



**Cabinet**  
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**2026**

Item

Public

## Commissioning and Procurement Strategy

<b>Responsible Officer:</b>	Laura Tyler		
email:	<a href="mailto:Laura.tyler@shropshire.gov.uk">Laura.tyler@shropshire.gov.uk</a>	Tel:	01743 253178
<b>Cabinet Member</b> (Portfolio Holder):	Roger Evans		

### 1. Synopsis

This Commissioning, Procurement and Contract Management (CPCM) Strategy sets out how Shropshire Council will plan, procure and manage goods, services, works and concessions during 2026–2029 to deliver best value, improved outcomes for residents and full compliance with the Procurement Act 2023 and the National Procurement Policy Statement (February 2025).

The Council faces increasing demand, ongoing financial pressures and heightened expectations around transparency, fairness and social value. At the same time, the new procurement regime provides an opportunity to modernise how services are commissioned, how markets are engaged and how contracts are managed to secure stronger and more sustainable outcomes.

This strategy establishes a clear, consistent framework to ensure public money is spent fairly, transparently and effectively, while supporting delivery of the Council's Corporate Plan, economic regeneration priorities and commitments to sustainability and community wellbeing. Alongside this, the Government has now issued the new National Procurement Policy Statement Feb 2025.

### 2. Executive Summary

2.1. The Commissioning, Procurement and Contract Management Strategy (CPCM) 2026–2029 sets out how Shropshire Council will plan, procure and manage third-party spend to deliver best value, improved outcomes for residents and full compliance with the Procurement Act 2023 and the National Procurement Policy Statement (February 2025). It set out clear commissioning priorities to focus on rising demand, financial pressure and increased expectations for transparency, fairness and social value, while using the new procurement regime to modernise practice and strengthen commercial capability.

2.2. The CPCM establishes a commissioning-led, outcomes-focused approach that embeds social value, sustainability and market engagement from the outset. It

prioritises early market engagement and pipeline visibility supporting the Voluntary and Community Sectors (VCS) and local suppliers; alongside consistent, risk-based contract management to improve performance, assurance and value across the full contract lifecycle. Better use of data, spend analysis and systems underpins evidence-led decisions, demand management and market shaping.

### 3. Recommendations

#### That Cabinet:

- 3.1. Approves the Commissioning, Procurement and Contract Management Strategy (CPCM) in appendix 1;
- 3.2. Delegates authority to the Service Director Commissioning in consultation with the Portfolio holder for Finance to update the strategy annually aligned to any legislation change and best practice.

## Report

### 4. Risk Assessment and Opportunities Appraisal

#### 4.1. Key Opportunities

1. **Improved value for money** through a commissioning-led, outcomes-focused approach and better use of spend analysis and data.
2. **Stronger social value and sustainability outcomes** by embedding climate, economic and community benefits into procurement and contract management.
3. **More resilient and diverse markets**, with greater engagement of VCS and local suppliers through early market engagement and procurement pipeline visibility.
4. **Enhanced governance, transparency and compliance** under the Procurement Act 2023, improving public confidence and audit assurance.
5. **Better contract performance and risk management** via consistent, risk-based contract management frameworks and clearer accountability.

## 4.2. Risk table

Risk	Mitigation	Link to Strategic Risk
<b>Insufficient capacity or capability to implement the strategy</b> , particularly under the Procurement Act 2023	Multi-year workforce and training plan; targeted investment in procurement and contract management roles; use of standard tools, templates and guidance	Workforce capacity and capability
<b>Non-compliance with new procurement legislation and Contract Rules</b> during transition	Updated Contract Rules; clear governance gateways; mandatory training; strengthened audit trails and reporting	Governance, legal and regulatory compliance
<b>Inconsistent adoption across services</b> , limiting delivery of intended benefits	Corporate frameworks, mandated processes, central oversight, and performance reporting through dashboards and boards	Corporate governance and assurance
<b>Poor data quality or system limitations</b> undermining spend visibility, transparency and decision-making	Data cleansing; integrated systems; development of a single contracts register and improved spend analytics	Information management and decision-making
<b>Market fragility or supplier failure</b> , particularly in pressured or specialist markets	Early market engagement; market shaping activity; supplier risk assessment; proportionate contract management	Service continuity and resilience
<b>Failure to realise value for money and social value outcomes</b>	Outcome-based commissioning; use of MAT; embedded social value requirements; active contract performance management	Financial sustainability and value for money
<b>Reputational damage from lack of transparency or fairness</b> in procurement decisions	Enhanced transparency requirements; published pipelines; clear decision reporting; consistent application of rules	Reputation and public confidence
<b>Change fatigue or resistance to new ways of working</b>	Clear leadership sponsorship; phased implementation; practical guidance and officer support	Transformation and change delivery

