

Tonbridge and Malling
Borough Council
**Draft Procurement
Strategy**
2024–2026
[version 1]



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Introduction

The Council is a member of the Mid Kent Procurement Partnership (Tunbridge Wells, Tonbridge and Malling and Maidstone Borough Councils). The Partnership has a clear focus that enables and encourages economic growth and investment into its respective boroughs, whilst ensuring the appropriate infrastructure is in place to support growth and enhance residents' quality of life.

The last few years have seen a period of significant disruption to everyone's way of life, with a global pandemic causing national lockdowns and changes to our everyday routines and working lives.

Politically, there have been changes at both local and national level which have created challenges, and globally we have seen economies suffer following the invasion of Ukraine.

These socioeconomic issues create significant challenges for Local Authorities, particularly in terms of revenue generation and funding of local services. New ways of generating income or stretching existing budgets have been explored but must continue to be found in order to maintain front line services, and to give us the opportunity to enhance the lifestyles and wellbeing of our residents.

Procurement plays a vital role in delivering on the operational and political priorities. Delivering best value is the foundation of what we do. It underpins our organisation and allows us to build for the future. We are committed to delivering a quality service to our stakeholders and residents across Tonbridge and Malling, along with contributing to the delivery of a greener and prosperous borough over the coming years.

We understand that the context in which we operate will continue to evolve - on both a local and national level. We will keep up to date with the latest Government legislation and guidelines, and ensure we are compliant across the organisation, whilst continuing to promote fair and equal competition within the market.

We will ensure that this Strategy is reviewed and updated according to these conditions, with a commitment to providing innovative procurement solutions through the Partnership.

Local & National Context

Local Context

As a Partnership of three borough councils (TWBC, TMBC and MBC), responsibilities are clearly defined. At the time of writing this Strategy, all the partner authorities face significant challenges:

1. Budgetary Pressures – The cost of re-procuring existing services is likely to rise significantly as contracts expire, which will add increased strain to budgets.
2. Climate Change – all authorities have committed to net carbon zero status by 2030, but progress is reliant on internal resources and suitable funding.
3. Staff Retention – our ability to compete with the private sector and other public sector bodies.

National Context

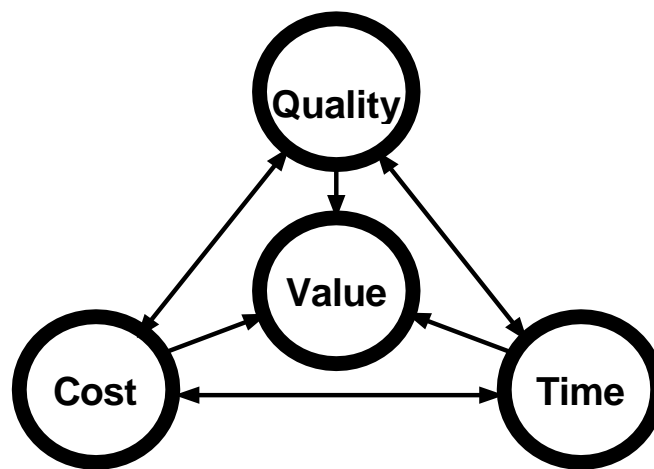
At a national level the UK economy has seen significant upheaval with the invasion of Ukraine a cost of living crisis, and changes to inflation, mortgage rates and interest rates. These have put greater strain on the already stretched finances of the Council

On a legislative front, the way in which public sector procurement is conducted is currently under review by the Government. A new legislative framework, the Procurement Act, is being introduced. This legislation will hopefully come into effect in early 2025, following a delay with the introduction of the new Government. This will present a significant step change in how procurement is undertaken by local authorities, with a more flexible approach to the operational aspects. With the new changes there will also be a greater burden of administration, with several new requirements for publication of documentation and reporting. Training of staff will be critical to meeting the requirements of the new Procurement Act. The Partnership are well prepared for the introduction of the new legislation and training for staff has already been undertaken.

