

PROCUREMENT STRATEGY

Shaping South Derbyshire's Future Through Smarter Spending



2025-2028

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Executive Summary

Our Procurement Strategy sets out a bold ambition to harness the full power of public procurement as a catalyst for economic growth, investment, and opportunity in South Derbyshire. Procurement is one of the most effective tools we have in our mission to shape a better future for our District.

Every contract we award is an investment in South Derbyshire's potential – from major capital projects to everyday services, how we spend matters. Through this strategy, we will prioritise procurement decisions that drive inward investment, support local businesses, stimulate entrepreneurship, and deliver high-quality jobs for local people. We will use our spending power to boost local supply chains, back small and medium-sized enterprises, and ensure more money stays in the local economy, creating a multiplier effect that benefits every corner of the District.

At the same time, we are committed to using procurement to promote social mobility, by opening up opportunities for people of all backgrounds and embedding skills development, apprenticeships, and fair employment practices into our contracts. By linking procurement to our wider ambitions around social value and inclusive growth, we can ensure that public spending doesn't just buy services but also changes lives.

Procurement will also be a driving force behind our environmental ambitions. By embedding carbon reduction targets, supporting sustainable supply chains, and prioritising low-impact solutions, we will ensure that our procurement decisions actively contribute to our journey towards net zero. We will also ensure that social value is not a just tick-box exercise but a core outcome, by working with suppliers who create meaningful benefits for our communities, from volunteering and community investment to inclusive employment and support for vulnerable residents.

By aligning with the Council Plan (2024-28), the Procurement Act 2023, the National Procurement Strategy for Local Government 2022, and the National Procurement Policy Statement 2025, this strategy ensures that procurement plays a pivotal role in supporting economic growth, shaping a sustainable environment and strengthening our communities.



Strategic Foundations for Smarter Procurement

Like many councils across the country, the Council faces a period of significant financial pressure. Rising costs, increasing demand, and a challenging economic climate mean we are being asked to deliver more with less, and all at a time when public services have never been more important to the communities we serve.

The Council's Medium-Term Financial Strategy (MTFS) sets out the scale of the challenge ahead, and the need for sustained savings, smarter delivery models, and long-term financial resilience. Within this context, procurement has a critical role to play. With a target to deliver significant annual efficiency savings by 2028-29 in preparation for the Local Government funding reforms being introduced from April 2026, procurement should not just be focused on making savings – it must be a strategic tool for protecting frontline services and ensuring we continue to meet the needs of residents in an increasingly uncertain environment.

This strategy outlines how procurement will rise to that challenge by embracing a smarter, more commercially focused approach that maximises value from every contract, cuts waste, and drives better outcomes across the board. To ensure our approach remains focused, consistent, and impactful, all procurement activity will be guided by three core principles. From these principles, we derive a clear set of objectives that shape how we plan, deliver, and continuously improve procurement across the Council.

Achieving Value for Money

Delivering value for money means more than securing the lowest price. It involves optimising the balance between cost, quality, and outcomes to ensure that every pound spent achieves the greatest possible benefit for our residents. By adopting smarter sourcing strategies, strengthening contract management, and improving demand planning, we will make the most of our resources while driving continuous improvement.

- **Maximising Value for Money** – Ensuring procurement delivers cost-effective solutions without compromising service quality.
- **Enhancing Procurement Expertise** – Investing in training, innovation, and effective contract management to drive continuous improvement.
- **Improving Demand Management** – Working with services to plan procurement more effectively, avoid unnecessary spend, and optimise resource use.
- **Smarter Specifications** – Developing clear, outcome-focused specifications that encourage innovation and drive better supplier performance.
- **Contract Management** – Strengthening post-award oversight to ensure contracts continue to deliver value throughout their lifecycle.

Ensuring Compliance

Procurement must be carried out with integrity, transparency, and full adherence to legal and regulatory frameworks. Ensuring compliance safeguards public trust, protects the Council from risk, and upholds our statutory responsibilities under the Procurement Act 2023. We are committed to maintaining high standards of governance, ethical conduct, and audit readiness across all procurement activity.