## 5. Financial Implications

- 5.1. Shropshire Council continues to manage unprecedented financial demands and a financial emergency was declared by Cabinet on 10 September 2025. The overall financial position of the Council is set out in the monitoring position presented to Cabinet on a monthly basis. Significant management action has been instigated at all levels of the Council reducing spend to ensure the Council's financial survival. While all reports to Members provide the financial implications of decisions being taken, this may change as officers and/or Portfolio Holders review the overall financial situation and make decisions aligned to financial survivability. All non-essential spend will be stopped and all essential spend challenged. These actions may involve (this is not exhaustive):
- scaling down initiatives,
  - changing the scope of activities,
  - delaying implementation of agreed plans, or
  - extending delivery timescales.
- 5.2. The strategy requires targeted investment in skills, systems and governance to meet the requirements of the Procurement Act 2023 and improve commercial capability. This upfront investment is expected to be offset by medium- to long-term financial benefits, including improved value for money, reduced duplication, better contract performance, increased cost avoidance, and stronger demand management. Over time, more effective market engagement, aggregation, and risk-based contract management are intended to protect the Council's financial position, improve budget control, and ensure that existing spend delivers maximum economic, social and environmental return.
- 5.3. The council spends in the region of £450m on third party buying services with the highest proportion of spend for children's and adult social care. It is imperative that the council gets value for money and refocuses on prevention to reduce current and future budget pressures.

## 6. Climate Change Appraisal

- 6.1. The strategy has positive and material implications for climate change, as it positions commissioning, procurement and contract management as key levers for delivering the Council's net zero and sustainability ambitions. Climate and environmental considerations are embedded at the earliest stages of commissioning, ensuring that decisions about what is bought, how it is bought and who it is bought from explicitly consider carbon impact, environmental sustainability and climate resilience, rather than treating these as add-ons.
- 6.2. In practise, this means procurement activity will be used to drive carbon reduction across supply chains, require measurable environmental commitments in contracts and actively managed delivery through contract management arrangements. By strengthening data, reporting and supplier engagement, the strategy enables the council to track environmental outcomes, influence supply behaviour and support greener local markets.

## 7. Background

- 7.1. The council has historically had two separate Commissioning and Procurement strategies both of which need to be reviewed and updated. The council took the decision to rewrite these strategies and align them onto one strategy in line with the current structure and resources.
- 7.2. Our vision is to ensure that all of the council's commissioning and procurement activity is delivered in a manner that considers our guiding principles and ambitions, not only from a procurement perspective but also considering the wider ambitions, focus areas and commitments in our Corporate Plan.
- 7.3. Shropshire Council operates in a context of rising demand for services, ongoing financial pressures and increased expectations around transparency, fairness and social value in how money is spent. At the same time, the introduction of the Procurement Act 2023 and the National Procurement Policy Statement, February 2025 represents the most significant reform of public procurement in a generation. This requires new approaches to commissioning, procurement and contract management, alongside stronger governance and commercial capability.
- 7.4. This strategy has been developed to respond to these challenges and opportunities by providing a clear corporate framework for how the Council commissioned services, engages and shapes markets, procures goods and services, and manage his contracts through their life cycle. It builds on existing investment, improved activity, and governance with an outcomes focused approach that aligns procurement decisions with the Council's corporate plan. It will support economic regeneration and stability and ensure public the delivery of value for money for the council.
- 7.5. A self assessment on the Procurement activity on May 2025 identified several areas of improvement including the need to redefine the strategic vision. Aligning both commissioning and Procurement functions across the organisation it presented the opportunity to align both documents.
- 7.6. The council has embarked on an improvement journey across Commissioning, procurement and contract management and it is a key area within the current improvement plan.
- 7.7. The council in addition has increased resources across this portfolio to ensure the right capacity and skills are in place to implement the strategy and manage its third party spend. Alongside this further training and development will be implemented across the organisation to improve understanding and awareness of the processes to ensure transparency and accountability.
- 7.8. In addition, the council is currently implementing a Procurement and Contract system that will ensure all activity is captured in one place, therefore all contracts will be updated and will offer prompt reminders for contract end dates therefore starting the procurement process at an appropriate time allowing for collaboration and innovative change.

