

<b>Committee:</b>	Budget and Corporate Scrutiny Management Board
<b>Report Title</b>	Approach to developing a new Ethical and Commercial Procurement Strategy and Contract Management Framework for Sandwell MBC
<b>Date of Meetings</b>	Thursday 19 March 2026
<b>Report Author</b>	Mike Jones, Monitoring Officer and Service Director Governance
<b>Lead Officer</b>	Mike Jones, Monitoring Officer and Service Director Governance
<b>Wards Affected</b>	All
<b>Identify exempt information and exemption category</b>	Not applicable
<b>Appendices (if any)</b>	None.

## 1. Executive Summary

- 1.1 This report sets out the proposed approach to developing a new Ethical and Commercial Procurement Strategy for Sandwell Metropolitan Borough Council (“the Council”) supported by a refreshed set of Contract Procurement Procedure Rules (CPPRs) and an updated contract management framework. The approach adopted reflect a modernised, ethical, commercially disciplined and outcomes-focused procurement model aligned with the Procurement Act 2023, the National Procurement Strategy for Local Government, and the Council’s Corporate Plan, Social Value Policy and Medium-Term Financial Strategy.

## 2. Recommendations:

For the reasons set out in the report, Scrutiny Board is recommended to:-

- 2.1 Approve the proposed approach to developing and consulting on a new Ethical and Commercial Procurement Strategy and refreshed Contracts and Procurement procedure Rules, noting that the final draft strategy, rules and contract management framework will be returned to Scrutiny Board for comment following internal consultation and prior to formal approval.

### **3. Proposals – Reasons for the Recommendations**

- 3.1 The Council's procurement strategy, operational model and delivery plan must evolve and align with legislative requirements, national guidance and emergent sector best practice.
- 3.2 The Procurement Act 2023 introduced substantial changes to transparency, notices, conflict management, competitive processes and contract reporting. The approach adopted to developing a new strategy as outlined in this report allows the Council to embed these requirements coherently while taking the opportunity to drive wider improvements in ethical practice, commercial efficiency, supplier diversity, sustainability and whole-life value.
- 3.3 The Procurement Act 2023 provides the statutory basis for how Sandwell Council must conduct procurement, set legally binding duties and strengthened rules across the contract lifecycle, including transparency, supplier exclusion, award decisions, contract management, and performance reporting. The National Procurement Policy Statement (NPPS) sits alongside the Act by setting the national priorities that contracting authorities must have regard to when applying these duties.
- 3.4 The LGA National Procurement Strategy supports this framework by outlining the behaviours and capabilities expected of councils, and its Assessment Framework provides a maturity model to help authorities strengthen governance, commercial capability, and community-focused outcomes. New Contracts and Procurement Procedure Rules will align with all three by embedding these national requirements into the Council's local procurement rules, ensuring consistent, compliant, and robust practice across the full contract lifecycle.
- 3.5 The common principles that run through the Procurement Act 2023, the National Procurement Policy Statement (NPPS), the Local Government Association (LGA) National Procurement Strategy, combined the proposed Contracts and Procurement Procedure Rules form a shared foundation for how procurement should operate. All of which will be captured in a Procurement Strategy specifically for Sandwell Council.
- 3.6 These common principles also establish the foundation for a commercially disciplined procurement environment that is forward-looking, intelligence driven and capable of delivering improved outcomes over time. The strategy reinforces the importance of strategic planning, market insight and early market engagement to inform outcomes focused service design and specifications, efficient and effective commercially driven sourcing strategies factoring in whole-life costing, strong supplier and contract performance management as essential components of good procurement practice.
- 3.7 The strategy also highlights the need for innovation and continuous improvement to be part of everyday procurement activity. By adopting these core principles, the Council will create a consistent operating model across services, strengthen assurance, support better decision-making and deliver a procurement environment that is aligned to the Council's strategic ambitions and financial responsibilities.

- 3.8 The underlying principle informing this approach is one of seeking to integrate the Council's ethical ambitions with commercial discipline, emphasising fair competition, robust governance, stronger assurance and outcome-focused delivery. This introduces a clear Golden Thread that connects national legislation, the Council Plan, directorate plans, the Social Value Policy, the Medium-Term Financial Strategy (MTFS) and the Contract and Procurement Procedure Rules. The strategy will formalise a consistent pathway (Plan – Define – Procure – Manage) that all directorates will follow, ensuring better design of requirements, early engagement with the market, clearer evaluation criteria, transparent decision-making and stronger contract management.
- 3.9 The adoption of a structured internal consultation reflects the scale of the change required and ensures that operational areas, contract managers, category leads, social value, sustainability, finance and legal colleagues shape the strategy so that implementation is realistic and proportionate. The recommendation also reflects the need to refresh the Contracts and Procurement Procedure Rules in tandem with the strategy so that governance, thresholds, processes and decision-making reflect best practice and provide a strong foundation for assurance and audit purposes.
- 3.10 A model of continuous improvement will be introduced through a cycle of annual review, strengthened dashboards, enhanced transparency, and a more professionalised and data-driven procurement function.

