

Business Support Overview and Digital Overview and Scrutiny Committee

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Procurement Strategy 2021-2025 Update Report 2025

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Summary

This report seeks to acknowledge the progress made against the 2021-2025 Procurement Strategy and to agree the approach for the 2025/2026 financial year. This report will also be considered by Cabinet on 8 April 2025.

1. Recommendations

- 1.1. To note and maintain the achievements of the fourth year of the 2021-2025 Procurement Strategy as outlined in in Appendix 1 with updated comments.
- 1.2. To note the conclusion of the 2021-2025 Procurement Strategy.
- 1.3. To note the development of a new Procurement Strategy in the 25/26 financial year derived from the objectives within the National Procurement Policy Statement (NPPS).

2. Budget and policy framework

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

3 Background

- 3.1 The Council's net revenue budget is c.£440m per annum for 2024/25. 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.
- 3.2 When adopted, the procurement strategy saw the introduction of 59 objectives across 11 areas from the 2018 National Procurement Strategy and sought to

baseline them all to a score of 3 (out of 5). Progress has been annually reviewed with additional areas for improvement identified. This has proven successful to date as all objectives have been baselined to 3 and the focused areas progressed further.

- 3.3 At this juncture there are many objectives that cannot be progressed further without additional resource as detailed in the narrative in Appendix 1. Due to the complexity of most of these objectives and with there being no direct return on investment, it is not proposed additional costed resource is dedicated to this.
- 3.4 To compound this, the Procurement Act 2023 went live on 24 February 2025, which replaced the Public Contracts Regulations 2015 (the regulations that cover public sector procurement). Alongside the Procurement Act, the National Procurement Policy Statement (NPPS) was published, which is a statutory statement which allows the Government to set and communicate the wider policy objectives to which public procurements have a statutory duty to have regard and contribute to.
- 3.5 As the objectives within the current strategy cannot be progressed any further without an increase in investment, and the new regulations introduce the NPPS, it is proposed that the current strategy is closed and a new strategy is established, which is focused around the NPPS.

4 Analysis

- 4.1 Appendix 1 outlines the entire National Procurement Strategy list of objectives with commentary.
- 4.2 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.’
- 4.3 As that holds true and all the objectives have either been met, exceeded, or are unviable to progress any further, the purpose of the last year of the strategy is to maintain our success to date and establish a new strategy based around the principles of the NPPS.

5 Risk management

5.1 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
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.	(1) Periodically update and review the objectives. (2) Sharing the outcomes of the strategy for review against progress should keep the Strategy relevant. (3) adopt the NPPS once it goes live.	DIII

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

6 Consultation

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

7 Climate change implications

7.1 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.

8 Financial implications

8.1 There are no direct financial implications associated to continued delivery of this Procurement Strategy, yet 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.

9 Legal implications

- 9.1 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 Procurement Act 2023 and Procurement Regulations 2024.

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Appendices

Appendix 1 – Complete Objective List with update