The Procurement Strategy focuses on key themes for the delivery of our strategic aims: Compliance; Sustainability; Localism; Commercialism; Stability and Expansion

Compliance

Our vision is to ensure that we deliver best value to the authority: Quality, Cost, and Time (Availability of goods and services):



In order to achieve our vision, we must ensure that the Council procures in a compliant manner – whilst attempting to derive as much value from our contracts as possible.

For this Strategy, we will be concentrating on 2 key themes for Compliance: Legislative Changes and Training

Legislative Changes

A review of the legislation regarding public sector procurement was undertaken following the UK's exit from the European Union, and the subsequent pitfalls and issues identified within the current legislative framework by the Government whilst procuring supplies during the Covid 19 pandemic. This review aims to introduce a new legislative framework for the governance of public sector procurement, known as The Procurement Act (2022-23), and is expected to be implemented from early 2025.

There are 3 key areas that we will focus on in regard to the proposed legislative changes:

1. Engagement – Through the Partnership we will ensure that we are up to date with the latest details of the Act and its passage through the two houses of Parliament. This will include:
 - i. Responding to any public consultations issued by the Government in relation to the Act, ensuring that our views are expressed, and;
 - ii. Engaging with key stakeholders

2. Updates – We will ensure that we update the following key documents in line with the new legislative framework:
 - i. The Constitution to reflect the new legislation, and;
 - ii. All procurement guidance documents, portals, and training materials in order to ensure delivery of timely and accurate advice to all stakeholders.
3. Communications – We will ensure that the legislative changes are communicated to all internal stakeholders, and that new training materials are rolled out ahead of the implementation of the new legislation.

By focusing on these key areas, we will also be continuing to work towards zero non-conformance. A forward plan (project pipeline) is likely to form part of the required new notices under the Procurement Act, and as such this will be communicated to key personnel and cascaded amongst their teams for additional projects and information to be added.

We will ensure that the Council complies with transparency requirements – ensuring that our stakeholders are fully aware of their obligations under the Local Government Transparency Code 2015.

As well as the procurement specific legislation, we are committed to ensuring we have regard to the Public Sector Equality Duty in our processes so that we procure goods and services that take account of the needs of different users. Officers will be responsible for ensuring that equality impacts are considered prior to approval of any procurement project and mechanisms will be put in place to embed equality standards throughout the procurement process.

What will success look like?

Success in this area will be defined by being fully compliant with the requirements of the Local Government Transparency Code 2015, having robust processes and procedures in place ahead of the new legislative framework being implemented, and working as part of a well prepared Partnership to lead us through the implementation process.– ensuring that our communication plans and training rollout are all put into practice as early as possible.

Training

The development of skills, and training of staff in our procurement and contract management processes and procedures, is a key area of focus in order to ensure compliance.

We consider that there are 3 key stakeholder groups to engage in this objective:

1. **Officers** – Ensuring that Officers are well coached and able to access professional advice through the Partnership. We will do this by:
 - i. Rolling out new procurement training and guidance notes, to be delivered as early as possible before the implementation of the new legislative framework, and;
 - ii. Creating self-help/reference functions on our intranet pages - for example: creation of Frequently Asked Questions (FAQs) and short guides to procurement - to support the training module rollout.
2. **Elected Members** – Ensuring that elected members are informed and offered relevant guidance and training on the new legislation by:
 - i. Updating the constitution to ensure that it accurately reflects the new requirements of the Act and;

- ii. Offering member briefings/training sessions in order to ensure that members have the knowledge required to properly scrutinise procurement activity undertaken.
- 3. Businesses** – Ensuring that local businesses are engaged with our processes, and the legislation which governs them, by:
- i. Sending out relevant and useful communications to businesses by partnering with our Economic Development team to provide information for their newsletters and social media posts.
 - ii. Holding in-person supplier events, at which we can update suppliers on the legislative changes and how this will affect how we do business. This will also help to encourage suppliers to register for the use of the Partnership's eTendering platform.
 - iii. Ensuring that the website is fully updated with the latest information for external stakeholders and businesses to find.