7.9. The Strategy details eight commissioning priorities:

- Priority 1: People Focused
- Priority 2: Outcomes focussed
- Priority 3: Effectively manage demand
- Priority 4: Evidence based/data driven
- Priority 5: Deliver social value
- Priority 6: Market shaping
- Priority 7: Commissioning culture
- Priority 8: Commissioning together

7.10 It sets out a procurement vision to deliver high-quality, value-driven, socially responsible procurement and contract management that supports Shropshire Council's strategic objectives, enhances community wellbeing, and ensures sustainable economic growth.

7.11 Many of the council's key services are delivered by third-party suppliers. It is therefore vitally important to effectively manage these commercial relationships, ensuring that the organisation delivers better services, mitigates risk and has improved control over costs. Failure to manage contracts properly may lead to inefficiencies, poor contractor performance or commercial failure which can seriously damage the council's reputation and ability to deliver effective services. Contract management will be embedded throughout the contract lifecycle, providing the framework and tools to comply with the Procurement Act 2023 and to manage the exposure to commercial, contractual and reputational risk and focus on areas such as implementation of contracts and termination activities.

7.12 The strategy will also support the current Accord which details how commissioners need to support the VCS specifically working together and ensuring work is complete in a timely manner with realistic expectations and considers a wide range of organisations.

7.13 Social value is also a key part of the strategy. The Public Services (Social Value) Act 2012 was enacted to ensure public sector organisations are taking the social, economic and environmental value delivered by their contracts into account. The Act places a duty on the council to "consider, prior to undertaking the procurement/commissioning process, how any services procured might improve economic, social and environmental well-being". Whilst we operate in a challenging environment, in which savings will always be a factor for consideration, we need a strategy which also focuses on achieving additional outcomes from our procurement activity, at no extra cost. By leveraging our procurement expenditure and engaging with suppliers we can help the council enhance outcomes for our communities through increased social, economic and environmental value. This will directly support the overall priorities of the council as set out in the Corporate Plan.

7.14 A section within the strategy describes 'Good Governance' and summarises the key actions the Council will take to address internal governance and learn from audit recommendations to strengthen the control environment for commissioning, procurement and contract management. It focuses on embedding clear accountability, consistent application of Contract Rules, improved record keeping and transparency, and a risk-based approach to monitoring and assurance so that decisions and outcomes are demonstrably compliant and deliver best value. This section summarises the key actions the Council will take to address internal governance

and learn from audit recommendations to strengthen the control environment for commissioning, procurement and contract management. It focuses on embedding clear accountability, consistent application of Contract Rules, improved record keeping and transparency, and a risk-based approach to monitoring and assurance so that decisions and outcomes are demonstrably compliant and deliver best value. Accountability for the delivery of the new Commissioning Strategy will rest collectively across the organisation, with all Directorates responsible for embedding its principles within their functions to ensure coherent, outcome-focused delivery and the achievement of best value.

7.15 The Council will implement the following good-practice enhancements to improve governance, compliance, transparency and assurance across commissioning, procurement and contract management activity to deliver:

1. Clear governance and decision-making controls
2. Contract Rules compliance
3. Robust contract documentation
4. Improved transparency, audit trail and management information
5. Supplier performance monitoring and assurance
6. Capability building and consistent practice

## 8. Conclusions

8.1. This strategy is a vital part of our transformation and improvement journey as the council strives to become financially sustainable. It is essential that Shropshire is outcomes focused to meet rising demand, financial pressures and heightened expectations for transparency, social value and sustainability. By aligning commissioning, procurement and contract management the Council establishes a clear, compliant framework that strengthens governance, improves value for money and supports local economic growth.

8.2. Successful delivery will depend on consistent implementation, strengthened commercial capability, effective use of data and systems and active market engagement. With clear governance, contract management and robust performance reporting, the Strategy positions the Council to manage risk, protect public funds and secure better long-term outcomes for residents, communities and the local economy.

8.3 The strategy will operate on a **three-year review cycle**, with annual reviews to reflect legislative change or organisational priorities.

**List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)**

**Local Member:** ALL

## **Appendices**

Appendix 1 Commissioning, Procurement and Contract Management Strategy  
(CPCM) 2026-2029

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