

REPORT TITLE: Proposed Updates to the Procurement Strategy

Meeting:	Overview and Scrutiny Management Committee
Date:	14 November 2025
Cabinet Member (if applicable)	Cllr Nosheen Dad Portfolio Holder for Adults and Corporate
Key Decision Eligible for Call In	No No
Purpose of Report This report provides Overview and Scrutiny Management Committee (OSMC) with a summary of proposed updates to the Procurement Strategy, prompted by the implementation of the Procurement Act 2023 and the Provider Selection Regime. It also provides information on the proposal to introduce an Ethical Procurement Policy and Ethical Code of Conduct for Suppliers.	
Recommendations That OSMC consider the contents of this paper and provides feedback on the updates made to the Procurement Strategy and proposed introduction of the Ethical Procurement Policy and Ethical Code of Conduct for Suppliers.	
Reasons for Recommendations OSMC reviews a broad spectrum of documents and strategies, offering valuable advice and feedback that may help strengthen the proposed strategy materials.	
Resource Implications: There are no direct resource implications. The Procurement Strategy covers procurement activity undertaken by all directorates. The Council is a public authority and a contracting authority for the purpose of, and is therefore subject to, the procurement regulations (the Procurement Act 2023 and the Provider Selection Regime).	
Date signed off by <u>Executive Director</u> & name	Rachel Spencer-Henshall – Deputy Chief Executive and Executive Director for Public Health and Corporate Resources (24 October 2025)
Is it also signed off by the Service Director for Finance?	Kevin Mulvaney – Service Director Finance (14 August 2025)
Is it also signed off by the Service Director for Legal Governance and Commissioning (Monitoring Officer)?	Samantha Lawton – Service Director Legal & Commissioning (23 October 2025)

Electoral wards affected: All

Ward councillors consulted: Not applicable

Public or private: Public

Has GDPR been considered?

1. Executive Summary

- 1.1 The Council's existing Procurement Strategy was introduced in November 2022. Since its launch, there have been substantial legislative developments, including the implementation of the Procurement Act 2023 and the Provider Selection Regime.
- 1.2 While the majority of the existing Procurement Strategy remains relevant, it has been refreshed and updated to ensure alignment with legislation and to reflect what has been achieved since the strategy was introduced. The revised strategy will remain in effect until 2028.
- 1.3 As part of the update, the Council is introducing an Ethical Procurement Policy, which formalises the principles, practices and resources used to ensure that all procurement and contractual activities are conducted with integrity and in alignment with ethical standards.
- 1.4 The accompanying Ethical Code of Conduct will apply to all suppliers and individuals acting on behalf of the Council, whether directly or through subcontracted arrangements, for contracts valued over £25,000 (excluding VAT), initiated from January 2026 onwards. Subject to approval, adherence to this Code will be a mandatory requirement for engagement with the Council.

2. Information required to take a decision

- 2.1 The Procurement Act 2023 (the Act) came into force on 24 February 2025, introducing a reform of public procurement legislation across England. As a result, the Council is now required to conduct all covered procurements and regulated below-threshold procurements in accordance with the provisions set out under the new legislative framework. This includes adherence to the Act's core principles of transparency, integrity, fair treatment and public benefit.
- 2.2 The Provider Selection Regime (PSR) was implemented on 1 January 2024, replacing the previous procurement rules that applied to healthcare services under the NHS. The PSR governs the commissioning of healthcare services where patient choice is involved and aims to simplify procurement while maintaining provider quality and accountability. The Council must apply PSR rules when awarding contracts that fall within its scope, which includes Public Health services.
- 2.3 The Procurement Team has effectively embedded both sets of updated legislation into the Council's operational procurement practices. However, these changes have not yet been formally incorporated into the Procurement Strategy.
- 2.4 The updated Procurement Strategy 2025-2028 will ensure that the Council continues to comply with relevant legislation as well as focussing on the delivery of the Strategic Themes outlined within the strategy:

