
Procurement Policy



5 March 2026

Audit and Compliance Sub-committee

Part 1 – Procurement Policy

1.0 Policy statement and scope

This policy applies to all non-development procurement of goods, services and works undertaken by us, except where explicitly excluded below.

We will conduct procurement in a transparent, timely and cost-effective way, seeking value for money (including social and environmental value) and balancing quality, cost and sustainability. This policy sets out our high-level responsibilities under the Procurement Act 2023 and provides our governance framework, supported by detailed procedures and government learning materials.

This policy does not apply to procurement relating to our development programme (see the Development Strategy/Policy). Treasury management activities are also excluded and are governed by the CP24 Treasury Management and Investment Policy. Energy and insurance are procured through specialist brokers who manage those procurements outside the scope of this policy.

In accordance with our values and culture, and to meet the objectives of the Act, all officers involved in procurement must act with honesty and integrity. We will apply appropriate internal controls to safeguard our organisation and protect our reputation.

No member of staff with an actual or potential conflict of interest may take part in a procurement exercise. All interests must be declared and recorded in accordance with the CP3 Declarations of Interest Policy and the CP12 Fraud and Bribery Policy. Failure to comply with procurement-related policies or procedures is a serious matter. We will refer to the Government Commercial Function – Transforming Public Procurement learning materials for further guidance on managing conflicts of interest.

Officers involved in procurement must allow sufficient time to plan procurement activity to maximise flexibility, competition and compliance under the Act. This includes planning the appropriate procurement route, clear and proportionate award criteria, any required competitive stages, and appropriate contractual performance and escalation measures.

To achieve value for money, we will use clear scoring methodologies to show the relative importance of cost, quality, customer impact, environmental considerations, social value and (where relevant and proportionate) our ambition to support local suppliers. Award criteria and scoring approaches will be clearly documented within tender documentation, in accordance with the Act.

Where appropriate, we will procure goods and services through suitable public or third sector frameworks, provided this does not unreasonably disadvantage local suppliers where capable local markets exist. Where the use of a framework would have an adverse impact on local supplier participation, we will undertake our own competitive procurement in accordance with the Act.

Before using an established framework, we will obtain evidence that the framework complies with the Act, including that the framework owner is an appropriate contracting authority and

that the anticipated contract value falls within the framework's scope. Further procedural detail is set out in Part 2 of this document.

We are committed to fair and equal treatment in line with the CP8 Equality, Diversity and Inclusion Policy and expect suppliers to support us in meeting our equality obligations.

Where appropriate, we may consult residents on service quality and specifications and may involve them in monitoring contractor performance, in line with the CP20 Stakeholder Engagement Strategy.

We will seek to minimise environmental impact and promote sustainability by purchasing environmentally responsible goods and services and by supporting suppliers whose values and practices align with our environmental objectives, as set out in the QP18 Environmental Sustainability Strategy.

2.0 Policy aims and objectives

We aim to:

- Ensure procurement activity complies with the Procurement Act 2023 across the full procurement lifecycle, including contract management and termination.
- Act with integrity and transparency, treating suppliers fairly unless a difference in treatment is objectively justified.
- Maximise public benefit, including consideration of equality, diversity and inclusion, environmental sustainability and social value.
- Remove or reduce barriers to participation for SMEs, voluntary, community and social enterprises, where proportionate.
- Select procurement routes that are proportionate to the nature, complexity and value of the requirement.
- Establish clear and measurable award criteria and assessment methodologies to support value for money decisions.
- Identify and manage procurement and contract risks, including where appropriate through project or contract risk registers.
- Maintain comprehensive and auditable records of procurement decisions and communications.
- Ensure contracts are actively managed to deliver agreed outcomes, including setting clear expectations for performance, escalation and improvement.
- Meet contractual and statutory obligations, including implied terms such as prompt payment of suppliers.

As a housing association, we meet the definition of a public authority under the Act. These obligations apply throughout the procurement lifecycle.

