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Dear Member

GOVERNANCE AND AUDIT COMMITTEE - THURSDAY, 3 JULY 2025

I am now able to enclose, for consideration at next Thursday, 3 July 2025 meeting of the Governance and Audit Committee, the following report which was unavailable when the agenda was printed.

Agenda Item No 15

15 **Commercial and Procurement Oversight Board Update Report - To Follow**
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Yours sincerely

Benjamin Watts
General Counsel

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From: Brian Collins, Deputy Leader of the Council
Clare Maynard, Chief Procurement Officer

To: Governance and Audit Cabinet Committee

Date: 3rd July 2025

Subject: Update from the Commercial and Procurement Oversight Board

Classification: Unrestricted

Summary:

This report reflects on the work of the Commercial and Procurement Oversight Board (CPOB). The CPOB was launched following the introduction of the new Commercial and Procurement Division in September 2023 and has become a key component in the Council's informal governance arrangements.

The report summarises the key outcomes and common themes emerging from the reviews and assurance that has been undertaken by the CPOB, while also assessing the impact that the Board has had to date. It also looks ahead at the key priorities of the CPOB in the coming year.

Recommendation(s):

Governance and Audit Cabinet Committee is asked to **consider** and **note** this report.

1. Introduction

- 1.1. The Commercial and Procurement Oversight Board (CPOB) was established in October 2023, following launch of the Commercial and Procurement Division, to provide greater oversight of KCC's strategically important procurement projects.
- 1.2. This paper reflects on the work of the CPOB since its commencement, summarising the main outcomes and themes from the reviews undertaken, and assessing the impact that the Board has had to date. It also looks ahead at the anticipated areas of focus for the CPOB over the next 6 months.
- 1.3. In addition to the Procurement Pipeline (for contracts above the UK public procurement threshold, £214,904 incl. VAT) and the Contracts Register, commercial activity is also overseen by the Contract Management Review Group (CMRG). This group includes both Officers and Elected Members and acts as a key checkpoint for high-priority ('Gold'-tiered) contracts. Reviews take place at two important stages: halfway through the contract's life and before any extension is considered. The role of this governance structure is to help ensure that the Council is achieving, or is on track to achieve, best value from its contracts. These groups also check for compliance with relevant policies and

procedures, assess whether best practices are being followed, and offer valuable professional advice, guidance, and support to Officers managing the contracts.

2. Scope and membership

- 2.1. Operating as a part of the Council's informal governance arrangements, the CPOB acts as a checkpoint (or gateway review) that Officers must pass through prior to going out to tender for either a Gold-tiered contract or a Silver-tiered contract that has an estimated total lifetime value greater than £1m.
- 2.2. Within the commissioning life cycle, the CPOB is focused on reviewing proposals after it has been decided earlier in the cycle that seeking an outsourced solution is the most appropriate means of meeting the Council's requirements. This upstream strategic thinking and planning takes place within Directorates with additional input and support from the Council's strategy and policy function and the Commercial and Procurement Division, as appropriate.
- 2.3. The key objectives of the CPOB are to ensure there is compliance with public procurement regulations and internal spending rules, while checking spend will deliver value for money, support Kent's local economy, and meet the needs of the residents. The Board reviews the intended approach on the procurement and the anticipated contracting approach. Additionally, the Board scrutinises the specification of what is being bought to ensure that it aligns with what the Council truly needs and requirements are not over- or under-specified.
- 2.4. Procurement Officers attend the CPOB with their Commercial Case template, this template is a structured document that explains the proposed approach to buying goods or services. It helps ensure that the planned investment offers the best possible value for the Council. The template prompts Officers to think about important aspects such as how long the contract should last, how payments will be made, and the most appropriate way to approach the market. Officers are also asked to consider legal requirements, opportunities to create wider benefits for Kent residents and businesses, and any key risks involved in the procurement – along with how those risks will be managed. The main goal of the Commercial Case is to support informed decision-making by showing whether the proposal is financially supported, aligned with the Council's priorities, and likely to deliver strong value for money.
- 2.5. The CPOB is chaired by the Chief Procurement Officer, supported by the Commercial Standards and Improvement Team and includes senior representation from across the Commercial and Procurement Division. Recognising the importance of different technical contributions and challenge, the Board also has senior representation from Finance and Legal. The CPOB has recently updated its membership to include representation from Audit, Counter Fraud and Corporate Risk, recognising the value of cross-functional membership to provide additional scrutiny.
- 2.6. Meeting on a monthly basis, attending Officers provide a presentation of their Commercial Strategy and Procurement Plan. The CPOB then provides clear

recommendations and suggestions to Officers, with a view to gaining approval to proceed to tender. Where there is further work required or issues and concerns to be addressed, Officers may be invited to return to the CPOB.

