate change
Deliver strategically important procurement activity, that maximises value for money whilst delivering on MCA social and environmental value policy commitments	Maximise budgets and deliver better outcomes and services for residents through cashable savings and cost avoidance opportunities
Be seen as a centre of excellence to internal stakeholders in supporting them across the commercial lifecycle	Drive value for service users and positively impact commercial outcomes, providing support and guidance where needed
Provide a forum through a new Commercial Board to robustly review and approve future procurement and contracting activity	Oversight of all commercial activities to enable the MCA to deliver strategic priorities, within the context of MCA controls
Provide the right tools, guidance and documentation to internal stakeholders to ensure they can deliver efficiently and effectively commercial activities within their service areas	Provide clarity to service users, making commercial activities simpler to carry out, improving confidence and commercial skills within the MCA
Deliver a service that is proactive, consistently applied, efficient and proportionate, which reduces time and bureaucracy	

3 Background

- 3.1 There is a need for a strategy that sets out the direction of the Commercial Team, and how it will meet the future needs and challenges of the MCA in the years ahead.
- 3.2 The Commercial Team will be at the heart of the organisation driving the delivery of the commercial lifecycle whilst providing support and guidance to the service teams. Where service teams carry out commercial activities, (within spend thresholds and based on levels of complexity and impact), they will receive the necessary tools, guidance and information to do this efficiently with reduced bureaucracy. Larger strategic procurement activity will be managed by the Commercial Team, working closely with key internal stakeholders within a matrix environment, which supports collaborative working to deliver the best outcome within the desired timescales.

4 Embedding Environmental & Economic commitments

- 4.1 The Commercial Team will support embedding climate and ecological MCA policy commitments into all commercial activity, which achieves value for money but in the context of the how value is determined. This will be through benefits to the local economy, residents' quality of lives, minimising the impact of decision making on the environment, and ensuring decisions align and deliver our social and environmental policy commitments.

- 4.2 The Commercial Team will create opportunities to make the region an attractive place for business and investments that support the MCA’s vision. The Commercial Team and stakeholders will work with the supply chain to monitor current and future market trends, potential suppliers and legislation to improve sustainable choices and decision making to make a positive impact in supporting the objectives of the MCA.
- 4.3 As part of the structured approach to procurement activities, sustainability will be at the heart of planning and pipeline development; implementing a strong and consistent governance process which will reflect existing national policy legislation and recent Government priorities such as the Public Services (Social Value Act) 2012, Modern Slavery Act 2015 and UK Climate Change Act 2008; in addition to MCA Policy.
- 4.4 The Commercial Team will work with service leads and internal stakeholders to:
- Review the need: Do the goods/services need to be procured or can it be delivered in another way?
 - Consider the impact of the activity, quantity and requirements: If the procurement is necessary, how can the specification focus on the relevant social, economic and environmental outcomes?
 - Consider and manage risks (with mitigations) and opportunities: When procuring products or services, what are the impacts throughout the lifecycle, consider alternative routes of supply procurement decision making?
- 4.5 The Commercial Team will work with key stakeholders within the MCA to understand and measure where emissions are sourced from, in order that they can be understood and measured through commercial activities, such as new procurement projects.
- 4.6 The three scopes are a way of categorising the different kinds of emissions a company creates in its own operations and with wider ‘value chain’ (its suppliers and customers).

Figure 2: Scope 1, 2 & 3 Emissions



- 4.7 By measuring Scope 3 emissions, in particular those across the supply chain with the MCA the Commercial Team can ensure procurement requirements prioritise decarbonisation efforts where they can make the biggest difference - setting a baseline and ability to measure CAs trajectory to net zero. The Team can also collaborate with suppliers to reduce emissions and demonstrate community level benefits of supply chain decarbonisation as part of contract management activities. The MCA also can leverage significant project spend to act as a catalyst and drive change across the region, all contributing to the West of England’s policy commitment and efforts towards achieving Net Zero by 2030.
- 4.8 Sustainability will be embedded into the business planning process and where high impact and strategically important procurement activity has been identified, the appropriate internal resource with the remit for sustainability will be a key partner and support the delivery of the project.