- **Ensuring Compliance** – Adhering to current procurement legislation and best practices to maintain transparency, accountability, and integrity.
- **Promoting Ethical Standards** – Upholding fair treatment, equal opportunity, and anti-corruption principles across all procurement activity.
- **Strengthening Governance** – Embedding proportionate checks and controls to manage risk, assure probity, and support informed decision-making.
- **Maintaining Audit Readiness** – Keeping robust records and clear audit trails to demonstrate compliance and accountability.
- **Adapting to Regulatory Change** – Ensuring readiness for new procurement reforms and evolving statutory duties, including the Procurement Act 2023.

Advancing the Council's Objectives

Procurement is a powerful lever for delivering the Council Plan. By aligning procurement activity with our strategic priorities, we can use our spending power to support economic growth, build stronger communities, and lead the transition to a more sustainable district. Through collaboration with suppliers, we will embed social value, sustainability, and inclusive economic development into the way we buy goods, services, and works.

- **Driving Economic Growth** – Using procurement to attract investment, create jobs, and build a more resilient local economy.
- **Supporting Local Businesses** – Creating fair opportunities for SMEs and local suppliers to enhance economic capacity.
- **Promoting Social Mobility** – Leveraging contracts to support apprenticeships, skills development, and fair employment practices.
- **Embedding Sustainability** – Prioritising carbon reduction, waste minimisation, and responsible sourcing to support environmental goals.
- **Strengthening Local Communities** – Working with suppliers who deliver social value, empower residents, and support voluntary and community groups.



Aligning Procurement with the Council Plan

Our Council Plan (2024-2028) is built around four priorities: Shape Our Environment, Drive Our Economy, Support Our Communities, and Transform Our Council.

Procurement is central to South Derbyshire District Council's ability to achieve its Council Plan priorities. By aligning with the Council Plan 2024-28, procurement will support the delivery of real and measurable outcomes across the Council's four strategic priorities.

Council Priority	Objectives	Procurement Considerations
Shape Our Environment	Achieve carbon neutrality by 2030 and improve biodiversity	• Prioritise retrofitting or lower-emission alternatives in asset management. • Ensure suppliers are ISO 14001 certified. • Assess suppliers' environmental performance targets for alignment with Council goals. • Promote sustainable supply chains, environmentally friendly materials and recyclable packaging.
Drive Our Economy	Attract and retain jobs, encourage investment, and drive growth	• Engage suppliers offering apprenticeships or local employment opportunities. • Encourage suppliers from outside the district to establish hubs locally. • Prioritise suppliers supporting local economic growth or using local sub-contractors. • Promote inclusive growth by improving access for SMEs, minority-owned businesses, and local providers through pre-market engagement and proportional procurement processes.
Support Our Communities	Strengthen community and voluntary sector engagement	• Consider commissioning services through community or voluntary organisations. • Explore partnership arrangements for service delivery. • Assess supplier initiatives for supporting vulnerable groups, community engagement, or volunteering. • Incorporate social value requirements that support skills development, job creation, and fair work opportunities for disadvantaged residents.
Transform Our Council	Modernise and deliver high-performing, customer-focused services	• Include digital transformation and customer-centric initiatives in contracts. • Prioritise suppliers that demonstrate innovation and efficiency in service delivery. • Foster partnerships to improve service accessibility and value for money.

Delivering for South Derbyshire

Understanding the Procurement Cycle

The procurement cycle encompasses every stage of sourcing and managing the goods, services, and works that we require. It begins with identifying our needs and developing clear specifications, followed by selecting suitable suppliers, awarding contracts, and managing supplier performance to ensure that delivery meets our expectations.

The process for selecting suppliers can range from obtaining quotes for smaller purchases, through to running formal tender processes for larger or more complex projects, as well as using Public Sector Frameworks. How we deliver procurement plays a key role in determining the correct process to follow based on the value and nature of the purchase – they ensure that the process is carried out in line with the appropriate regulations and policies, maintaining compliance and securing value for money. The cycle concludes when the contract ends or when purchased items are no longer required, with regular monitoring to ensure that outcomes meet organisational objectives.