- 2.7. While the CPOB plays a critical role, it should be noted that it is one core component of the wider informal governance arrangements in place to provide oversight of the Council's commercial and procurement activity.
- 2.8. Regardless of the value, risk or complexity of the procurement or contract, Officers are required to adhere to Spending the Council's Money, which lays out the rules and expectations for those spending money on behalf of KCC. While the CPOB focuses on those projects of greatest strategic importance, the Commercial and Procurement Division maintains oversight of and provides appropriately resourced leadership on all procurement projects within the Council's pipeline that are valued above the UK public procurement thresholds.
- 2.9. Procurements that fall outside of the CPOB eligibility threshold must still have completed a Commercial Case, ensuring well-informed decision making. The Chief Procurement Officer has responsibility for approving all Commercial Cases before procurement can commence. Officers are provided with templates and guidance (that is regularly updated to ensure compliance with any legal or regulatory changes) to ensure all procurements that are carried out deliver value and comply with legal requirements.

3. Reflections on the reviews at the CPOB over the last 7 months

- 3.1. Since our last update in November 2024, the CPOB has undertaken 18 reviews of procurement proposals, totalling £2,405,859,271 contract spend, £300,414,086 annually. All of the Council's Directorates were represented through these reviews with 33% of projects being from Adult Social Care and Health (ASCH), 28% from Children, Young People, and Education (CYPE), 28% from Growth Environment, and Transport (GET), and 11% initiated from Chief Executive Executive's Department/Deputy Chief Executive's Department (CED/DCED).

- 3.2. A summary of the reviews undertaken is provided below:

Date	Contract	Estimated Annual Value	Estimated Contract Value	Contract Tier
16/10/2024	Review KCC's Procurement Pipeline and Agree Forward Plan	N/A	N/A	N/A
	Contact Centre	£2,900,000	£20,5000,000	Gold
	NEET (Not in Education, Employment or Training) Study Programme	£2,266,666	£6,800,000	Silver
12/11/2024	Green Corridors Scheme	N/A	£2,500,000	Silver
13/12/2024	Public Health Children and Young People 0-4 years Portfolio	£25,284,885	£145,202,001	Gold
	Oral Health	£151,298	£756,490	Silver
	Homecare (Verbal Update)	TBC	TBC	Gold

	Older Persons Residential Nursing (Verbal Update)	£222,000,000	£1,780,000,000	Gold
	Potholes and Surface Treatments	£10,000,000	£50,000,000	Gold
16/01/2025	School Health	£4,844,389	£25,210,393	Gold
	Public Health Transformation Update	N/A	N/A	N/A
	Review of Terms of Reference	N/A	N/A	N/A
11/02/2025	Therapeutic Support Service	£1,066,701.60	£11,559,498	Gold
	Adult Lifestyles Service – Smoking and weight management	£4,169,169.52	£23,156,671.62	Gold
	Soft Facilities Management - Security Services	£4,200,000	£20,800,000	Gold
13/03/2025	Traffic Management Systems Maintenance	£2,800,000.00	£28,000,000.00	Gold
	Bus Stop Maintenance and Civils	£350,000	£1,750,000	Silver
	Sexual Health Service	£4,608,694.90	£23,043,474.49	Gold
	Skills Bootcamp	£1,497,081	£7,485,405	Silver
	Value Added Tracker Update and Sample Size Data	N/A	N/A	N/A
	For noting: lower value Provider Selection Regime Contract: 'Relationships with Food'	£243,143.70	£972,574.81	Silver
17/04/2025	Organic Waste	£5,075,201	£50,752,010	Silver
	Provider Selection Regime Lessons Learned Update	N/A	N/A	N/A
15/05/2025	Older Persons Residential Nursing	£222,000,000	£1,780,000,000	Gold
	Carers Support Service	£6,700,000	£47,000,000	Gold

