

Policy Name	Procurement Policy
Version No.	9.1
Approval Date	June 2025
Category	<i>Corporate</i>
Classification	<i>Internal</i>

Procurement Policy	
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Contributors	Executive Leadership Team (ELT), Senior Management Team (SMT), Procurement Team
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Contents

	Page No.
1. Policy purpose & aim	3
2. Objectives	3
3. Scope of policy	3
4. Responsibilities	4
5. Monitoring & review	5
6. Risk management	6
7. Statement of commitment	6
8. Additional Arrangements	8.1 Valuing a contract
	8.2 Contract Renewals
	8.3 Procurement Thresholds & Processes
	8.4 Routes to Market
	8.5 Social Value
	8.6 Modern Slavery
	8.7 Section 20 & Residents Consultations
9. Other relevant ExtraCare policies & documents	9
10. Relevant legislative & regulatory requirements	10

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Classification	<i>Internal</i>

Version Control

Version	Date	Description	Updated By	Approved By
5.0	October 2018	Comments on draft from ELT included	Head of Procurement	ELT
		Comments from Interim Head of Finance included	Head of Procurement	Executive Lead
	November 2018	Comments from Executive Director of Development, Sales & Procurement	Head of Procurement	Executive Lead
6.0	July 2020	Comments on draft from ELT included	Head of Procurement	ELT
7.0	October 2020	Comments of draft from SMT included	Head of Procurement	
8.0	September 2021	Comprehensive Policy overhaul	Head of Procurement	Executive Leadership Team
				Board January 2022
9.0	January 2025	Review of policy in light of new Procurement Act and New Head of Procurement. Policy simplified.	Head of Procurement	Audit & Assurance Committee
9.1	October 2025	Minor review of policy to include Section on Data Privacy Impact Assessments and Data Security Audits.	Head of Procurement	Executive Director Governance and Compliance

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1. Policy Purpose & Aim

The ExtraCare Charitable Trust (ExtraCare) is committed to achieving efficiency, economy and effectiveness over the life-cycle of a product, services or works, through fair and transparent procurement. The Charity seeks to ensure compliance and Value for Money (VfM) via a clear and well-structured approach to procurement.

Achieving VfM may include:

- Consideration of outcomes and quality to avoid waste from low value, poor quality bids.
- Optimising the use of funds by balancing effectiveness, efficiency and economy over the life-cycle of a product, service or works to achieve the intended outcomes of the procurement.
- Wider socio-economic and environmental benefits and impacts.

This policy provides clear guidance on how ExtraCare will procure goods, services and works in accordance with the Procurement Act 2023 continuing to ensure legislative obligations are followed and continually enhancing the economic, social, technological, sustainable and environmental prospects of ExtraCare's residents, staff and extended communities.

2. Objectives

The objectives of this policy and supporting work instructions are designed to ensure that:

- Procuring of goods and services is managed in a fair, sustainable, transparent, open, competitive, non-fraudulent and non-discriminatory manner;
- Compliance with the Procurement Act 2023 and other relevant legislation, such as Modern Slavery Act 2015, The Public Services (Social Value) Act 2012 the Regulator of Social Housing standards, UK Law and ExtraCare's Financial Regulations is secured;
- VfM opportunities are maximised to secure best value for the charity;
- Proportionate administration is required, relative to the value or risk of any procurement;
- Increase influence over a greater percentage of ExtraCare's spend, improving the Operational surplus;
- The procurement process considers resident engagement (e.g. resident forum) and statutory consultation with residents/leaseholders (e.g. Section 20 Consultation) as appropriate; and
- Consideration is undertaken of environmental impacts through procurement.

3. Scope of Policy

This policy applies to anyone undertaking procurement in ExtraCare. ExtraCare is classed as a 'Contracting Authority'. This is because we are a Registered Provider of housing and therefore deemed

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to be a “body governed by public law”. ExtraCare has an obligation to comply with the Procurement Act 2023.

As a separate, commercial trading subsidiary ExtraCare Retail Limited is outside of scope of this policy. Exceptions to this will apply where (for example):

- The Trust incurs any liability;
- The subsidiary wants to benefit from collaborative Trust procurements (e.g. for economies of scale); or The subsidiary needs to rely on the Trust balance sheet (e.g. for supplier due diligence).

In such instances, the subsidiary needs to adhere to the Trust Procurement Policy. ExtraCare Retail Limited may still benefit from some good practice in this policy e.g. seeking competitive quotes.

4. Responsibilities

Anyone procuring goods and services must act in accordance with the legal and regulatory environment, as such activity must be in accordance with this policy and Financial Regulations. Failure to act in accordance with ExtraCare’s procurement policy may lead to action being taken under ExtraCare’s Disciplinary Policy.

