PROCUREMENT STRATEGY 2024 – 2027

(Ref: PS 01)

Purpose of Strategy: To introduce a Procurement Strategy detailing the main areas of focus for all procurement activities and promote a methodology which will ensure that the Association follows best practice in Scottish procurement legislation.

Strategy Monitoring Details	
Department:	*All teams*
Author:	*Amanda Hay* *Property Services Director*
Status:	*Group Strategy*
Date Approved by Board:	**31 January 2024**
Updated:	
Planned Review Date:	*December 2026*
Regulatory Outcomes Being Achieved	***Regulatory Outcomes*** *3 Management of resources* *4 Good quality information and advice* ***Charter Outcomes*** *4 Quality of Housing* *13 Value for Money*
Tenant Consultation Required:	No
Equalities Impact Assessment	*Review*

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1. Introduction

1.1 This Procurement Strategy has been developed in line with the Association's Strategic Plan and provides the corporate vision and focus for all procurement activities undertaken by the Association, setting out the strategic direction for all procurement activity during the next three years.

1.2 This strategy is the Association's route plan to ensure that all procurement activities across the organisation are performed in a fair, transparent and cost effective manner.

It takes account of the Scottish Government ambition to support the delivery of high quality public services that offer value for money, in a sustainable way. It promotes a methodology which will ensure that the Association follows best practice in Scottish procurement legislation. This strategy provides a framework for the Association to achieve continuous improvement in all its procurement activities. setting out a focused procurement process providing a framework for the effective management of risks, regulatory compliance, and on the delivery of quality works and services.

This strategy will be applied consistently across the work teams and requires the close partnership working of Senior Management Team (SMT) to build the strategy requirements into regular work patterns.

1.3 The Scottish Government recognises that whilst they want all public contracting organisations to meet the Procurement Reform guidance, they expect organisations having a smaller spend profile to mimic published systems and set control levels relevant and proportionate to each organisation's spend profile. This strategy illustrates options of compliance and good practice for the Association to follow.

1.4 The principles of open competition, transparency, equity and proportionality have been maintained in Scotland's Procurement rules.

1.5 This strategy update will be implemented with immediate effect.

2. Procurement Vision

2.1 Successful procurement performance is prerequisite to achieving the Association's aim *"to provide good quality housing and services which help improve people's lives and that of their local communities*."

2.2 This strategy will require consistent application and delivery across the organisation, to aid the Association in achieving the Strategic Objectives of:

- Investing our resources effectively to maintain good quality homes and local environments,
- Ensuring effective governance and financial management is established to secure the long term future of the organisation,
- Maintaining improved procurement performance

Through the use of this Strategy the Association aims to secure any available financial savings and contribute to its corporate social responsibility.

2.3 The Association utilises the principles of the Scottish Government's "Procurement Journey" and Public Contracts Scotland (PCS) as the base process for all procurements.

2.4 Specific requirements on Corporate Social Responsibility, prompt payments to Contractors, Consultants and Suppliers, sustainable procurement, including the use of Community Benefits will be established in conjunction with this Strategy.

3. Strategy Context

3.1 This strategy is a performance management framework to be used across the Association supporting the Association to achieve effective and efficient procurement services through the complete procurement cycle:

- outlining what will be done, how and when it will be achieved.
- identifying the outcomes that the Association aims to achieve
- applying strategic thinking to procurement choices and assessing the best value option – singular, partnership framework
- identifying the value of adding Community Benefits
- working towards sustainable procurement
- meeting conditions on obligations to pay
- taking account of legal obligations to publicly advertise contracting opportunities
- encouraging local companies and organisations to compete for our business
- assessing for continuous improvement and future delivery

4. Aims, Objectives and Organisational Priorities

4.1 Aim

The Association has developed this Procurement Strategy to deliver our front line service within the boundaries of best value and following a **Procurement Action Plan**, **Appendix 1**, to ensure procurement objectives and areas for improvement are delivered over the period of this Strategy.

4.2 Organisation's overall procurement objectives

- Develop strategy to comply with Scottish Procurement Legislation ensuring that best value/value for money is being obtained consistently when works, goods and services are purchased
- Ensure compliance with Procurement Reform (Scotland) Act 2014 – Mandatory Requirements , see **Appendix 3**
- Where feasible and possible, adopt PCS as the tool for advertising procurement activity and for public display .