5 Social Value

- 5.1 The MCA would like all suppliers and partners who provide services to support and contribute to the MCA's values and aspirations to be a more social, economic and sustainable region. As part of the legal duty within the Public Services (Social Value) Act 2012, the MCA will already consider the social benefits of procurement activity.
- 5.2 The MCA Social Value Framework consists of 4 key areas:
- Creating good jobs and accessible career paths for residents
 - Reducing health inequalities and improving quality of life
 - Increasing regional economic resilience
 - Tackling the climate and ecological emergency
- 5.3 As part of the Social Value Framework for the MCA, procurement activity will include 2 of these key areas:
- Creating good jobs and accessible career paths for residents, through offering work experience, apprenticeships, improving skills and good employment opportunities by:
 - Supporting young people in the region towards high skilled jobs and meaningful careers
 - Supporting local people to access green jobs and bring more green jobs to the region - in efforts to achieve Mayoral and Business Plan targets of 27,000 green jobs for the region
 - Supporting the creation and retention of meaningful, well paid and sustainable jobs, for local people which pay at least the real living wage
 - Tackling the climate and ecological emergency, through taking direct action to reduce emissions, participating in nature recovery projects and activities, and providing technical assistance to climate mitigation projects by:
 - Meaningful action to reduce emissions aligned to achieving net zero by 2030
 - Supporting nature recovery by creating new and improving existing spaces for nature including pollinators
 - Helping our communities & businesses adapt to the impacts of climate change building greater resilience
- 5.4 To validate Social Value, the Commercial Team will utilise a Social Value Toolkit, giving guidance and information to service leads and teams as to how to apply the Social Value themes, outcomes and measures throughout the commercial lifecycle. This will provide a consistent understanding and approach to Social Value, with supporting training (with external expertise) where required to fully understand the impacts of Social Value and how this links to the wider tracking and reporting within the MCA. The Commercial Team will also ensure local organisations and initiatives which also align to the environmental objectives of the MCA. This toolkit will be reviewed and updated where with agility to ensure its consistency with wider corporate goals.

- 5.5 Relevant guidance documentation will also be available to potential suppliers and partners in how they demonstrate their Social Value to the MCA as part of a tender or proposal response. This will include user-friendly working examples of the outcomes and measures through all available information outlining what the benefits are to them, the MCA and the wider community. This will be clear and accessible information, regularly updated and relevant, to also encourage local SMEs to participate in procurement opportunities.
- 5.6 The Commercial Team will be working closely with key stakeholders to ensure joined up working within the early planning of procurement activity and contract management (with service teams) to fully realise the Social Value benefits of contracting models and opportunities for suppliers including SMEs which will be reported as part of the Commercial Performance Dashboard.
- 5.7 As part of the implementation of the Procurement Bill (in 2024) and the change of procurement evaluation methodology to Most Advantageous Tender, the Commercial Team will implement new legislation allowing the MCA greater emphasis on Social Value and sustainability objectives.

6 Ethical Procurement Practices

- 6.1 The Commercial Team will work proactively with its supply chain, contractors and partners to set out wider ethical procurement practices, as part of procurement and contract management activity. This will communicate the high ethical standards and code of conduct required by external partners as to how it conducts business. It will complement existing policy documents promoting fair and equal opportunities.
- 6.2 The MCA is committed to high standards in its procurement practices and therefore the Procurement Policy will outline and define ethical standards, practices and requirements which will cover the following areas:
- Financial: fraud, taxation & compliance, bribery, corruption, conflict of interest
 - Employment: Modern Slavery, employment rights, working hours, minimum wage, H&S, child labour, training, working conditions, access to employment support etc
 - Equality in the workplace: sex, age, disability, gender
 - Environmental: sustainability through the supply chain and key partners
 - SMEs and local organisations: using legislation and the new Procurement Bill, providing access and opportunities locally
- 6.3 Clear objectives within procurement documentation (such as pre-qualification) will set out proportionate expectations and minimum standards for suppliers to self-declare, where appropriate (then validated) before entering into contractual arrangements with the MCA. This will be tracked as part of ongoing contract management activity.



