

**BUSINESS SUPPORT  
OVERVIEW AND SCRUTINY COMMITTEE**

**6 JULY 2017**

**PROCUREMENT STRATEGY**

Report from: Perry Holmes, Chief Legal Officer

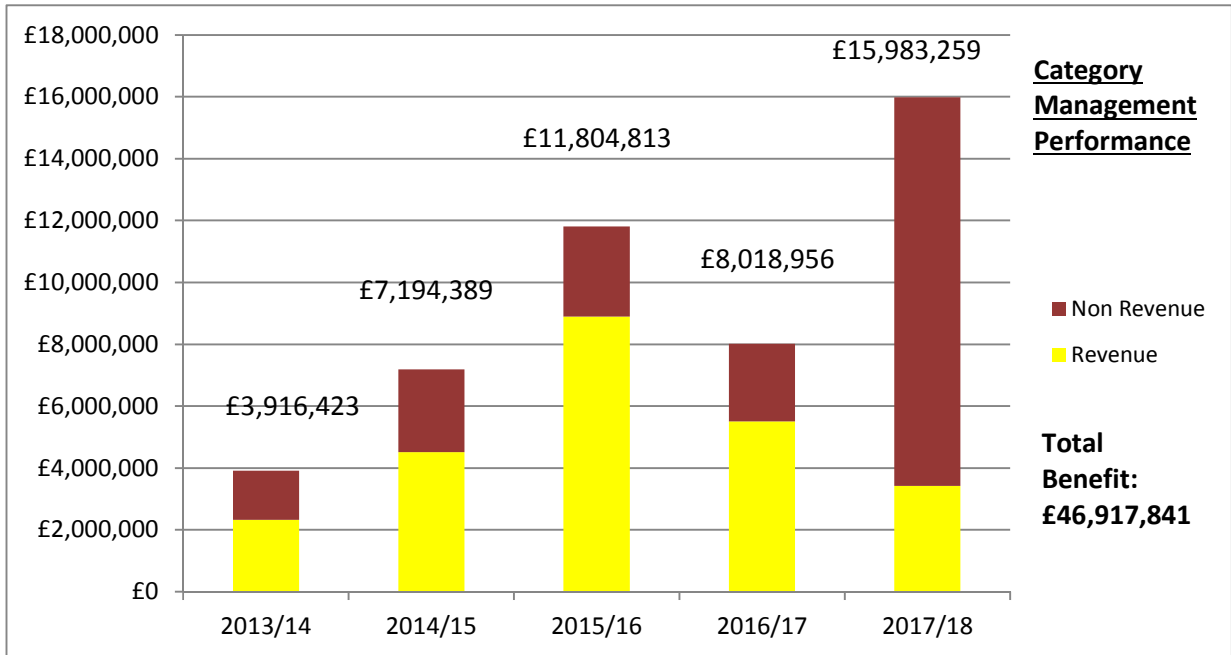
Author: Carl Rogers (Place) & James Harris (People), Heads of  
Category Management

**Summary**

The purpose of this report is to update the progress made against the procurement strategy 2016-21.

**1. Budget and policy framework**

- 1.1 The Council spends in excess of £300 million with third parties each year, which is a mixture of revenue funds and capital/grant monies managed through various forms of procurement. These procurements are approved by Cabinet or under officer delegation in accordance with the council's contract procedure rules.
- 1.2 The team since its inception has been successful at delivering benefits back to the council as demonstrated by the graph below. The team to date has delivered benefits worth almost £47m back to the council.



## 2. Background

- 2.1 Medway has a local economy of £2.8 billion and therefore the public money we spend with third parties represents over 10% of the local economy.
- 2.2 Cabinet approved the new Procurement Strategy 2016-21 on 9 August 2016. Progress against the new Strategy was discussed at Business Support Overview and Scrutiny Committee in January 2017.
- 2.3 The Category Management team have been delivering against the new strategy and have provided an update against progress in the attached report.

## 3. Advice and analysis

- 3.1 The delivery has seen progress against the objectives. The council continues to support SMEs through our tendering exercises. SMEs continue to be successful, winning a total of 77% of projects overall since April 2017.

## 4. Risk management

- 4.1 The risks associated with the strategy relate to the Council being able to demonstrate that it remains relevant after it was approved; see the table below.

Risk	Description	Action to avoid or mitigate risk	Risk rating
Reputational	The procurement strategy does not continue to be relevant to the needs of the market, suppliers and residents, service users and the Council's aspirations	Sharing the outcomes of the strategy so far for comment should keep the Strategy fresh and relevant.	Low

## **5. Consultation**

- 5.1 The Business Support Overview and Scrutiny Committee will continue to provide challenge and analysis on the Strategy.

## **6. Financial and legal implications**

- 6.1 There are no direct financial implications arising from the report.
- 6.2 There are no direct legal implications relating to this report. However in implementing this strategy the Council needs to ensure that it balances its aspirations for local SMEs with its duty to comply with the Public contracts Regulations 2015.

## **7. Recommendations**

- 7.1 Members are asked to consider the progress made against the Procurement Strategy 2016-21.

### **Lead officer contact**

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### **Background papers**

None.

### **Appendices**

Appendix 1 – Progress against the Procurement Strategy