- 2.4.1 Delivering Social Value: securing the best economic, social and environmental benefits for our people and places.
 - 2.4.2 Promoting Inclusive Procurement: promoting a vibrant and mixed local economy, recognising the importance, innovation and value offered by our small and medium-sized enterprises (SMEs) and voluntary, community and social enterprises (VCSEs).
 - 2.4.3 Continuing to develop our category-led approach: sourcing more strategically, more innovatively, stimulating and encouraging competition.
 - 2.4.4 Striving for innovation and improvement in all that we do: delivering an effective commercial function that works in proactive, flexible and innovative ways.
 - 2.4.5 Good governance: using proportionate controls, systems and standards, and management of procurement risk.
- 2.5 Since the launch of the Procurement Strategy, significant progress has been made in advancing the ambitions it set out under each of the strategic themes. A range of initiatives have been implemented and improvements have been achieved across each theme. It is recognised that further work is required to fully realise the strategy's long-term goals and to respond to evolving challenges and opportunities.
- 2.6 The refreshed strategy will play a critical role in ensuring that the Council's procurement function remains aligned with organisational objectives, continues to deliver value for money, supports social, economic and environmental outcomes and operates in a compliant, transparent and efficient manner.
- 2.7 The introduction of the Ethical Procurement Policy and the Ethical Code for Suppliers is a key aspiration under the Good Governance theme of the updated Procurement Strategy.
- 2.7.1 The Ethical Procurement Policy outlines the Council's commitment to ensuring that all procurement and contractual activities are conducted in accordance with ethical standards. It sets out the legal framework, includes measures to prevent modern slavery and defines the procedures for maintaining high levels of professional conduct.
 - 2.7.2 The Ethical Code of Conduct for Suppliers will apply to all suppliers and individuals acting on behalf of the Council, whether directly or through subcontracted arrangements, for contracts valued above £25,000 (excluding VAT), where the procurement process commences on or after January 2026. Compliance with the Code will be a mandatory condition of engagement.
 - 2.7.3 The £25,000 threshold has been selected as it aligns with the point at which a formal procurement process is required under the Council's Contract Procedure Rules.
 - 2.7.4 The Ethical Code of Conduct will not be applied retrospectively to contracts awarded prior to January 2026, as these agreements were made under existing terms. This approach reflects standard practice when implementing procedural changes, similar to the transition to the Procurement Act 2023, which came into effect from 24 February 2025. Contracts awarded before this date continue to be governed by the Public Contracts Regulations 2015.

2.7.5 A regional collaborative initiative is currently underway and is expected to conclude within the timeframe of this strategy. Its objective is to develop and establish a shared Ethical Supplier Code of Conduct for adoption by participating authorities across the Yorkshire and Humber region. The initiative aims to promote consistency in ethical procurement practices and procedures, fostering a unified approach to responsible sourcing and supplier engagement. As a result, the Kirklees Council documentation may be refined during the life of the strategy to reflect and align with the outcomes of this regional effort. Cabinet approval will be sought if there are significant changes.

3. Implications for the Council

3.1 Council Plan

The refreshed Procurement Strategy will support the Council Plan by using procurement activity to help achieve the Council's wider objectives and outcomes

3.2 Financial Implications

None directly

3.3 Legal Implications

There are no specific legal implications in relation to the Council adopting the updated Procurement Strategy, the Ethical Procurement Policy and Ethical Code of Conduct for Suppliers. As previously mentioned, the Council is subject to, and must comply with, a number of statutory obligations in respect of procurement, as well its own Contract and Financial Procedure Rules.

The legal obligation to have Contract Procedure Rules' is to comply with Section 135 Local Government Act 1972, the Public Contracts Regulations 2015 Provider Section Regime Regulations 2023 and the Procurement Act 2023.

3.4 Climate Change and Air Quality

None directly

3.5 Risk, Integrated Impact Assessment (IIA) or Human Resources

None directly

4. Consultation

Consultation has been conducted with the Yorkshire and Humber Ethical Procurement Subgroup to develop an Ethical Supplier Code of Conduct for the region's supply chain.

Additionally, consultation on the revised procurement strategy has taken place with the Policy and Partnerships Lead and officers in the Procurement Team.

5. Engagement

Updates will be communicated to stakeholders via the Procurement Team with training and guidance offered as required to deliver the key strategic themes outlined in the strategy.

6. Options

6.1 Options considered

That OSMC consider and note the contents of this report.

6.2 Reasons for recommended option

The Council is required to comply with all procurement legislation through all procurement activity undertaken.

The launch of the updated Procurement Strategy presents an ideal opportunity to introduce the Ethical Procurement Policy and Ethical Code for Suppliers, both of which represent core ambitions under the strategy's Good Governance theme. Their implementation at this stage ensures alignment with the Council's renewed strategic direction and reinforces its commitment to responsible and ethical procurement practices.

7. Next steps and timelines

The updates to the Procurement Strategy and proposed implementation of an Ethical Procurement Policy and Code of Conduct for Suppliers will progress to be considered at the Cabinet meeting on 2 December 2025.

8. Contact officer

9. Ruth Calladine, Head of Procurement & Commissioning Support (01484 221000, email – ruth.calladine@kirklees.gov.uk)

Background Papers and History of Decisions

[Kirklees Council Procurement Strategy November 2022](#)

[Procurement Strategy – Cabinet 16 November 2022](#)

10. Appendices

Appendix A – Updated Procurement Strategy 2025-2028

Appendix B – Kirklees Ethical Procurement Policy

Appendix C – Kirklees Ethical Code of Conduct for Suppliers

11. Service Director responsible

Samantha Lawton, Service Director Legal & Commissioning