

# **Business Support Overview and Digital Overview and Scrutiny Committee**

**1 February 2024**

## **Procurement Strategy 2021-2025 Update Report 2023**

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### Summary

This report seeks to acknowledge the progress made against the 2021-2025 Procurement Strategy and to consider objectives to take forward into 2024.

#### 1. Recommendations

- 1.1. To note the achievements of the third year of the 2021-2025 Procurement Strategy as outlined in Appendix 1 with updated comments.
- 1.2. To consider the delivery of actions denoted within the '2023 Comments and Action' column, against the various objectives in Appendix 1, with a concerted, wider drive to improvements within the Contract and Relationship Management, as well as Embedding Change themes and submit any comments to Cabinet.

#### 2. Budget and policy framework

- 3.1 Procurement is a Cabinet function. The 2021-2025 Procurement Strategy was approved by Cabinet in December 2020.

#### 4 Background

- 4.1 The Council's net revenue budget is c.£370m per annum. It is managed through various forms of procurement and undertaken centrally by the Category Management team. These procurements are approved by Cabinet or under officer delegation in accordance with the Council's Contract Procedure Rules, which in turn form part of the Council's Constitution.
- 4.2 The objectives within the Procurement Strategy come unabridged from the 'National Procurement Strategy' when Category Management conducted a

performance related self-assessment and isolated all objectives that scored less than a three (mature) out of five, on the scoring matrix.

- 4.3 Upon inception, the Procurement Strategy sought agreement to take forward the objectives that scored less than three at the time to 'baseline' the team's approach and then to annually identify key areas for future development.

## 5 Analysis

- 5.1 Appendix 1 outlines the entire National Procurement Strategy list of objectives with commentary.

- 5.2 Within the adoption of this strategy, it was suggested that 'the primary advantage of using a national framework to establish a procurement strategy is it facilitates a more diverse range of objectives whilst also including what Medway would most likely have considered in isolation, so in turn can create more positive change.'

- 5.3 As that holds true, for the purpose of the fourth year of the strategy, the proposal is to focus on developing the objectives with further actions as detailed with Appendix 1.

- 5.4 Furthermore, as the strategy is now at a stage where all the objectives are at the baseline score of 3, the score description has been included, with further commentary to address how these can be improved, if deemed necessary.

## 6 Risk management

- 6.1 The table below outlines the risk associated with the implementation of the proposed procurement strategy.

Risk	Description	Action to avoid or mitigate risk	Risk rating
<b>Reputational</b>	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.	(1) Periodically update and review the objectives. (2) Sharing the outcomes of the strategy for review against progress should keep the Strategy relevant.	DIII

<b>Likelihood</b>	<b>Impact:</b>
A Very likely	I Catastrophic
B Likely	II Major
C Unlikely	III Moderate
D Rare	IV Minor

## 7 Consultation

7.1 Officers have consulted with colleagues regarding the progression and development of the various objectives.

## 8 Climate change implications

8.1 As outlined within the social value subsection of Appendix 1, although the scores may not have greatly improved as Medway has historically delivered at a high level in this area, the demonstrable deliverables and the intelligence made available to officers to embed this in their tenders has greatly improved over the past couple of years, which in turn helps to ensure environmental considerations as well as other social values were obtained from contracts.

## 9 Financial implications

9.1 Whilst there are no financial implications associated with the continued delivery of this Procurement Strategy, in subsequent years seeking attainment of higher scores against select objectives may incur additional expenditure. There could be a point, for example, at which benefit diminishes yet direct cost increases for attaining higher scores, however, these will be addressed as part of the review process.

## 10 Legal implications

10.1 There are no direct legal implications relating to this report. However, the Council needs to ensure that it balances its aspirations with its duty to comply with the Public Contracts Regulations 2015.

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## Appendices

Appendix 1 – Complete Objective List with updates

## Background papers

None