7 Delivering Key Commercial Practices

- 7.1 The Commercial team will implement core commercial principles during 2023 to embed ways of working, processes and provide the tools and support to the organisation the core service and how this will be achieved during 2023, how and when these will be delivered (targeted KPIs will be published as part of the Commercial Performance Dashboard to demonstrate and progress the success criteria of the Commercial Team).
- 7.2 These commercial principles will reflect the diversity and range of projects that are delivered by the MCA, ensuring a flexible and pragmatic approach.
- 7.3 The Commercial Team will lead a new **Commercial Board** to review and approve all planned thirty party spend, new contracts and changes to existing contractual arrangements. This process will provide commercial, financial and legal rigour across all MCA spend. This meeting aims to ensure compliant revenue expenditure, demonstrate value for money, add a layer of scrutiny/challenge and stop unnecessary expenditure that does not contribute to the MCA's overall objectives.
- 7.4 A **Contract Management Plan (CMP)** will be developed and implemented, setting the approach to manage contracts across the MCA. Training, guidance and the appropriate tools will be embedded with key stakeholders and contract managers across the MCA. Reviews of strategic contracts will be initiated in line with CMP to develop appropriate negotiation strategies, to drive targeted cost savings as part of TOM funding requirements. This will also be proportionate and flexible to the scale and complexity of the range of contracts within the MCA.
- 7.5 **Pipeline management** will be integrated into the MCA business planning process to proactively develop future activities and projects, ensuring regular review points with budget holders and finance are in place to plan commercial activities, resourcing, and priorities.
- 7.6 A **Commercial Technology Roadmap** will be developed setting our key deliverables and actions, establishing dashboard reporting and technology solutions covering the commercial lifecycle.
- 7.7 To support the MCA budget holders and project teams, there will be a review and (re)issue of all **procurement guidance and supporting toolkits** for service users with roadshows & training sessions to drive usage and understanding.

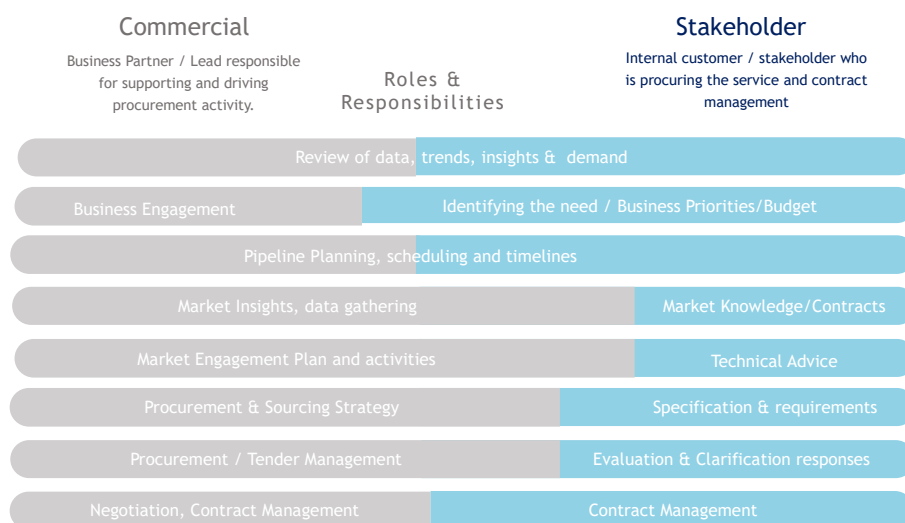
8 Business Planning

- 8.1 The Commercial Team will work to increase visibility of planned procurements by linking activities to the MCA’s strategic objectives and business planning process and will demonstrate that the activity contributes to achieving these objectives during regular pipeline reviews every 3-6 months.
- 8.2 Where strategically important activities are planned (regardless of value), they will form a future outlook which is shared senior management and the relevant Committees and Boards.
- 8.3 This will promote greater visibility and improve confidence that planned activity is carefully considered from the outset and the rationale supporting each activity meets the overall MCA’s strategic objectives with the associated benefit analysis.