What will success look like?

Success in this area will be defined by having full access to a well trained, professional and approachable procurement team. The partnership team will continue working towards CIPS status by taking professional qualifications and ensure that all team members are certified under the new legislative framework in order to offer expert advice and guidance on all procurement matters.

The Organisation will have well informed and trained officers and members, who are fully aware of their obligations to ensure compliance with all local and national procurement regulations.

Sustainability

In order to understand our approach to sustainable procurement, it is important to first define this term; 'Sustainable Procurement is a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the local economy, whilst minimising damage to the environment' ([LGA 2021](#)). It is the intention to implement a Sustainable procurement policy. This policy will aim to support our Climate emergency pledge. This strategy outlines our vision to look beyond the Sustainable Procurement Policy into three areas procurement can impact on the Council's Climate Emergency objectives. The Council has also signed up to the Kent and Medway Market Position Statement on climate change and environment.

Carbon Reduction

In 2019 the Council declared a climate emergency and set out a commitment to become carbon neutral by 2030. For the Authority the majority of greenhouse gas emissions lie outside internal operations. By looking at our main contracts forming our Scope 3 emissions, we open opportunities to look at how we can reduce the contract carbon emissions. These opportunities open through both the procurement process and effective contract management. Our sustainable procurement policy outlines how we will engage with potential suppliers and provides a timeline for measuring scope 3 emissions. It is our intention that we will look to work collaboratively with our suppliers to develop a proactive approach to reducing emissions. In order to best support the Council's objectives in this area, procurement will be looking to continually expand on our growing sustainability knowledge, and we will look to provide officers with case studies and examples of

contracts where carbon reductions have been achieved.

In the current economic climate, it is important to note that Local Government faces increasingly difficult financial decisions in its search for best value in its contracts. Whilst the Council strive to achieve its goals of being carbon neutral by 2030, we must balance this with the requirement to deliver contracts within the agreed budget. As the definition of sustainable procurement makes clear, the Council's strategic goal to deliver efficient services and achieve the best value for public money requires careful consideration of both costs and benefits over the lifetime of its procurement activity. Whilst we cannot say with certainty that contracts offering to make serious reductions in the carbon they emit will be at a higher cost, this Strategy will note that this is a possibility that the Council will have to contend with.

What effect will this have?

The reduction of the carbon emitted throughout our contracts will assist the Council in its objective of being carbon neutral in 2030. Through the outlined approach of collaborative working with our suppliers, this may allow us to pursue contracts that will reduce carbon emissions at a maintainable cost.

Three Pillars of Sustainability/ Triple Bottom Line

The section proposes our vision for changing the way in which we view procuring, Officers will be asked to consider The Three pillars of Sustainability/ Triple Bottom Line (TBS/TBL). This theory is an expansion on the traditional bottom-line methodology, instead of focusing solely on their financial impact, organisations under this model are also looking to measure the influence that they can have on social and environmental factors. The below provides a brief outline of some of the areas that we will look to target and support under this model:

1. Environmental:

Minimizing environmental impacts produced by the supplier and its operations to deliver the contract including:

- waste minimization, resource recycling/ reuse, – supporting service areas with understanding the whole life cost implications of purchasing, with an objective to guide towards the purchase of products that will be recyclable or reusable.
- reductions in carbon (greenhouse gas) emissions to support progress towards net carbon zero, with an objective to support minimizing life-cycle emissions where practicable
- increasing energy efficiency and decarbonizing energy used.
- minimization of water use, air pollutants, chemicals and exploration of potential alternatives.

Minimising Carbon emissions consistent with carbon neutral goals will be a collaborative effort between the Council and its suppliers, as stated above, to understand suppliers' strategies, goals and plans to tackle emissions.

2. Social:

- Social value – increasing value to our communities through the use of our social value policy whilst tendering to achieve deliverable outcomes in line with sustainable procurement principles.