3.0 Roles and Responsibilities

Clear roles and responsibilities are essential to ensure compliance with the Procurement Act 2023 and effective procurement outcomes. Responsibility for procurement activity is shared across our organisation. Roles are defined as follows:

Requesting Officer / Service Manager

- Identifies the need for goods, services or works.
- Defines the business requirement and outcomes.
- Ensures early planning and engagement with the Procurement Lead where appropriate.

Budget Holder

- Confirms that sufficient budget provision exists.
- Approves expenditure within delegated authority in accordance with CP11 Financial Regulations.
- Retains overall accountability for spend control.

Procurement Lead

- Provides advice on procurement classification, route selection and compliance with the Act.
- Supports the design of compliant procurement processes, particularly for higher-value or higher-risk procurements.
- Ensures appropriate use of templates, notices and transparency requirements.

Evaluation Panel

- For above-threshold or higher-risk procurements, evaluations will be undertaken by a panel with appropriate skills and experience.
- Panel members assess tenders in accordance with the published award criteria and assessment methodology.
- Panel decisions must be documented and auditable.

EMT-Affiliated Procurement Panel (Covered Procurements Only)

For above-threshold procurements (excluding development activity governed separately under the Development Policy), we will convene an EMT-Affiliated Procurement Panel.

The Panel will normally include:

- The Procurement Lead (or nominated representative).
- The relevant Service Lead.
- At least one additional EMT member or senior officer who is independent of the service area concerned.

The Panel will:

- Confirm procurement classification and route selection.
- Review and approve the evaluation methodology.
- Review tender evaluation outcomes and recommend contract award.
- Ensure conflicts of interest are declared and recorded.
- Confirm that transparency obligations have been identified.

The Service Lead may sit on the Panel, but we will ensure decisions are not taken by the Service Lead alone. At least one Panel member must be operationally independent of the service area to provide balanced oversight and appropriate challenge.

We will keep a brief written record of Panel decisions (attendees, date, key determinations and any declared conflicts) within the procurement register.

Authorising Officer

- Approves procurement decisions and contract awards in line with delegated authority levels set out in CP11.
- Reviews and approves any use of direct award or exceptions to competitive processes.

Contract Manager (Service Lead)

- Is responsible for contract delivery following award.
- Ensures ongoing compliance with contract management and transparency obligations under the Act.
- Manages supplier performance, escalation and improvement actions.

4.0 Future development and continuous improvement

We will periodically review procurement activity, supplier spend and framework access to ensure proportionate compliance and value for money. Where appropriate, we may develop further tools (such as a procurement plan, template refinements or system enhancements) to support effective delivery.

5.0 Financial regulations and authority to commit expenditure

Budget holders are authorised to procure goods and services within their approved budget allocations. Authority to purchase and approve expenditure may be delegated in accordance with the annex to CP11 Budget Owners, Purchasers and Approvers. Overall responsibility for budget control remains with the budget holder.

All procurement activity must comply with CP11 Financial Regulations, including approval thresholds and authorisation limits. Where there is any conflict between this policy and CP11, CP11 takes precedence in relation to financial authority and approvals.

Internal approval thresholds and quotation requirements are assessed net of VAT. Statutory thresholds under the Procurement Act 2023 are assessed inclusive of VAT.

6.0 The main aims of the Procurement Act 2023

The Act seeks to:

- Simplify and modernise public procurement.
 - Improve transparency and fairness.
 - Increase access to public procurement for SMEs.
 - Support ethical, sustainable and socially responsible procurement.
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7.0 Procurement Act 2023 thresholds and application

The Act applies different obligations depending on contract value and type. Certain obligations apply only to covered procurements, while limited obligations apply to regulated below-threshold contracts to ensure compliance with international treaty obligations.

Statutory thresholds are set out in Schedule 1 of the Act and are subject to periodic revision. We must apply the thresholds in force at the time the procurement is commenced.

8.0 Calculating contract value

We must estimate contract value as the **maximum total amount we could reasonably expect to pay** over the life of the contract, including any extensions, renewals, options and ancillary payments. We must keep a clear written record of how we calculated the estimate.