9 Commercial Objectives

- 9.1 The Commercial Team will provide a business partnering model to its internal customers. The Team will actively support service leads in understanding market dynamics and matching service delivery requirements with the supply chain through market management and engagement activities, from the outset of business planning. This will support horizon scanning and early detection of trends and best practice in the marketplace.
- 9.2 There will be clear accountabilities and roles defined to encourage joint working and support, agreed project deliverables, timelines and outputs to provide clarity and principles to what success looks like, to achieve better outcomes.

Figure 3: Example roles & responsibilities Commercial and Stakeholder



- 9.3 **Proactive and joint working** with service leads of services will enable better ways of working both internally within the MCA and externally with the market, service providers, local organisations and partnership opportunities through:
 - Understanding needs and challenge priorities
 - Promoting sustainable and responsible procurement
 - Developing and shaping a strong supply market

- Challenging existing service models
 - Undertaking timely procurement activity using the forward planning process
- 9.4 **Efficient and effective procurement** will achieve better outcomes and improved value for money. The Commercial Team will support innovation, routes to market and solutions that promote innovative procurement practices and commissioning objectives. They will consider opportunities to develop projects that can generate income for the MCA and positively contribute to delivering value for money and efficiencies through the procurement of excellent and cost-effective services.
- 9.5 The Commercial Team will positively contribute, and support service leads to **drive value for money and maximise operational efficiencies through the life of contracts** through improved tools, resources and robust commercial expertise, including training and guidance. This will improve contract management skills and outcomes throughout the MCA.
- 9.6 The Commercial Team will support service leads to **affect change**, presenting wide ranging ways and creative options about how compliant procurement activities can be completed effectively and efficiently. These will be presented with associated levels of risk, benefits and outcomes so that informed decisions and judgements can be made.

10 Commercial Capability and Organisational Structure

- 10.1 This approach facilitates communication and collaboration, with the Commercial Team developing and leading on the MCA's commercial strategies, processes and policies.
- 10.2 The team's role is to demonstrably deliver value-added solutions for the MCA working diligently across the commissioning lifecycle. The team will ensure the professional management of tenders, efficient handover to contract management, and supporting contract managers to deliver value providing tools and techniques to enhance skills and consistency of application across the organisation.
- 10.3 MCA teams will be expected to undertake routine, low risk procurement activity (to be determined by engagement with the Commercial team and decision-making criteria) using templates and processes provided by the Commercial Team and in accordance with the MCA Procurement Rules set out in the Constitution and supporting process guidance.
- 10.4 The Commercial Team will reflect a flexible delivery model, utilising external partners and interim resourced to support complex and / or strategic projects where additional headroom and capacity is required. This will also include specialist expertise in specific category areas where required. This will be under regular review to ensure this continues to meet the needs of the MCA and future pipeline requirements.
- 10.5 The team will ensure that all relevant Public Procurement Notices (PPNs) are reviewed and implemented fully and adhere to the wider transparency obligations of public sector contracting authorities.
- 10.6 Changes under the new Procurement Bill (expected into law in 2024) will be implemented within the transition period allowed as the new legal framework.