3. Financial:

- Ensuring that we are operating within our budget and achieving best value for public money.

An essential part of implementation is to establish the methods in which we will gather data to understand our impact on our bottomline. This will need to be established by collaborating effectively with contract managers and suppliers.

What effect will this have?

In exploring key contracts and their impact on the Council's triple bottom line/ three pillars of sustainability, this will allow us to increase our positive impact in these areas. Our social value and sustainability policies will continue to allow us to focus on the impact we have on social and environmental factors, as well as looking after financial factors.

Localism

In order to understand our approach to 'Localism', it is important to first define this term; 'the belief that services should be controlled and provided, or goods produced and bought, within a local area for the benefit of people in that area' (Collins Dictionary 2023). We will be exploring the factors surrounding social value, engagement, communications and how we can help generate more tender submissions and interest from local suppliers by utilising these resources.

Social Value

Social Value refers to the way in which public sector contracts can benefit the community with responsible and sustainable business practices.

It is the use of strategic procurement processes to generate wider public benefits beyond the core products and services purchased.

Our intention is to commit fully to the Social Value Act 2012, by embedding its principles into our procurement processes and procedures where it is feasible and appropriate to do so. This will be through a separate Social Value Policy. The Council is committed to delivering best value for its residents in every area of service, ensuring we consider the total cost over the lifetime of the item or service, and to incorporate social value into its procurement processes.

Commissioning/contract officers must look for opportunities to enhance the value of the contract to the wider community and not just the goods/ services they are procuring.

The benefits of incorporating social value into our procurement processes are:

- Generation of employment and training opportunities
- Attraction of social benefit suppliers whose business revolves around their purpose and what they do with their profits, for example Social Enterprises and Voluntary Community Social Organisations (VCSOs)
- More diverse supplier markets which can lead to increased innovations
- Businesses that have an important presence in the local area and can use local labour (enabling the communities to grow).

What effect will this have?

The effect of incorporating social value into procurements will be defined by the commissioning/contract officers abiding by the Social Value Policy for the authority, and by monitoring the added value that this brings to our contracts moving forward.

Engagement

Supplier Events

In the delivery of our Social Value Policies, we intend to be more engaged with local businesses to ensure that they understand how we do business. Many suppliers, however, still lack the knowledge and/or confidence to quote for Council contracts as they are unfamiliar with our processes.

To encourage greater participation from the local suppliers we will be working with the partnership to offer Supplier Events and training sessions. This would be a chance for local businesses to attend organised events to gain a better understanding of our processes, and what would be

expected of them during a tender exercise. We would offer an overview of the Partnerships eTendering platform and evaluation models and methodologies that may be used in our processes, provided it would not constitute a conflict of interest for the Council.

Council Members

Elected Members will be offered training and guidance to understand how we do business.

We commit to, where appropriate, utilising our corporate social media platforms to engage more local businesses. Council Members will be encouraged to share these posts through their own social media platforms, to reach a wider audience.

Parish/Town Councils

Parish /Town councils are bound by the same procurement legislation as all public sector bodies. If they do not have access to dedicated, professional procurement advice then they may be vulnerable to falling foul of these rules. The partnership would be happy to build relationships with our parishes in order to aid them with procurement processes, which in return could result in a possible revenue stream for the Partnership.

What effect will this have?

The effect in this area will be an improved relationship with, and potentially more tenders being received from, local companies. The number of tenders received from local suppliers can be monitored and reported upon, and publicised, to increase the drive for local participation in our procurement process.

Communications

Communication is very important as it is a means to reaching a wide audience locally and this can be achieved through a variety of methods. The Council commits in helping to generate more business in the local area and one way to achieve this is by liaising internally with our Communications department, to share posts created by Procurement on our corporate social media platforms. The aim of this is to direct interested suppliers to where they can bid for the work.

Alongside this, advertisements will be posted on the Council's website explaining how the Council does business and direct potential suppliers to the eTendering platform where they can bid for current opportunities.

What effect will this have?

