

## **Cabinet**

**12 March 2024**

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

Portfolio Holder: Councillor Zoë Van Dyke, Portfolio Holder for Business Management

Report from: Bhupinder Gill, Assistant Director Legal & Governance

Author: Michael Kelly, Head of Category Management

#### **Summary**

This report seeks to acknowledge the progress made against the 2021-2025 Procurement Strategy and to consider objectives to take forward into 2024. The Cabinet is asked to note the progress and agree the actions set out under the 2023 comments and action column within Appendix 1.

This report was previously considered by the Business Support and Digital Overview and Scrutiny Committee on 1 February 2024, the minutes of which are set out in section 6 of this report.

#### **1. Recommendations**

- 1.1. The Cabinet is asked to note the comments of the Business Support and Digital Overview and Scrutiny Committee, as set out in section 6 of the report.
- 1.2. The Cabinet is asked to note the achievements of the third year of the 2021-2025 Procurement Strategy as outlined in in Appendix 1 with updated comments.
- 1.3. The Cabinet is requested to agree the actions denoted within the '2023 Comments and Action' column.

#### **2. Suggested reasons for decisions**

- 2.1. The Procurement Strategy provides a holistic suite of objectives to ensure the service maintains national awareness but with the ability to focus on local issues effectively. Approval of the actions marked for carry forward will ensure this can continue effectively.

### 3. 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. Business Support and Digital Overview and Scrutiny Committee

- 6.1. The Business Support and Digital Overview and Scrutiny Committee considered the report on 1 February 2024 and the minutes of this are set out below:
- 6.2. The Head of Category Management introduced the report which outlined the performance in the past year and objectives for the next financial year.

- 6.3. The following issues were discussed:
- 6.4. **Training** – It was requested that members and managers be provided with a training session on procurement. The Head of Category Management explained that discussions had taken place with the Member Development Advisory Group and a future training session was planned.
- 6.5. **Small and Medium Business** – in response to a question to what extent had the strategy assisted in promoting local small and medium sized businesses the Head of Category Management explained the Council engaged with small and medium businesses at an early stage to provide assurance regarding the procurement process. He added that specific data was available regarding local small and medium size businesses and undertook to provide that to Members outside of the meeting.
- 6.6. **Decision:**
- 6.7. The Committee noted the achievements of the third year of the 2021-2025 Procurement Strategy as outlined in in Appendix 1 with updated comments.
- 6.8. The Committee considered 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.

## 7. Risk management

- 7.1. 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

## 8. Consultation

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

## 9. Climate change implications

- 9.1. 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.

## 10. Financial implications

- 10.1. 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.

## 11. Legal implications

- 11.1. 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.

## Lead officer contact

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## Appendices

Appendix 1 – Complete Objective List with updates

## Background papers

None