- 3.3. During its period of operation, there have been several positive outcomes and themes emerging from the reviews undertaken by the CPOB. There has been positive feedback from those attending and members of the Board who have found the CPOB valuable for sharing good practice, ensuring collaboration across team boundaries, and providing expertise to achieve common goals. This has built on existing knowledge sharing and collaboration that has been evident across Directorates and the Commercial and Procurement Division over the past year, in day-to-day working relationships and other forums.
- 3.4. Additionally, the CPOB has facilitated extensive discussions around the delivery of financial benefits and savings and the scrutiny of proposed procurement procedures. As reported to the Policy and Resource Committee in March 2025, the Commercial and Procurement Division has delivered £19,042,997 value added since it was first formed in September 2024, supported by having a dedicated forum where constructive challenge can take place.
- 3.5. Furthermore, having a cross-functional board established has allowed for closer scrutiny of key commercial changes, such as the implementation of the new Procurement Act 2023 in February 2025. This increased scrutiny will support the Council to mitigate the risk of the incorrect application of this new regulatory regime and the risk of legal challenge.

- 3.6. However, the reviews that have been undertaken to date have also been beneficial for highlighting those common areas for development, identifying where the Council could improve its commercial and procurement approach. Most notably, the Board has pressed for further clarity on extension periods, ensuring they meet the needs of the Council, whilst recognising the impact Local Government Reform will have.
- 3.7. The CPOB has identified key areas of collaboration, most recently the decision to jointly procure Care and Support in the Home framework across both Adults and Children's to maximise value that can be achieved with the framework, integrate service arrangement and efficient transition, and stronger framework management going forward. Collaboration across KCC is a focus for the CPOB and this forum plays an integral part for identifying these opportunities and moving forward with joint procurements.
- 3.8. The Board has played a role in stress testing evaluation models, ensuring the that proposed evaluation route is suitably proportioned to deliver an outcome that will meet the needs of the specification whilst delivering best value. There has been a focus on scrutinising the mitigation of supply chain risks regarding bribery, fraud, and corruption, prompting for further information and understanding on how risks and mitigation have been considered as part of the development of the tender.
- 3.9. The Board has also had a focus on the use of lotting within KCC contracts (dividing potentially large contracts into smaller contracts), ensuring the proposals meet both the needs of the Kent, whilst recognising that lotting contracts can provide greater access to opportunities for smaller, Kent-based businesses and the voluntary sector.

4. Forward priorities for the CPOB in the next six months

- 4.1. Moving forward, the intention of the CPOB is to continue to capture the positive outcomes from the Board and the areas of strength and efficiency in the Council's commercial and procurement practice, which emerge from completed reviews. It will also closely monitor where there is room for improvement in the Council's approach to such strategically important procurement projects. Additionally, the CPOB will ensure there remains a focus on maximising value for money, controlling costs, and identifying opportunities to improve efficiency – ultimately helping the Council deliver the best possible services for the least cost.
- 4.2. The next six months will also see the CPOB playing a significant role in ensuring the first major projects undertaken under the new Procurement Act 2023 are fully compliant. Procurement proposals will be evaluated to ensure pre-procurement planning is effective, tendering processes are compliant, and there is greater focus on reducing the barriers faced by small, Kent-based suppliers as well as the public value our supply base can deliver to the benefit of Kent communities.

- 4.3. Furthermore, although separate to the role of the CPOB, the Commercial and Procurement Division is considering how to strengthen the oversight of contract management practice across the Council recognising the importance of ensuring contracts, once awarded, are managed in an effective manner to provide tighter control over costs, drive up supplier performance, and push for the continuous improvement across the Council's contract portfolio.

5. Conclusion

- 5.1 Since the CPOB was originally established, there have been several positive implications and improvements to the Council's approach to strategically important procurement projects. The CPOB remains firmly committed to driving a culture of accountability, efficiency, and maximising value for money. The CPOB will continue to champion smarter procurement practices that reduce inefficiencies, support local businesses, and deliver better outcomes for Kent communities.
- 5.2 Going forward, especially given current financial challenges and with the implementation of the Procurement Act 2023, this is a pivotal moment to further strengthen the Council's commercial approach. By continuing to rigorously evaluate procurement proposals, the Council will not only be safeguarding public funds but also reinforcing public trust in the Council's activities.

6. Recommendation

Governance and Audit Cabinet Committee is asked to consider and note this report.

7. Contact details

Report Author/s:

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Relevant Senior Officer/s:

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