Embracing the Procurement Act 2023

Procurement Act 2023



This strategy reflects the transformative opportunities introduced by the Procurement Act 2023, which prioritises simplicity, transparency, and the delivery of measurable value across public procurement activities. By aligning with the Act, we endeavour to not only ensure compliance with the latest legislative requirements, but to also unlock opportunities to drive local economic growth, encourage innovation, and champion sustainable development.

The Procurement Act 2023 emphasises the importance of robust practices such as early market engagement (EME) and effective contract management. EME plays a key role in

ensuring the procurement process is informed by market insights, fostering meaningful supplier engagement and enabling innovative solutions. By engaging early with suppliers, particularly small and medium-sized enterprises (SMEs), the Council can better understand market capabilities, reduce barriers to entry, and encourage local businesses to participate in procurement opportunities. This approach directly supports the Council's aim to stimulate the local economy and promote inclusive growth. Effective contract management is equally critical, as it ensures suppliers meet their commitments, achieve value throughout the lifecycle of contracts, and reinforce good commercial practices. Together, these approaches align with the Act's principles of simplicity, transparency, and measurable value, whilst helping us to maintain trust, enhance credibility, and safeguard the integrity of public procurement.

Commitment to Value for Money and Continuous Improvement

In accordance with our Financial Procedure Rules, we remain steadfast in our commitment to achieving value for money in all our services. We are committed to a culture of continuous improvement, ensuring our services evolve in line with best practice, emerging technologies, and sector expectations. This includes a commitment to innovation, and in future will also involve exploring appropriate uses of AI and automation to drive efficiency and enhance outcomes. We also place a strong emphasis on staff training and development, enabling our teams to build expertise and adapt to new challenges, whilst maintaining high standards of service delivery. By regularly reviewing our processes and engaging with feedback, we aim to deliver services that are not only compliant, but consistently improving and future focused.

Most Advantageous Tender (MAT)

South Derbyshire District Council will adopt the Most Advantageous Tender (MAT) approach introduced by the Procurement Act 2023, reflecting a move away from default formulas and towards a more flexible, outcome-focused procurement model. This enables the Council to evaluate tenders based not solely on cost, but on a balanced assessment of price, quality, and wider social, economic, and environmental benefits.

A standard quality-to-price weighting will no longer be applied by default. Instead, evaluation criteria will be determined on a case-by-case basis to reflect the specific priorities, risks, and service requirements of each procurement. For example:

- A low-risk, commoditised purchase may place greater weight on price to secure operational efficiency.
- A complex service contract with high user impact may place greater weight on quality and service design.

In general:

- Price and Quality will typically carry a combined weighting of 90%, with flexibility to adjust the balance as appropriate.
- Social Value will carry a minimum weighting of 10% for all above-threshold public service contracts, in accordance with the relevant regulations.

Social value outcomes will be contract-specific but may include:

- Employment and training opportunities for local people

- Support for local SMEs, VCSEs, and microbusinesses
- Reductions in carbon emissions, energy use, and waste
- Promotion of equality, diversity, and inclusion in the supply chain
- Delivery of community benefits

The MAT approach gives the Council the flexibility to shape procurement around what matters most in each context, ensuring that commercial decisions are not only compliant and cost-effective, but aligned with local priorities and long-term value.



Upholding Fairness, Transparency, and Accountability

As a public body, we have a responsibility to conduct procurement processes that are fair, transparent, and competitive. This obligation is rooted in legal statutes, such as the Procurement Act 2023, and reinforced by our Contract Procedure Rules, outlined in the SDDC Constitution. By adhering to these rules, we ensure that our procurement activities consistently deliver value for money whilst safeguarding public trust.

Unlocking Local Economic Growth and Social Mobility

Procurement is a powerful lever for promoting inclusive growth and improving outcomes for communities across South Derbyshire. We are committed to using our spending power not just to deliver value for money, but to support local businesses, create meaningful employment opportunities, and advance social mobility.

