

From: John Betts, Corporate Director for Finance

Clare Maynard, Chief Procurement Officer

To: Brian Collins, Deputy Leader of the Council

Subject: Adoption of the Kent County Council Commercial Strategy for 2026-2028

Decision no: 25/00083

Key Decision: Yes, it affects more than 2 Electoral Divisions (the adoption or significant amendment of major strategies or frameworks).

Classification: Unrestricted

Past Pathway of report: Policy and Resources Cabinet Committee
(13 November 2025)

Future Pathway of report: Cabinet Member Decision

Electoral Division: All Electoral Divisions

Is the decision eligible for call-in? Yes

Summary:

This report seeks approval for the adoption and implementation of the Kent County Council (KCC) Commercial Strategy for 2026-2028. The Strategy sets out a Council-wide framework for delivering Best Value through procurement and contract management, aligned with the Council's strategic priorities, financial plans, and the requirements of procurement regulations. It provides a structured, outcomes-focused approach to all commercial activity that supports consistent smarter decision-making, strengthens supplier relationships, and ensures public money is spent effectively and transparently.

Recommendation(s):

The Deputy Leader is asked to:

- (a) Approve the adoption and implementation of the Kent County Council Commercial Strategy 2026-2028.
- (b) Delegate authority to the Chief Procurement Officer, in consultation with the Cabinet Member for Finance, to refresh and/or make non-substantial revisions to the strategy where changes do not require additional governance.
- (c) Delegate authority to the Chief Procurement Officer to take relevant actions, including but not limited to, entering into and finalising the terms of

relevant contracts or other legal agreements, as necessary, to implement the above decision.

- (d) Delegate authority to the Chief Procurement Officer to approve the Responsible Procurement Charter and Contract Management Policy as supporting documents to the Commercial Strategy.
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1. Introduction

- 1.1 KCC spends approximately £1.47 billion annually through third-party contracts, making commissioning and any resulting procurement a critical enabler of public service delivery, financial sustainability, and local economic growth.
- 1.2 The Commercial Strategy for 2026-2028 responds to a changing operating environment, including ongoing and increasing financial pressures, legislative reforms (notably the Procurement Act 2023 and the Provider Selection Regime), and anticipated local government reorganisation. It builds on previous strengths and successes, as recognised by the Council's achievement of the CIPS¹ Procurement Excellence Programme Award, and aligns with the Council's Strategic Statement and Medium-Term Financial Plan.

2. Background and Key Considerations

- 2.1 The Commercial Strategy sets a clear vision for procurement and commercial activity at KCC over the next three years with the following commitment:

“We will deliver the best possible services and outcomes for Kent residents, securing Best Value at the least possible cost. We will achieve this through smart, innovative, and efficient procurement that supports the local economy and strengthens our communities.”

- 2.2 This vision underpins a shift from transactional procurement to a strategic, outcomes-focused model. The key policy choices and positions taken are evident in the four strategic priorities, which are set out in the Strategy:
- Delivering Financial Benefits and Return on Investment
 - Strengthening Supplier Management and Partnerships
 - Supporting Local Economic Growth and Wider Public Value
 - Ensuring Compliance and Transparency
- 2.3 These priorities reflect the Council's ambition to use procurement as a lever for positive change. Delivering financial benefits and return on investment means ensuring every pound spent delivers maximum value, supporting the Council's financial sustainability, while strengthening supplier management and partnerships is about building collaborative relationships with suppliers, driving innovation, and improving service delivery across the Council.
- 2.4 Supporting local economic growth and wider public value recognises the importance of Kent-based businesses, Small and Medium Enterprises (SMEs),

¹ CIPS is the Chartered Institute of Procurement and Supply.

and Voluntary, Community, and Social Enterprises (VCSEs), and seeks to embed social value and community benefit in KCC's commercial activity. Finally, ensuring compliance and transparency is key to maintain public trust, meeting legal obligations, and upholding the highest standards of governance.

2.5 Delivery of these priorities will be supported by a commitment to eight 'key enablers' (i.e., core, day-to-day operational practices) outlined in the Strategy:

- Embedding Category Management
- Embedding Supplier Relationship Management (SRM)
- Strengthening Procurement Planning
- Leading Effective Tendering Processes
- Effectively Negotiating and Awarding Contracts
- Managing Contracts to a High Standard
- Setting Clear Procurement Policies and Governance
- Elevating Commercial Skills and Capabilities.

2.6 These enablers represent the practical foundations required to achieve the Strategy's ambitions. For example, embedding category management ensures a strategic, joined-up approach to spend across service areas and SRM focuses on building long-term, collaborative partnerships with key suppliers.

2.7 Additionally, strengthening procurement planning and leading effective tendering processes help ensure that procurement is well-planned, competitive, and transparent. Effective negotiation and contract award, alongside a high standard of contract management, drive value and performance throughout the contract lifecycle, looking beyond procurement as a process.

2.8 Finally, clear procurement policies and governance provide the framework for compliance and best practice, while elevating commercial skills and capabilities ensures staff are equipped to deliver on the Strategy's goals.

2.9 The Strategy has been developed following engagement with senior officers, Members, and consideration of feedback from suppliers and partners. It reflects national and sector best practice, responds to legislative change, and aligns with local priorities including the Council's Strategic Statement, Medium-Term Financial Plan, and the Commissioning Framework.