Specific responsibilities are outlined below:

Audit & Assurance Committee	• Approve the policy; and • Review the processes and controls for procurement to provide assurance that they are in place and appropriate.
Executive Leadership Team (ELT)	• Support the Head of Procurement to ensure all staff act in accordance with this policy and relevant legislation; • Review compliance updates via a Procurement Dashboard; • Ensure waivers proposed are compliant with this policy; and • Undertake commercial decision making on high level procurement decisions.
Senior Management Team (SMT)	• Support the Head of Procurement in ensuring all staff act in accordance with this policy and relevant legislation; and • Manage non-compliance of policy. • Ensure spend relating to waivers proposed by team members is approved in accordance with the financial limits detailed in the Financial Regulations.
Head of Procurement	• Regularly review and update the policy;

Policy Name	Procurement Policy
Version No.	9.1
Approval Date	June 2025
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	- Produce the Procurement Dashboard to report agreed metrics and monitor compliance, reporting any exceptions to relevant SMT colleagues - Produce/update a Procurement Strategy for continuous, sustainable improvement; - Contribute to budget setting process to ensure increases/savings are factored in - Ensure procurement training is available; - Produce tender plans and pipelines based on contract value and risk; and - Record departmental procurement risks and escalate as necessary to the Corporate Risk Register.
Category Managers and wider procurement team	- Provide procurement support to employees; - Monitor procurement compliance including analysing spend to identify “rogue spend” and anomalies; - Keep under review and update supporting work instructions, forms, and supplier lists. - Maintain the waiver register. - Categorise goods and services, including: - Analyse and categorise supplier spend to understand and rationalise the suppliers list. - Create a Procurement Plan for each category. - Assist in the production of tender plans and pipelines. - Maintain & Update the Contracts Register. - Supplier due diligence, onboarding and monitoring
All Employees	Awareness & compliance with this policy

5. Monitoring & Review

The success of this policy will be monitored by a Procurement dashboard. Metrics will be set by ELT and may vary during this policy term. Reviews may occur in the event of material changes to the legal or regulatory environment. The position for ExtraCare Retail Limited will be reviewed regularly.

6. Risk Management

The Board’s risk appetite for Compliance has a tolerance of Minimalist. The Procurement team will therefore prioritise projects based on the level of risk.

If found non-compliant with legislation, ExtraCare could face penalties such as suspension of a specific contract award procedure, payment of damages and cuts in/the suspension of grants and/ or regulatory intervention. This is a financial and reputational risk for the Trust. Compliance with this

Policy Name	Procurement Policy
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policy and related work instructions and documents reduces the potential risk and also ensures that the Trust meets its legislative and regulatory obligations. There is also responsibility upon ExtraCare, as a charity and Registered Provider, to ensure that Value for Money (VfM) is secured from use of our funds – adhering to this Procurement Policy seeking best value through competitive quotation/tender processes supports our achievement of VfM.

7. Statement of Commitment

We will:

- Ensure that our legal and regulatory requirements are met;
- Regularly review and update Procurement plans & contract register;
- Embed a supportive and responsive Procurement function;
- Ensure that risk is a pre-requisite consideration as part of any Procurement;
- Drive VFM in all procurement activities.

8. Additional arrangements

8.1 Valuing a contract

To determine the procurement process for a particular requirement, the total contract value must first be determined. This is based on the total value of the contract over its duration including all extensions (for example, if a contract is over 2 years at £40,000 per annum with the option to extend for a further year, the total contract value would be £120,000).

8.2 Contract renewals & extensions

Contracts will only be renewed when the original tender includes a provision for an extension. Once a contract has been completed it will not automatically roll over into a new term, but will be treated as a new procurement. This requires forward planning (procurement pipeline).

The Contract owner & Procurement will engage together in enough time to run a compliant process. Poor planning is not an acceptable reason and would be uncompliant with the Procurement Act.

8.3 Procurement Thresholds & Processes

Different rules apply depending on the value of the purchase. The Trust's current expenditure thresholds are set out below.

Total Contract Value (excluding VAT)	Procurement Method
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Policy Name	Procurement Policy
Version No.	9.1
Approval Date	June 2025
Category	Corporate
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Up to £3,000	- One written quote required. - Value for money should be considered. - Frameworks may be considered
More than £3,000 and less than £30,000	- At least three written quotes must be obtained. - All details of pricing and award justification should be retained for audit purposes. - Frameworks should be considered - A waiver is required where three quotes cannot be obtained, unless a framework is being used.
Over £30,000	- Decision on appropriate procurement process and route to market to be arrived at in conjunction with the Procurement Team. Approach will consider value and risk. - Frameworks will be considered - A waiver is required where a process cannot be ran. The only exception is if a framework is being used.
Over UK Public Sector Procurement threshold (Please see Appendix 1)	- Decision on appropriate procurement process and route to market to be arrived at in conjunction with the Procurement Team. Approach will consider value and risk. - Frameworks will be considered - An approved business case will be required for any procurement that is over the current public procurement threshold. <i>Please note that there is a difference in the procurement process depending on whether the total contract value is above or below the current public procurement threshold. Thresholds change periodically. The Procurement Team will confirm case by case.</i>

Other Processes

- **Waiver** - A waiver process is available if for any reason there is a need or recommendation to deviate from policy. There is a waiver form which allows for rationale to be explained and then an approval process to be followed. Waivers must be approved before any commitment is made. Waivers cannot be used for over UK Public Sector Procurement threshold spends as this is legislation we must follow.
- **Credit Checks & Monitoring** – Procurement will conduct a credit check on all new suppliers where possible, at onboarding stage. This isn't possible in all instances i.e sole traders. Key suppliers will also be monitored throughout the contract term.