Our approach is underpinned by the following key commitments:

Supporting SMEs and Local Suppliers

We are actively reducing barriers to entry by:

- Simplifying procurement documentation and standardising templates
- Promoting opportunities through early market engagement, including pre-market engagement, supplier briefings etc
- Publishing a quarterly contracts register with forward-looking pipeline information
- Encouraging proportionate specifications and risk requirements
- Where feasible, breaking down larger contracts into smaller lots to make them more accessible to SMEs and VCSEs

Strengthening Supply Chain Resilience

We aim to build a diverse, regionally rooted supply chain that is better equipped to meet local needs, adapt to changing conditions, and deliver continuity of service. This includes:

- Encouraging use of local subcontractors where appropriate
- Developing closer relationships with key suppliers through regular contract management reviews
- Working with regional partners to identify opportunities for collaboration or shared services in high-risk categories

We also monitor supply risk informally through procurement pipeline reviews and issue escalation from contract managers. Longer term, we intend to build in more structured risk profiling and resilience indicators into our commissioning approach.

Embedding Skills and Employment Opportunities

We will work with suppliers to create jobs, apprenticeships, and training opportunities for local residents, particularly in labour-intensive sectors such as:

- Construction and facilities management
- Grounds maintenance and leisure services
- Digital and IT contracts

Social value criteria are now routinely included in major procurements, and we are developing clearer contract clauses and KPIs to track delivery of these commitments post-award.

Advancing Social Mobility

We will prioritise suppliers who:

- Pay the Real Living Wage
- Commit to inclusive recruitment and employment practices
- Provide secure work and career development opportunities
- Support people who face barriers to employment

We assess these factors through social value submissions and qualitative questions in tenders, and are trialling ways to strengthen post-award monitoring.

Delivering on Commitments

We are continuing to strengthen our approach to monitoring and enforcement, with a focus on developing robust contract KPIs and clearer mechanisms for tracking social value delivery throughout the contract lifecycle. By embedding these expectations into specifications, evaluation, and contract management, we aim to ensure that social value is not just promised at tender stage, but realised in practice. As our approach matures, we will work closely with suppliers and internal contract managers to build capability, share best practice, and continuously improve the way we capture, measure, and maximise social impact.

Sustainable Sourcing: Shaping a Greener Future

Procurement has a critical role in helping South Derbyshire District Council meet its commitment to becoming a carbon-neutral council by 2030, as set out in the Climate and Environment Action Plan 2021–2030. With over 80% of the Council's carbon emissions linked to its supply chain (Annual Carbon Report 2024), reducing environmental impact through procurement is a priority.

Through our procurement decisions, we will proactively minimise environmental impact, prioritise low-carbon and sustainable solutions, and work collaboratively with suppliers to maximise opportunities for reducing emissions and supporting our journey to net zero.

Key Priority Areas

Our approach focuses on five priority areas, applied proportionately to the scope and nature of each procurement activity:



Carbon Reduction and Net Zero

Prioritising suppliers and solutions that reduce carbon emissions (Scopes 1, 2, and 3) and support our 2030 net zero target.



Local and Sustainable Sourcing

Encouraging use of local suppliers, SMEs, and sustainable materials to reduce transport emissions and environmental impact.



Waste Reduction and Circular Economy

Promoting waste prevention, reuse, and recycling through contract design and supplier engagement.



Supplier Engagement and Awareness

Working with suppliers to raise awareness and build capacity to deliver environmental improvements, especially where formal policies may be unrealistic for SMEs.



Water and Resource Efficiency

Reducing water use and improving efficiency in both Council operations and supply chains.

Applying Sustainability in Procurement

For all above-threshold procurements, and frameworks or other contracts where regulations require, a minimum of 10% of the tender evaluation weighting will be applied to social value and sustainability considerations, in line with the Public Services (Social Value) Act 2012.

For below-threshold procurements, sustainability measures will be applied proportionately, considering factors such as contract value, complexity, and risk, whilst ensuring that requirements remain accessible for SMEs and VCSEs. Where applicable, appropriate consideration will be documented to evidence alignment with these principles without creating unnecessary barriers to participation.