#### **4. Background**

- 4.1 The Council spends hundreds of millions of pounds each year on goods, services and works, representing one of its most significant levers for delivering improved outcomes, social value and financial resilience. The current procurement strategy and Contracts and Procurement Procedure Rules pre-date the Procurement Act 2023 and do not fully reflect modern ethical, commercial and governance expectations. A strategic refresh is therefore required.
- 4.2 The emerging draft Ethical and Commercial Procurement Strategy will set out a comprehensive approach covering legal compliance, ethical procurement, social value, sustainability, labour standards, market engagement, contract management, transparency and governance. It will establish clear expectations for suppliers, provides for updated templates and clauses, aligns with statutory guidance and embeds outcomes-based practice.
- 4.3 The emerging model and principles will be subject to ongoing oversight through the existing Procurement Board. This will strengthen transparency, ensure high-value and high-risk procurements receive proportionate scrutiny, and ensure cohesion between procurement policy, category management, contract oversight, legal assurance and financial control.
- 4.4 The concurrent refresh of the Contracts and Procurement Procedure Rules will consolidate these principles into the Council's "rules of the game", supporting clear accountability, proportionate thresholds, statutory compliance, appropriate decision-making and improved delegation. They will also ensure alignment with the Council's constitutional framework and emerging governance reforms.

- 4.5 The new strategy will be aligned with the Council's Social Value Policy, ensuring that procurement activity continues to support local wealth-building, employment, skills, community engagement and environmental priorities. It will also support MTFS delivery through improved whole-life value, clearer risk management, better contract performance and strengthened commercial oversight.
- 4.6 The emerging strategy will also be used as a platform to review contract management arrangements. This will ensure contract management is no longer variable across directorates but follows a consistent, proportionate and outcomes-focused model supported by training, templates and reporting mechanisms.

## 5. Alternative Options Considered

5.1 The following alternative options have been considered –

- 5.1.1 **Option 1 – Retain the existing strategy, delivery model and existing contracts and procurement rules.** The existing framework is outdated, does not reflect the Procurement Act 2023, and does not adequately embed social value, sustainability or contract management expectations. A partial update has also been considered but would fail to provide a coherent and consistent framework and risks fragmentation. This option is not recommended.
- 5.1.2 **Option 2 – Develop a new strategy, aligned to sector best practice concurrent with the adoption of new contracts and procurement procedure rules.** This option allows for a full strategic refresh, proportionate and aligned with sector best practice and to maximise opportunities to gain efficiencies through procurement for reinvestment in service delivery. This option is recommended and is the subject of this report.

## 6. Consultation

6.1 The approach is founded on extensive internal engagement across directorates, Procurement, Legal, Finance, Audit, Sustainability, Social Value, Contract Management and relevant service leads. The emerging documents reflect existing comments received through the Procurement Board and initial officer engagement. Following approval of this approach, a structured internal consultation will take place over 8–12 weeks before the finalised strategy and Contracts and Procurement Procedure Rules are subject to review by the Cabinet Member and Scrutiny Board.

## 7. Financial Implications

7.1 There are no direct financial implications arising from this report. The proposals and approach adopted for the development of a new strategy and operating model will support MTFS delivery through improved value for money, stronger commercial assurance, risk reduction and whole-life costing. Resource implications relating to officer training, skills development or system changes will be managed within existing budgets or reflected in forward planning.

## **8. Legal and Governance Implications**

- 8.1 The approach and core principles adopted are designed to ensure compliance with the Procurement Act 2023, the Social Value Act, the Modern Slavery Act, Cabinet Office PPNs, the Provider Selection Regime and wider statutory requirements.
- 8.2 The refreshed Contracts and Procurement Procedure Rules will provide updated governance, thresholds, delegations and processes consistent with the Council's Constitution and statutory obligations. Strengthened governance will be achieved through the existing Procurement Board which aligns with best practice for transparent, accountable and proportionate oversight.

## **9. Risks**

- 9.1 Failure to modernise the procurement framework exposes the Council to legal non-compliance, poor value for money, weak assurance, inconsistent decision-making and reputational damage. These risks are mitigated through adoption of a coherent strategy, strengthened governance, improved templates, refreshed Contracts and Procurement Procedure Rules, a lifecycle-based contract management model, and ongoing review cycles.

## **10. Equality and Diversity Implications (including the public sector equality duty)**

- 10.1 The approach proposed for the development of the new strategy and operating model embeds fairness, equal treatment and inclusive procurement practice. It reduces barriers for small and medium sized enterprises as well as voluntary and community sector organisations. The new contracts and procurement procedure rules will support supplier diversity and social value delivery whilst ensuring full compliance through a sector leading model. The new rules will continue to require officers to have due regard to equality obligations when taking procurement decisions. No adverse equality impacts are anticipated.

## **11. Other Relevant Implications**

- 11.1 The proposals support digital transformation, improved data and transparency, stronger contract management, enhanced social value delivery, and improved sustainability performance. They contribute to organisational culture change and improved professionalisation within procurement and contract management functions.

## **12. How does this deliver the objectives of the Strategic Themes?**

- 12.1 This report will support the delivery of all the Council's Strategic Themes, comprising:-
- Growing up in Sandwell
  - Living in Sandwell
  - Healthy in Sandwell
  - Thriving Economy in Sandwell

- One Council One Team Approach.

12.2 The new strategy supports delivery across all strategic themes. It enables thriving communities through social value and ethical supply chains; supports a thriving and inclusive economy through SME and VCSE engagement; strengthens sustainability and environmental resilience through carbon reduction and circular economy requirements; supports healthy communities through responsible procurement; and underpins the One Council One Team approach by providing a coherent, consistent and transparent governance framework.

**Relevance Check****Budget Reduction/Service Area:** Procurement**Service Lead:** Procurement**Date:** 10 March 2026

In what ways does this Budget reduction have an impact on an outward facing service? How will the service feel different to your customers or potential customers?

N/A

If not, how does it impact on staff e.g. redundancies, pay grades, working conditions? Why are you confident that these staff changes will not affect the service that you provide?

N/A

Is a Customer Impact Assessment needed? No