The effect this will have will be defined very similarly to the previous section whereby the Council will have improved relationships with local suppliers, and this will translate into more tenders being received from local companies.

Commercialism

Commercialism has different meanings in varying contexts. For the purpose of this Strategy, we will adopt the following definition provided by the National Procurement Strategy Local Government England 2022; 'Creating commercial opportunities refers to how an organisation promotes revenue generation and value creation through the way it plans its major third-party acquisitions (works, services and goods), reviews its business options (make or buy), engages with, and influences, markets and potential suppliers, seeks to support and encourage innovation,

and promotes the development of new ideas and solutions to service delivery.'

In order to progress in this area, we will look to target 3 key areas: **skill sets, revenue generation and category management.**

Skill Sets

Within the Council, selected service areas are operating in a commercial manner, as we move forward whilst operating in a constrained financial environment, it is vital that Officers possess the skills to identify further opportunities to commercialise contracts. These benefits may be tangible (financial) or intangible (further services provided whilst reducing/ sharing the cost). We will seek to develop Officers understanding and will provide guidance in how they can enhance their contracts and internal services to generate further value.

In developing Officers commercial understanding, we will be looking to build upon relationships, especially in areas where cross functionality will be beneficial to the organisation. Cross functionality in this context will be defined as bringing together a group of service areas/ individuals with varying expertise to support the achievement of a common goal. These cross functional teams will be established with the objective of generating further commercial value.

What effect will this have?

In developing the skill sets of our colleagues, we will seek to build on the competency of our officers to enable them to identify and explore opportunities to commercialise parts of their services. Through this exercise we will encourage cross functional working which will provide Officers with connections to potentially drive commercial value.

Revenue Generation

Revenue generation is the process of identifying and establishing ways in which we can deliver a service/ contract in order to create a revenue income. Historically, the Council have mainly considered concessions contracts as a means to satisfy these requirements. For future revenue generation, it will be essential that service areas are participating in exploring and evaluating opportunities across the organisation. Any revenue generation will enable us to provide support to discretionary services which may otherwise become vulnerable to funding cuts.

To achieve revenue generation, we firstly have to look at producing options for business to become involved in our activities. To make this viable it is essential that during the planning phases we consider our engagement strategy both internally and externally in advance of progressing to any procurement exercise.

1. In reviewing potential opportunities in advance this provides the opportunity to collaborate

with businesses through an early engagement in order to ensure both parties achieve a desirable outcome.

2. Internal engagement - We will look to work with service areas to understand and develop contracts that may be suitable for revenue generation, once identified we will look to engage with suppliers to understand viability before moving towards planning our procurement.
3. External engagement - This will involve co-ordinating sessions to help build a relationship between the Council and potential suppliers, these exercises will assist us in understanding what could be achieved.

What effect will this have?

Success in this area will have the effect of providing further income streams for the Council and will provide the opportunity for us to assist local businesses in their development. In establishing regular income streams, this will enable us to invest further into the Council's aims and objectives.

Category Management

In implementing a category management approach, we are looking to fully understand the breadth of our spend, then to break this down into categories for which we can employ management strategies in order to achieve best value.

This strategy proposes that as an organisation and a partnership we adopt a variation on the traditional category management approach. This will involve undertaking extensive analysis of our spend which will be completed in multiple phases. In breaking our analysis down into stages, we will be able to focus on areas where we will be able to achieve 'quick wins' before moving on to our more complex areas of spend.

A four stage analysis journey will be undertaken to further understand our spend areas and how we will look to use this data to our advantage in a category management approach.

Stage 1: Spend data will be collected and then divided into broad categories.

Stage 2: Spend categories identified at stage 1 will be further broken down into subcategories. The structure for each category may be different, this will be scrutinised to fully understand the data.

Stage 3: Following stage 2, we will be looking to find synergies within the various categories both across the Councils and within the partnership.

Stage 4: Category management strategy options are evaluated for each category and implemented.

