
POLICY

Procurement Policy

Wellhouse - The Place to Be

Prepared By	Finance and Corporate Service Manager
Policy Created	14 November 2024
Date of Last Review	N/A
Date of Current Review	N/A
Date of Next Review	31 October 2027
Reviewed by	Finance and Corporate Services Manager

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1. Introduction

Wellhouse Housing Association (WHA) (the Association) spends a significant proportion (around 67%) of its budget on bought in works, goods and services. In terms of cost and quality this has the potential for having a significant impact on the Association in terms of its financial performance; the quality of services it delivers, its performance and the condition of its housing stock and delivering its business plan.

The Association is a regulated organisation, being registered with Scottish Housing regulator (SHR), Office of Scottish Charity Regulator (OSCR) and Financial Conduct Authority (FCA). It also falls within the scope of the Scottish legal and regulatory framework for public sector procurement. Loan agreements with lenders also require the Association to comply with all relevant regulatory frameworks – procurement would be such a regulatory framework.

Procurement is important from both the perspective of delivering strategic objectives under the business plan and also legal and regulatory compliance.

Given the above it is necessary to have in place a policy that sets out the Association's approach to managing its procurement activities. This document the Procurement Policy does that. The Procurement Policy is an overarching document and refers to a Procurement Strategy, Procurement Annual Report and Procurement Procedures which are also part of the overall framework of governance to support and guide the [procurement activities of the Association.

Any failure to follow the policies and procedures by any member of staff or the Management Committee may result in action being taken against individuals under the Association's disciplinary procedures for staff and the Code of Conduct for Committee members.

This policy and procedure should be read in conjunction with a range of other policies which are set out in this policy below.

2. Legal and Regulatory

As a social landlord, WHA is required to comply with a range of laws and regulations passed by the Scottish Government, the Government of the United Kingdom which include purchasing, health and safety, environmental aspects and information disclosure. Further to the above also regulatory standards and guidance issued by relevant regulatory bodies including the SHR and OSCR.

Housing legislation - Responsibilities set out in the 1987, 2001 and 2010 Housing (Scotland) Acts and any related regulations and guidance.

Procurement legislation - Responsibilities set out in:

- The Procurement Reform (Scotland) Act 2014 (the 2014 Act),
- The Public Contracts (Scotland) Regulations 2015 (the 2015 Regulations)
- The Procurement (Scotland) Regulations 2016 (the 2016 Regulations).

Legislation regulations and guidance in relation to anti-fraud and corruption. Including but not limited to The Bribery Act 2010.

Scottish Housing Regulator – All relevant regulatory guidance including Standards of Governance and Financial management.

Scottish Social Housing Charter - The Scottish Social Housing Charter sets the standards and outcomes that all social landlords should aim to achieve when performing their housing activities. The following outcomes and standards apply to this policy:

Outcome 5 – Repairs, Maintenance and improvements: Social landlords manage their businesses so that tenants' homes are well maintained with repairs and improvements carried out when required and tenants are given reasonable choices about when the work is done.

Standard 13 – Value for Money: Social landlords manage all aspects of their business so that tenants, owners and other customers receive services that provide continually improving value for money for the rent and other charges they pay.

3. Aims and Objectives

The aims and objectives of the policy are:

- To procure works, goods and services that contribute to securing the objectives set out in the business plan of WHA.
- To achieve value for money through procurement and delivery of works and services.
- To manage supply chain risks.
- To develop sustainability in the procurement and delivery of works and services.
- To promote and encourage partnership working.
- To secure where appropriate community benefits.
- To set clear guidelines and methods by which the Association will procure works, services or supplies.
- To comply with legislation and regulations.

4. Procurement Policy

Policy statement/principles – The key principles of the Procurement Policy are set out below:

- The first stage in any procurement is to establish if there is a need for the works, goods or services to be procured – what is the need, what would the Association receive, are there alternative ways to achieve to meet the need.
- The second stage is to establish the budget available. Any procurement must be within the approved budget, unless approved otherwise by the Management Committee or through delegated authority.
- Stage three is to determine the most appropriate form of procurement. This will be determined on a case by case basis for each procurement and will vary depending on the complexity of the works, goods or services, their contribution to objectives, an analysis of the market, the estimated cost and procurement thresholds, the different procurement routes available
- Ensure our procurement methodology is robust, proportionate, effective and accurately recorded the aim is to provide compliant, open and transparency in all Procurement activities.
- In all procurement the Association will consider the appropriate balance of price, quality and the positive impact on our communities, whilst always being proportionate to the size of each individual procurement exercise.