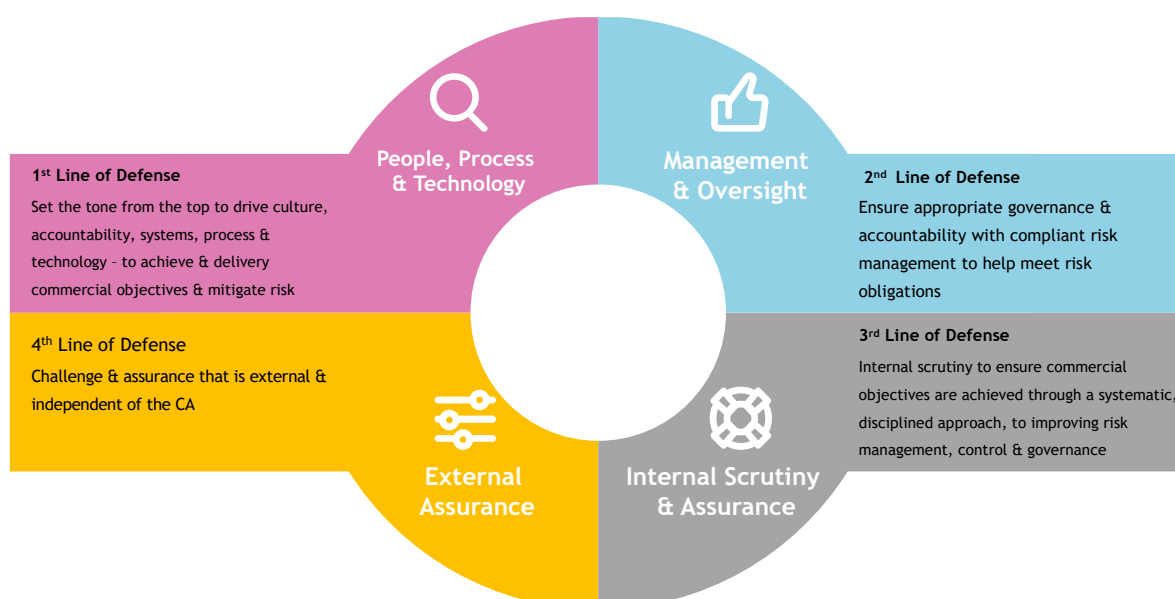
- 10.7 Recruitment, professional development and retention of the Commercial Team is vital to its success, specifically within the context of the impact the team and individuals can make to the wider organisation. Using best practice commercial standards to improve performance and demonstrate a clear career path will ensure the support and advice given will be of a consistently high standard.
- 10.8 The Commercial Team will work proactively with other Unitary Authorities (UAs) developing commercial networks and sharing best practice to maximise mutual opportunities, supply routes and requirements.



11 Governance, Assurance and Approvals

- 11.1 The governance and assurance approach will support each stage of the Commercial Lifecycle, to ensure the MCA has very clear approval gates and peer reviews. This will provide a consistent approach and through this challenge, public money has a clear and thorough audit of decision making. At the heart of the approval process is the ability for the expenditure proposed to deliver the Sustainability and Net Zero commitments.
- 11.2 The Commercial Board will be a forum to review and approve strategic procurement activity from the forward plan and new activities required outside of this process. The Terms of Reference will set out the role of the Commercial Board, frequency of meetings and the decision-making process. This will allow greater insight to planned activity, rationale and a value for money approach, with the oversight of the relevant Procurement Policy outlining procurement objectives and how they are aligned to the CAs wider strategic objectives.
- 11.3 The Commercial Board will also review and approve at the Contract Award stage, to give confidence before entering into external contractual arrangements, that the procurement outcome and proposed contract will meet the needs of the service team and residents through the delivery of the strategy.
- 11.4 Assurance
- The MCA will embed a 4 lines of defence model in line with the MCA's assurance framework. External assurance will be used to underwrite existing processes for complex and strategic (high value) commercial procurement activity and pre-contract award.
 - Specific focus from a Commercial perspective is as follows:

Figure 4: Commercial Assurance Model



12 Contract and Supplier Relationship Management

- 12.1 Considering inflationary pressures, changes to the political landscape and managing existing budgets, all strategic contract clauses will be reviewed, and associated negotiation strategies will be planned to respond to any supplier cost increases. Through contract management discussions, inflation will be explored as to its relevance together with options for specification changes and operational efficiencies which could impact price.
- 12.2 There will be a focus on cashable savings activities (and reporting) together with cost avoidance savings as part of contract management activities.
- 12.3 The MCA has the responsibility to manage contracts, drive collaboration and integration across the supply chain and it is critical that proportionate and effective contract management is applied consistently throughout the lifetime of the contract.
- 12.4 The Commercial Team will develop and implement a single, common framework approach to contract management. This will be shared with all relevant contract managers to provide consistency in approach and improve skills.
- 12.5 MCA teams will be the responsible for managing their own contracts, the Commercial Team's role will be to provide a Centre of Excellence, this includes training, guidance materials, appropriate toolkits and documentation to aid in the management of contracts. Commercial will support service teams with additional resource and practical interventions such as complex contractual negotiations or escalations where required. In addition, the team will identify a number of Strategic Contracts to the MCA which it will lead on in the roll out of a Strategic Supplier Relationship Management capability.
- 12.6 The Contract Management Professional Standards as set out by the Government Commercial Team (GCF) outline the core capabilities required for the successful management of third-party contracts in the Public Sector. These standards will be used proportionally as the basis of training and development to support contract management activity, where relevant within the MCA.