4.3 Organisational Priorities
The Association will look for outcomes across the following headings to demonstrate the effective implementation of the Procurement Strategy:

- **Contracts** – ensuring that all spend that can be positively influenced by procurement activity has a corresponding contract
- **Compliance** - ensuring that all procurement activity complies with statutory and regulatory requirements
- **Accessibility** - ensuring that contracts can be structured in such a way as to assist wherever practical small and medium enterprises
- **Community Benefits** - ensuring that all contracts are arranged to include a minimum level Community Benefits
- **Sustainability** - ensuring that all relevant contracts are arranged to include sustainable procurement requirements
- **Savings** - ensuring that where possible savings can be identified they are monitored through to delivery, and evaluation

5. Implementation

5.1 Procurement Strategy Plan
The Association will develop and maintain a five year procurement delivery plan – further detailed in the Procurement Policy - covering contracts for each area of spend identified and review this quarterly with the SMT and annually through a formal report to the Board.

5.2 Continued Development of Staff Skillset
The Association is a small business with staff tasked to cover many specialisms. The Association will seek to develop staff skills through training and guidance to ensure the organisation operates to high standards of compliance. The staff training plan will address improvements in the staff skillset in the area of Public Procurement and ensure that staff are equipped to meet legal and regulatory obligations and kept up to date with developments in the legal framework.

Procurement competencies will be linked through the Strategic Plan and personal objectives of the staff team.

6. Budgetary Implications

6.1 The Association's spend profile will be analysed each year to calculate if the Total Annual Spend falls above or below the Scottish Government Reform threshold for documenting a formal procurement strategy (£5m). The Association will map out a 5

year programme of its public contracting opportunities, a Procurement Strategy Plan, and publish a timetable for those contracts that are above Scottish thresholds.

The Procurement Strategy Plan (PSP) will be reviewed quarterly and updated with each years' budget review.

6.2 The SMT will review the PSP each quarter and identify :

and :

- Future procurement requirements
- target areas for minimising cost while maximising value
- specifications
- options for the Association to contract with - available frameworks,
- collaboration with other parties, sourcing existing and new Contractors and Suppliers,
- making Contract available to SME's / supported businesses

improvements to financial systems & processes, budget allocation, accountability and auditability

6.3 With a varied project spend year on year the Association does not set a specific percentage savings target on future procurements. Each procurement opportunity is assessed in its own right and targeted improvements listed against current projected contract cost.

7. Monitoring, Review and Reporting

7.1 The Association will operate this Procurement Strategy broadly within the reporting timetable and guidance of the Scottish Government – Annual Report including 5 year overview for 31 December each year, on a rolling cycle.

7.2 The Policy, Procedures and Guidance Notes will be further developed and supplemented through the period of this Strategy.

7.3 Current and future regulated public expenditure is published on the Associations web page.

8. Publicising this Strategy

8.1 This strategy will be made available to all staff and Board Members. The Property Services Director, together with the SMT, is responsible for the implementation and review of this Strategy.

Manor Estates Housing Association will ensure that all existing employees have access to this strategy and that it is highlighted on the occasion of new employee induction process.

9. Other relevant or related policies

9.1 This strategy does not stand on its own – it should be read in conjunction with the following policies and procedures (this is not an exhaustive list):

- G16 Risk Management Strategy
- CS01 Financial Regulations
- G07 Entitlements, Payments and Benefits
- G02 Preventing Bribery and Fraud Policy
- PS12 Procurement Policy
- PS22 Framework for Service Providers Policy

APPENDIX 2 National Procurement Policies

Links to the National Policies, Tools and Legislation can be found below (this is not an exhaustive list):

- Scottish Model of Procurement
- Scottish Procurement Thresholds January 2024
- Suppliers Charter
- Procurement Journey
- PCIP Overview
- Public Contracts Scotland
- Public Contracts Scotland – Tender

APPENDIX 3 Procurement Reform (Scotland) Act 2014 – Mandatory Requirements

- contribute to the carrying out of its functions and the achievement of its purposes (clause 2.5.1)
- deliver value for money (a balance of cost, quality and sustainability) (2.5.2)
- treat relevant economic operators equally and without discrimination (2.5.3)
- comply with duty to act in a transparent and proportionate manner (2.5.4)
- comply with the sustainable procurement duty (2.5.5) to contribute to improve the economic, social and environmental wellbeing of the organisation's area
- promote the organisation's general policy on the use of Community Benefit requirements (2.5.6)
- consult and engage with those affected by its procurements (2.5.7)
- payment of a Living Wage to persons involved in producing, providing or constructing the subject matter of regulated procurements (2.5.8)
- promoting compliance by contractors and sub-contractors with the Health & Safety at Work, etc. Act 1974 and any provision made under that Act (2.5.9)
- the procurement of fairly and ethically traded goods and services (2.5.10)

- facilitate the involvement of small and medium enterprises, third sector bodies and supported businesses
- promote innovation
- undertake to make payments due by the organisation to suppliers, no later than 30 days after the invoice