- The procedures to be followed for procurement will depend on the category of procurement. The Procurement Procedures set out the different procedures to be followed for each category of procurement. The different categories of procurement are set out below:
 - Unregulated – Very Low Value (Up to £2,500)
 - Unregulated - Low Value (From £2,500.01 to £
 - Unregulated - Medium Value (From £ to £49,999.99)
 - Regulated – Between £50,000 and Government Procurement Agreement (GPA) limit
 - Regulated – Above GPA Limit
- The GPA Limit is reviewed periodically by Government..
- A regulated procurement above the GPA value is required to follow the process for a route 3 procurement journey as set out in the Scottish Procurement Journey.
- A regulated procurement at or above £50,000 but below the GPA is required to follow the process for route 2 procurement journey as set out in the Scottish Procurement Journey.
- Unregulated procurements below £50,000 follow route 1 of the Scottish Procurement Journey. Depending on whether the value is estimated to be Very Low Value, Low Value or Medium Value will determine the process to be followed. The process for Ver Low Value, Low Value and Medium Value is set out in the Procurement Procedures.
- Depending on the category of procurement then verbal quotes, written quotes, quick quotes, tenders, use of PCS may be required and will be set out in the Procurement Procedures.
- The Association may also consider where appropriate, and to be established by a business case, if a joint procurement route is preferred approach.
- The Association will also access Frameworks that have already been tendered and comply with public sector procurement requirements as an alternative to individual quotes or tenders on the basis these have already been subject to competition, thereby complying with procurement requirements, and WHA is entitled to access them. On this basis these demonstrate a value for money approach to procurement.
- For each procurement the Association will develop a specification of what is required covering the technical, performance, quality and timescale requirements of the goods, works or services being procured. The detail and format of this will depend on the nature and value of the procurement. For very Low Value procurements this may be in verbal/oral format or simply captured on an order or works order. For regulated procurements the detail and format will be in written format and contain more information on the different aspects of the specification. The Procurement Procedures will set out the requirements for different categories of procurements.
- For each procurement the Association will develop an approach to evaluating bids, tenders, or submissions received to determine the winner of the procurement. The detail and format of this will depend on the nature and value of the procurement. For very Low Value procurements this may be in verbal/oral format or simply captured on an order or works order and may be no more than price. For regulated procurements the detail and format will be in written format and contain more information on the split between price and quality and the weighting and basis of scoring/assessment for each element/factor. The Procurement Procedures will set out the requirements for different categories of procurements.

- In the Procurement Strategy and in respect of individual procurements, where appropriate, consideration will be given to the development of relevant and appropriate Key Performance Indicators (KPIs).
- The Association will continually evaluate expenditure and to ensure that the procurement of supplies, services and works represents value for money and complies with the requirements of the legislation.
- The Association recognises that obtaining value for money does not mean always accepting the cheapest cost option but that in some instances the lowest price can be the most appropriate choice.
- The lead officer for each procurement will ensure adequate arrangements are developed and in place for supplier and contact management. This will vary depending on the nature and time period of the contract and the risk to the Association. A long term contract for complex services with a material impact on objectives will require a greater degree of supplier and contract management than one which is short term, low value, is a standard item and has a lesser impact on objectives.
- A Contracts Register will be developed and maintained.

Procurement Procedures:

- These set out the procedures to be followed by staff in order to comply with the Procurement Policy and deliver the objectives set out in the Procurement Policy and also the Procurement Strategy. These represent the framework of rules that guide staff in procurement activities.

Procurement Strategy:

- This will be presented annually to the Management Committee and will set out the proposed procurement activity for the coming year. This will include the proposed arrangements for tendering or purchasing of works, goods and services for the coming years, planned improvement or development actions/initiatives, training needs and any other activities to support the function of procurement eg reviews or audits..