Implementing Our Procurement Vision

A Modern Approach to Procurement Delivery

We have adopted a refreshed and forward-looking procurement model designed to maximise value for money, support strategic priorities, and ensure regulatory compliance. This approach combines service-level accountability for procurement and contract management with strategic leadership from our Procurement Lead, supported by expertise from our external consultant partners, establishing a flexible and resilient procurement function.

This collaborative model strengthens the Council's procurement capacity by:

- Providing strategic oversight and expert guidance to ensure alignment with public procurement regulations and evolving best practice.
- Managing tendering exercises and high-value procurements efficiently, transparently, and with a strong focus on outcomes.
- Building internal capacity by supporting Council officers through training, advice, and hands-on guidance in procurement and contract management.

By combining in-house leadership with external expertise, this integrated model enables us to deliver a modern, efficient, and outcomes-driven procurement service, supporting our broader ambition to shape the environment, drive the local economy, and strengthen communities.



Training and Development: Building Procurement Expertise

As part of our commitment to continuous improvement, all officers involved in procurement on behalf of the Council are required to undertake appropriate training. This includes a thorough understanding of the Procurement Act 2023 and our Contract Procedure Rules.

Ensuring officers are equipped with the knowledge, skills, and confidence to navigate the procurement landscape is essential to maintaining high standards of compliance, transparency, and value for money. By investing in training and development, we aim to empower our workforce to make informed, accountable decisions that align with legal requirements and deliver the best possible outcomes for our communities.

This focus on capability-building is a key part of our wider approach to strengthening procurement governance and driving continuous improvement across all stages of the commissioning cycle.

Specification: Setting the Foundation for Success

Before initiating any procurement exercise, it is crucial to develop a clear and well-defined specification. Whilst the level of detail should be proportionate to the value and complexity of the procurement, Officers must clearly articulate their requirements and the desired quality of goods, services, or works being sourced.

Where the specification is unclear or multiple market options exist, market research and supplier engagement should be conducted to refine and define the requirements. This preparatory work ensures the procurement process is well-informed, strategically aligned, and upholds our commitment to fairness and transparency, as set out in the Procurement Act 2023.

For procurements valued over £25,000, a comprehensive Procurement Delivery Plan must also be prepared. This plan not only ensures a structured and compliant approach but also considers the promotion of voluntary, community, and social enterprises (VCSEs) and small and medium-sized enterprises (SMEs) by reducing barriers to participation. Officers should also assess the potential for dividing larger contracts into smaller lots, where appropriate, to encourage competition and enable smaller suppliers to bid. These practices, aligned with the Procurement Act 2023, help to maximise value for money whilst supporting local economic growth and fostering diversity in the supply chain.



Cost-Conscious Procurement Practices

In accordance with our Contract Procedure Rules (CPR), the following approach applies to procurement activities:

- **Low-Value Procurement (below £5,000):** Officers may exercise their discretion when procuring goods or services.
- **Low-Value Procurement (below £25,000):** Officers should obtain and compare quotations from multiple suppliers (where possible) to ensure value for money.
- **High-Value Procurement (above £25,000):** A range of procurement options are available, including:
 - Open Tender
 - Competitive Flexible Procedure
 - Request for Quote
 - Framework Agreement
 - Collaborative Arrangements and Shared Services

For all high-value procurements, officers must develop a detailed Procurement Delivery Plan and liaise with Procurement. This plan should clearly set out the proposed approach to ensuring compliance with regulations, achieving value for money, and aligning with our strategic priorities. Engaging with Procurement early in the process helps to ensure a transparent, efficient, and well-structured procurement process that fully supports organisational goals.