2.10 The matter was considered by the Policy and Resources Cabinet Committee on 13 November 2025 ahead of the outlined decision being taken by the Deputy Leader. No public consultation has been undertaken nor is planned. However, feedback previously received from suppliers and partners was considered, and a supplier engagement event is planned for 27 January 2026.

3. Options Considered and Dismissed, and Associated Risk

3.1 A range of options were considered to determine the most effective way to improve commercial outcomes, deliver Best Value, and build resilience:

- Do Nothing / Maintain Status Quo

This option involved continuing without a formal strategy and retaining existing priorities and practices. While low-risk in the short term, it was rejected due to:

- Lack of alignment with the Council's evolving financial and policy context.
- Missed opportunities to embed commercial thinking across services.
- Inability to address inefficiency, inconsistent practices, and capability gaps.

- Incremental Improvement on Existing Procurement Policies

This approach proposed minor updates to the existing strategy, with limited changes to governance, capability, or delivery models. It was considered more feasible in the short term but ultimately discounted because:

- The previous strategy lacked formal approval, limiting its influence, enforceability, and stakeholder buy-in.
- It may not align with new legislation, particularly the Procurement Act 2023.
- It would not deliver the step-change needed to meet financial pressures or support Medium-Term Financial Plan (MTFP) savings targets.
- It lacked ambition in addressing systemic issues such as fragmented supplier engagement, supporting local and small organisations inconsistent commercial practices, and limited focus on Social Value.

- New Strategy (Proposal for Progression)

This proposal sets out a new, strategy redefining KCC's commercial ambition. It strengthens procurement governance, builds capability, and aligns commercial activity with strategic priorities.

Key features include:

- A clear vision and strategic priorities focused on efficiency, supplier engagement, supporting Kent-based SMEs and VCSEs, Social Value, and compliance and transparency around procurement activity.
- A commitment to professional best practices and continuous improvement.
- Performance monitoring and actions to support delivery of the Strategy.

3.2 The option of a new strategy was selected as it offers the greatest potential to:

- Drive long-term financial sustainability and support budget recovery.
- Position KCC as a commercially confident, agile organisation.
- Secure Best Value for Kent residents and communities.
- Unite stakeholders around a shared framework for delivery, accountability, and improvement.

4. Financial Implications

4.1 Adoption of the Strategy is expected to be cost neutral, with implementation delivered within existing budgets. The Strategy is designed to generate financial benefits through improved value for money procurement outcomes, cost avoidance, and income generation opportunities.

- 4.2 These benefits will be tracked and reported regularly, aligning with the Council's wider performance and business planning frameworks.

5. Legal Implications

- 5.1 The Strategy supports the Council's ongoing compliance with the provisions and obligations set out within the Procurement Act 2023 with enhanced governance, procurement, and contract management.

6. Equalities Implications

- 6.1 An Equality Impact Assessment (EqIA) has been completed and is appended to this report. No significant adverse impacts have been identified.
- 6.2 The Strategy includes explicit commitments to inclusive procurement practices and enhanced support for SMEs and VCSEs, helping to ensure equitable access to opportunities and broader community benefit.

7. Data Protection Implications

- 7.1 No Data Protection Impact Assessment (DPIA) is required as the Strategy does not involve processing of personal data and poses no data protection risks.

8. Other corporate Implications

- 8.1 The Strategy complements the Council's Commissioning Framework and will support wider transformation efforts. It is expected to have positive impacts across service delivery, supplier engagement, and community outcomes.

9. Governance

- 9.1 The Commercial and Procurement Division's Management Team will oversee delivery of the Strategy. Delegations will be managed via the Officer Scheme of Delegation, with the Chief Procurement Officer responsible for ongoing development, activity and approval of the Responsible Procurement Charter and Contract Management Policy as supporting documents to the Commercial Strategy (in line with the recommendation).
- 9.2 Progress will be reported to the Corporate Management Team, Corporate Board, and Policy and Resources Cabinet Committee.

10. Conclusions

- 10.1 The adoption of the Kent County Council Commercial Strategy for 2026-2028 will establish a robust framework for delivering Best Value, supporting financial sustainability, and ensuring compliance with legislative requirements. It positions KCC as a commercially confident, agile organisation equipped to meet future challenges and deliver better outcomes for residents and communities.

Recommendation(s):

The Deputy Leader is asked to:

- (a) Approve the adoption and implementation of the Kent County Council Commercial Strategy 2026-2028.
 - (b) Delegate authority to the Chief Procurement Officer, in consultation with the Cabinet Member for Finance, to refresh and/or make non-substantial revisions to the strategy where changes do not require additional governance.
 - (c) Delegate authority to the Chief Procurement Officer to take relevant actions, including but not limited to, entering into and finalising the terms of relevant contracts or other legal agreements, as necessary, to implement the above decision.
 - (d) Delegate authority to the Chief Procurement Officer to approve the Responsible Procurement Charter and Contract Management Policy as supporting documents to the Commercial Strategy.
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10. Appendices / Background Documents

- Appendix A – Kent County Council Commercial Strategy for 2026-2028
- Appendix B – Proposed Record of Decision
- Appendix C – Equality Impact Assessment (EqIA)

11. Contact details

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