Procurement Annual Report:

- An annual report to the Management Committee that sets out a summary of the procurement activities carried out during the year and how these compared to and contributed to delivery of the Procurement Strategy.

Roles and Responsibilities:

- Roles and responsibilities for the Procurement Policy are set out below -
 - Management Committee and Audit Committee – Consideration of Procurement Policy, Procurement Strategy and Procurement Annual Report. Delegation of any responsibilities.
 - Director – As senior officer overall responsibility for delivery of and compliance with Procurement Policy, Procurement Strategy and Procurement Procedures.
 - Finance and Corporate Services Manager – Corporate lead for review and drafting of Procurement Policy, Procurement Strategy and Procurement Procedures. Lead responsibility for procurement of budgets allocated to Finance and Corporate Services. Ensuring staff in Finance and Corporate Services comply with requirements of Procurement Policy, Procurement Strategy and Procurement Procedures and related policies and procedures eg Financial Regulations.

- Assets and Maintenance Manager - Lead responsibility for procurement of budgets allocated to Assets and Maintenance eg repairs, maintenance and component replacements. Ensuring staff in Assets and Maintenance comply with requirements of Procurement Policy, Procurement Strategy and Procurement Procedures and related policies and procedures eg Financial Regulations.
- Housing and Customer Services Manager - Lead responsibility for procurement of budgets allocated to Housing and Customer Services. Ensuring staff in Housing and Customer Services comply with requirements of Procurement Policy, Procurement Strategy and Procurement Procedures and related policies and procedures eg Financial Regulations.
- All staff – Compliance with Procurement Procedures, other related policies and procedures eg Financial Regulations and any other guidance or instructions issued by the Director, Finance and Corporate Services Manager, Assets and Maintenance Manager or Housing and Customer Services Manager.
- Training – The Association will provide training to staff and members of the Management Committee to assist and support them in meeting their obligations under the Procurement Policy.

5. Other Relevant Policies and Procedures

In addition to the Procurement Policy and related documentation eg Procurement Strategy and Procurement Procedures the following other policies and procedures and any related guidance should also be considered by staff or committee members involved in undertaking procurement activities:

- Standing Orders and Scheme of Delegation
- Financial Regulations and Procedures
- Repairs and Maintenance Policy
- Fraud Policy
- Entitlement, Benefits and Payments Policy
- Value for Money Policy
- Sustainability Policy
- Risk Management Policy
- Data Protection Policy
- Freedom of Information and EIR Policy
- Equalities and Diversity Policy
- Complaints, Compliments and Comments Policy

6. Data Protection and Freedom of Information

Data collected through procurement will be collected, processed and managed by the Association in a manner to ensure compliance with its obligations under both Data Protection and Freedom of Information legislation.

7. Equal Opportunities

WHA recognise our pro-active role in valuing and promoting diversity, fairness, social justice and equality of opportunity by adopting and promoting fair policies and procedures. We will check this policy and associated procedures regularly for their equal opportunity implications, taking appropriate action to address inequalities likely to result or resulting from implementation of the policy and procedures. We are

committed to providing fair and equal treatment to all applicants and tenants and will not discriminate against any on the grounds of race, colour, ethnic or national origin, religion, age, gender sex, sexual orientation, marital status, family circumstances, employment status or physical ability.

WHA do not consider this policy as having any direct impact upon the protected characteristics contained within the Equality Act 2010 and on that basis an Equality Impact Assessment (EIA) has not been prepared.

8. Complaints

The aim of WHA is to get it right first time, however, the Association is aware that this is not always the case and tenants maybe dissatisfied with the service that they have received. Therefore, the Association has a Complaints Policy which should be referenced where there is dissatisfaction with this policy or its operation. The Complaints Policy is available as a separate document on our website, from the Association office and, as with all of our policies, can readily be made available on tape, in Braille, in large print or in translation.

9. Policy Review

This Policy will be reviewed on a 3 yearly basis or earlier if the legislation changes to ensure that its aims are being met.