Transitioning to the new Procurement Regulations

Public sector procurement operates within a legal framework designed to ensure transparency, fairness, and free and open competition. From February 2025, this framework is governed by the Procurement Act 2023, which replaces previous EU-driven legislation, reflecting the UK's commitment to treating all suppliers fairly and equitably while achieving value for money. However, we also remain guided by the Public Contracts Regulations 2015 for managing contracts established under the previous regime. This dual focus ensures compliance with both legacy requirements and the evolving principles of the Procurement Act 2023, supporting a seamless transition and maintaining high standards across all procurement activities.

Understanding Procurement Thresholds and Compliance

The Procurement Act 2023 sets financial thresholds (inclusive of VAT) above which specific legal procedures must be followed. These thresholds are based on the total estimated value of a contract, including any potential extensions, and are periodically updated. For contracts below these values, our Contract Procedure Rules provide clear guidance to ensure proportionate, compliant, and transparent procurement activity.

Using Framework Agreements for Efficient Procurement

We will continue to make strategic use of framework agreements to streamline procurement activity, reduce administrative burden, and support timely, cost-effective delivery of goods, services, and works. Frameworks are pre-established agreements set up by public sector

buying organisations or consortia that allow approved suppliers to be called off through a compliant and often simplified process. They offer support to public bodies by providing access to vetted suppliers, standardised terms, and legally sound procurement routes.

Most existing frameworks remain governed by the Public Contracts Regulations 2015 (PCR 2015), and their use remains a fully compliant route to market under the new Procurement Act 2023. This dual compatibility allows us to maintain continuity in our procurement activity whilst adapting to the evolving legislative landscape.

By leveraging frameworks, we can access competitive pricing, specialist expertise, and trusted suppliers more quickly, particularly for commonly procured or lower-risk requirements. Frameworks also support engagement with a broad range of suppliers, including SMEs and VCSEs, where permitted. The use of frameworks reflects our commitment to delivering efficient, fair, and transparent procurement that achieves value for money whilst upholding the highest standards of compliance and accountability.

Delivering at Pace

We recognise that timely procurement is critical to achieving the Council's priorities and to ensuring that projects and services are delivered in line with expectations. While strong governance and compliance remain essential, our processes will be proportionate to the scale, risk, and complexity of each requirement, so that we can move at the right pace without unnecessary delay.

The Procurement Act 2023 provides us with greater flexibility to design approaches that fit the Council's needs. This means we can select the most appropriate route to market for each requirement, ensuring that the way we buy is tailored, transparent, and efficient. By planning activity early, engaging with suppliers at the outset, and working constructively across the council, we can anticipate challenges, maintain momentum, and keep delivery on track.

Through this approach, procurement will continue to support the Council in delivering projects on time, achieving value for money, and maximising benefits for our residents and communities.



Exemptions from a Competitive Procurement Process

Under limited and specific circumstances, exemptions from a competitive procurement process may be permitted, as outlined in our Contract Procedure Rules. These exemptions are only applicable where there is a clear and justifiable reason for not following the standard competitive route and must be assessed on a case-by-case basis.

In line with internal rules and public procurement legislation, including the Procurement Act 2023, any procurement with a total value exceeding £5,000 that seeks an exemption from the CPRs or the requirements of the Procurement Act 2023 must be supported by an Exemption Request Form. This ensures transparency, auditability, and continued compliance with statutory obligations.

The form must clearly outline the rationale for the exemption and demonstrate how the proposed approach remains lawful, proportionate, and defensible. It is important to note that the Procurement Act 2023 includes detailed regulations regarding when direct award is appropriate – for example, in cases of extreme urgency, absence of competition, or protection of exclusive rights. Simply preferring a known supplier or seeking convenience is not sufficient justification.

All exemption requests are subject to review by the Procurement Lead and must be formally approved by the Executive Director (Resources & Transformation). Where required, further approval may be sought via the relevant Council Committee.

Delivery, Monitoring and Review

To ensure transparency and accountability, performance against this strategy will be monitored through an Annual Procurement Report to the Audit and Governance Committee.

Additionally, the Council will continue to publish and maintain a publicly accessible contract register, alongside details of expenditure in accordance with the Local Government Transparency Code 2015, ensuring transparency for residents, businesses and stakeholders.





**South
Derbyshire**
District Council