Indefinite or ongoing contracts (no fixed end date)

Where a contract has no fixed duration (or the duration is not known at the outset), we must still estimate the contract value using the maximum amount we could reasonably expect to pay, based on material facts available at the time (for example: expected annual servicing costs, typical call-out volumes, historic spend and any foreseeable repair expenditure linked to the service). The estimate must include any options, renewals and any additional goods, services or works that may be required.

If we use an estimation period for internal planning purposes (for example, aligned to budget planning), we must document the period and the rationale. This is **not** a statutory default duration rule.

Where, exceptionally, it is not possible to produce a reasonable estimate in accordance with Schedule 3 of the Procurement Act 2023 (for example, because duration and likely spend cannot be assessed), we must treat the contract as above the relevant statutory threshold for that contract type and seek advice from the Procurement Lead.

Treatment of reactive repairs and related expenditure

Where a contract includes ongoing servicing, maintenance or management activity (for example lift servicing, gas servicing, responsive repairs or maintenance programmes), we must include in the estimated contract value any foreseeable reactive or repair expenditure that:

- Arises directly from the servicing or maintenance requirement; and
- Could reasonably be supplied under the same contract; and
- Can be estimated using material facts available at the time (including historic spend, asset data, budget forecasts or known risk profiles).

This reflects the anti-avoidance principles in Schedule 3 of the Procurement Act 2023. We must not artificially separate contracts to reduce their estimated value.

Major capital replacement works or one-off projects that are clearly separate in scope and could not reasonably be delivered under the same contract may be valued independently, provided we document a clear justification.

We must record the assumptions used to estimate reactive or repair expenditure within the procurement file.

Where actual or forecast expenditure under an ongoing contract significantly exceeds the original estimate used for procurement classification, the Contract Manager must notify the Procurement Lead so we can review the estimate and procurement classification and, where necessary, adjust future arrangements. As guidance, trigger this review where total spend is expected to cross **£30,000 (net of VAT)** or approach a statutory threshold (**inclusive of VAT**).

9.0 Record Keeping

We must retain records that are sufficient to explain material procurement decisions and supplier communications, in line with the Act. Records must generally be retained for a minimum of three years following contract award or, where applicable, procurement termination.

Responsibility for maintaining procurement records rests with the lead officer for the procurement, supported by the Procurement Lead where applicable. Records must be stored in a manner that ensures they are accessible for audit, investigation or legal purposes.

We will maintain an internal contracts register to support transparency, contract management and assurance. Where appropriate, contract information will be published in line with statutory transparency requirements.

10.0 Key risks and assurance

Key risks associated with procurement activity will be identified, monitored and managed through our corporate risk register and reported through the appropriate governance routes.

At a policy level, the principal procurement-related risks and controls include:

Key risk	Summary control
Non-compliance with the Procurement Act 2023 and related guidance	Approved procurement policy and procedures, supported by training and oversight
Failure to apply appropriate transparency and notice requirements	Use of standard templates, central digital platform publication and procurement checks
Inadequate record keeping and audit trail	Defined record-keeping requirements and central storage arrangements
Unmanaged conflicts of interest	Declarations of Interest Policy, registers and compliance checks
Poor supplier performance or unmanaged contract risk	Contract management plans, performance monitoring and escalation arrangements

These risks will be reviewed and updated as the policy is reviewed and as legislative, regulatory or organisational changes occur.

11.0 Review

This policy will be reviewed every three years by the Audit and Compliance Sub-committee, or sooner if required due to legislative or organisational change.

12.0 Procurement performance and reporting

To support transparency, assurance and continuous improvement, procurement performance will be reported to the Board annually, each May, as part of the review of the approved supplier and contractor register.

The annual report will include proportionate key performance indicators, which may include:

- Total number and value of procurement exercises undertaken.
- Proportion of spend below £30,000.

- Use of frameworks versus direct sourcing.
- Number of below-threshold exceptions and direct awards, with rationale.
- Compliance with publication and transparency requirements.
- Performance issues resulting in escalation, contract performance notices or termination.
- Proportion of spend with SMEs and local suppliers where data is available.

The indicators will be kept proportionate to the scale and risk of our procurement activity and will be reviewed periodically to ensure they remain appropriate.