- 12.7 The benefits of raising capability of individuals managing contracts or suppliers through learning, development and formal accreditation are that the MCA can achieve:
- Greater efficiency by having confident individuals in place to manage risk and complexity
 - Better value through informed and timelier contract management decision-making
 - Quality services and satisfied service users
- 12.8 Through the contract award process and subsequent contract management, the MCA will embed mechanisms to constantly review the scope of delivery and the outcomes to ensure the MCA is flexible and agile to meet the changing needs of its residents and service groups.
- 12.9 The visibility, performance monitoring and tracking of the MCA’s contracts will be improved as part of the overall monitoring and risk reporting of suppliers and contract management, in particular, the MCA’s most critical external supply relationships.

13 Technology

- 13.1 Accelerating the use of digital procurement tools will support efficient commercial activity, processes and outcomes together with improved visibility of contractual performance and delivery. A Technology Roadmap will be developed to underpin the team activities and drive effective performance.
- 13.2 The Commercial Team implement solution to improve and simplify internal processes, positively impact visibility and agility within the team. Duplication of data will be removed throughout the process and rely on systems to hold relevant data in the most efficient manner. The sharing of more reliable, accessible information across the MCA will ensure that better, informed decisions are made.
- 13.3 The use of e-catalogues and technology solutions to support low value spend across the MCA will be implemented, reducing handling costs and providing better value for money and automation for commodity purchases.

Figure 5: How the right tools will create Commercial Value



14 Supporting the Community

- 14.1 The Commercial Team will ensure the right balance of collaboration with the local business community through procurement activity, actively promoting opportunities (using relevant procurement legislation), local events and engagement; all supporting the local economy.
- 14.2 They will work closely with local businesses by holding supplier events with service leads to further understand the local supplier market and what they can do to support the MCA, so that a local network of suppliers be developed. By sharing insight and information with suppliers, they too will understand the local needs so that they can support the wider community.
- 14.3 The Commercial Team will ensure the MCA's Commercial Toolkit promotes and supports the local supply chain through providing social value, sustainability and achieving net zero by 2042 or earlier. Through the implementation of the Procurement Bill (in 2023) and subsequent legislation (via amendments of the Local Government Act 1988) the Commercial Team will embed ring-fencing low value applicable procurement opportunities to SMEs and VCSEs within the locality, promoting economic and social benefits to the local economy.
- 14.4 The Commercial Team will also support the MCA by working with local businesses, to build supply chains and partnerships to develop the skills needed to support the green economy.
- 14.5 It is important that SMEs find it easy to come together as consortia and bid for opportunities at the MCA and that systems, payments and communication all support SMEs to participate with the use or proportionality and clear guidance.
- 14.6 Opportunities and supporting tender documentation will be clear, concise and user-friendly to encourage SMEs and VCSEs to prepare tender responses. Focussed service specifications will enable participants to respond to service and sustainability requirements.

15 Risk & Issues

- 15.1 Allocation and management of risk is key to all MCA commercial activity, with a proportionate, pragmatic approach to initial risk identification. Proactive risk identification and assessment will be carried out periodically as circumstances change during the commercial lifecycle, specific procurement activity and the life of relevant, strategically important contracts.
- 15.2 A Commercial Risks & Issues Register will be utilised to identify and categorise risks within the commercial lifecycle. This will be shared where appropriate as part of wider MCA risk dashboard reporting.
- 15.3 A risk allocation matrix will be developed to shape the approach to risk allocation as recommended by the HMT Green Book¹, the Construction Playbook² and the Sourcing Playbook.³

¹ [GCF Risk Allocation & Pricing Approaches May 21](#)

² [The Construction Playbook](#)

³ [The Sourcing Playbook](#)