In following the above process at stage 3 in the above process we will be looking to identify synergies, which we hope will lead to potential opportunities to seek better value in procurements. Value in this context could relate to quality, or the costs associated with the goods and services we are looking to obtain. By adopting a category management approach, it may open further opportunities to work with other organisations around Kent. The potential benefit of which would be larger economies of scale and the creation of contracts that are more appealing and viable for bidders.

In order to implement an effective category management approach, we will need to establish a strategic toolkit. This will enable us to identify the drivers/ triggers for each category and to gain a greater understanding of effective management approaches that could be adopted to deliver value. We will identify the appropriate tools to use for each category following the analysis and evaluation of data.

What effect will this have?

In reviewing the spend across the partnership we will begin to understand the breadth of contracts that enable the Councils to deliver their services. In employing the category management approach, we aim to implement effective strategies to drive better value. This process enables us to look at how we can best deliver the contract and review all potential options or changes to services.

Stability

Stability is an important value in any team or organisation. Lack of stability in a team can lead to poor productivity and communication, as well as halting and delaying projects. To address stability we will be looking at three key areas in this section:

contract management, training, and competency.

Contract Management

Contract management plays a pivotal role in our ability to maximise the value of our contracts.

Effective contract management starts from the earliest moments of the commissioning cycle, with officers defining the organisations requirements and what the contract must deliver. To ensure effective contract management, we will provide practical support for contract managers where required, and access to a toolkit to assist officers with the management of their contracts. A key method of improving stability through contract management is by providing training for our officers. This can be achieved using compulsory training sessions, and/or through various walk-in surgeries that we hope to hold throughout the next three years.

Training Sessions

Training sessions offer the opportunity for officers to understand procurement processes and procedures, and what their role is within them. This leads to our colleagues being able to fully participate in projects and set well-defined objectives and clear requirements for contracts.

Compulsory sessions will be available for the partners, and we will aim to hold these on a regular basis.

Walk in sessions, or virtual drop-in sessions, are to be provided as part of this strategy. This will be provided in addition to the training and support that will be offered to managers and budget holders as part of their induction and will be available to all stakeholders. The benefit of allowing officers opportunities to attend these sessions is the refinement of skills and shared learning. As these are optional sessions, officers who attend are more likely to engage and interact in the training sessions as they volunteered their own time to do so, and it also has the potential to increase competency throughout the councils as these are not limited to a select group of officers.

Competency

To uphold quality throughout the councils it is important that there is a high degree of competency

when it comes to how we conduct our processes.

Whilst training can initially help with this, we aim to implement strategies in order to ensure best practice principles are observed.

The partnership has developed a strategic tool kit, which is available to all officers, which we will be promoting and actively encouraging the use of. This toolkit is designed to assist officers in the management of contracts and includes links to useful sources, expectations of contract managers and guidance.

What will success look like?

Success in this area will be defined by having a confident and capable team of contract managers across the Councils and ensuring that value is at the heart of our contracts. Officers will be well informed and able to deliver against organisational objectives in a compliant manner. Regular monitoring will be taking place to ensure that processes are followed, and non-conformance will be reported on regularly.

Summary

In summary, the next two years will be a time of significant change and challenge for Procurement. By joining the Mid Kent Procurement Partnership we have inherited a solid foundation from which to build, and we will continue to explore opportunities for improving and enhancing our procurement. We have undertaken a re-design of our processes and procedures in the last year to ensure a more compliant and efficient approach.

Moving ahead, we need to ensure that we make the most of every opportunity to extract added value from our contracts, with a focus on category management, supplier led innovation, and cost reduction/revenue generation initiatives. We must ensure that a more sustainable approach to our procurements is adopted, in order to achieve the very challenging target of achieving Net Zero carbon emissions by 2030. Our budgets will continue to be stretched, but we will still be expected to deliver the vast amounts of services required by our residents in increasingly challenging economic markets.

None of us can predict the impact of the new procurement legislation, which is due to come into effect in 2024 - but we will be fully prepared.