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- **Data Privacy Impact Assessments and Data Security Audits** – All agreements, regardless of value should consider data. Contract owners must consider
 - Whether data is being processed. If so, what data.
 - How data is being processed and where.
 - Considerations around what happens to the data when the contract ends.

If personal data is being processed a DPIA should be initiated by the internal requestor. Governance will then liaise with procurement and IT as needed. If the contract owner is not clear on if there are any data considerations, please liaise with Procurement, who will engage IT and Governance when necessary.

- **Low value spends** – Low value, one off spends can be quite labour intensive and expensive to transact.
 - **Purchasing cards** are an alternative method for buying and paying for low value goods and services with suppliers who:
 - are not already set up on eBIS; or
 - where alternative supplier who can provide the same goods is not already on eBIS; and
 - Where use is not expected to continue (one-off spend).
 - **Amazon Business** - We also have a fully compliant Amazon Business account which can also be utilised. This has been set up at a location level, IT and Procurement manage access to this. Personal Amazon accounts are not to be used.

8.4 Routes to Market

Before awarding an above threshold contract, ExtraCare must carry out a competitive tendering procedure. The competitive tendering procedure used can take one of three forms:

1. **An open procedure**, which is a single stage procedure whereby any interested party can submit a tender and ExtraCare will decide whom to award the contract to on the basis of that tender; OR
2. **A competitive flexible procedure**, which is any other competitive tendering procedure that ExtraCare considers appropriate for the purpose of awarding the public contract. Frameworks can also be considered.
3. **Framework Agreement**, Utilising an existing framework agreement is another valid option. A framework agreement is an agreement with one or more suppliers, for a pre-agreed scope of goods or services, established by specialist organisations. Users of the framework agreement can directly 'call-off' goods or services from suppliers on the framework as these suppliers have already gone through a competitive process to be appointed to the framework. With a framework, fees/costs are already set.

The procurement team will maintain a log of frameworks for use.

Policy Name	Procurement Policy
Version No.	9.1
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8.5 Social Value

We will consider social value in all contracts. The Public Services (Social Value) Act 2012 (the “Act”) requires public authorities to consider wider social, economic and environmental benefits in their procurements and to have regard to whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for their area or stakeholders. ExtraCare therefore aims to ensure that our contracts and supply chain deliver social value to our residents, and the wider communities within which we operate. The national priority outcomes under the heading of “Social Value” are:

- creating new businesses, new jobs and new skills;
- tackling climate change and reducing waste; and
- improving supplier diversity, innovation and resilience.

8.6 Modern Slavery

In accordance with The Modern Slavery Act 2015 and our values, ExtraCare is committed to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure modern slavery and human trafficking are not taking place anywhere in our charity or our supply chains.

8.7 Section 20 and resident consultations

A Section 20 (S20) notice is a notice issued by landlords to inform affected leaseholders of the intention of any major work planned at the building, or any service provided to leaseholders who will be required to pay towards the associated cost. Major works typically include things like essential repairs, decoration, improvements, or refurbishments.

S20 of the Landlord and Tenant Act 1985 outlines that ExtraCare can recharge the costs of services to residents by way of a variable service charge. Not all ExtraCare locations have variable service charges. We are required to consult residents in relation to the procurement processes which will result in;

- Work which will cost any one leaseholder more than £250. This includes repairs, maintenance and improvements to your building and estate.
- ExtraCare entering into a long-term agreement (for more than 12 months) with outside contractors for work, supplies or services which will cost any one leaseholder more than £100 a year. Examples include cleaning, grounds maintenance and surveying.
- Work under a long-term agreement where the work will cost any one leaseholder more than £250.

If S20 may apply, the contract owner must consult the Procurement Team.

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Category	<i>Corporate</i>
Classification	<i>Internal</i>

9. Other Relevant ExtraCare Policies & Documents

General	• Anti-Fraud Policy • Disciplinary Policy • Equality & Diversity Policy • Environmental Policy • Risk Management Policy • Whistleblowing Policy
Related Policies	• Anti-Bribery Policy • Conflict of Interests Policy • Gifts & Hospitality Policy • Financial Regulations • Contract Management Policy
Work Instructions & Supporting Documents	• Work Instruction 1 - Procurement: General Principles & processes • Work Instruction 2 - Waiver Process and form • Work Instruction 3 - New Supplier set up/IR35 • Work Instruction 4 - Section 20 Process • Work Instruction 5 – Contract management cycle

10. Relevant Legislative & Regulatory Requirements

Legislation	Regulation	Guidance
Procurement Act 2023		Work Instructions (SharePoint)
Public Services (Social Value) Act 2012		Non-Disclosure Agreements (SharePoint)
Modern Slavery Act 2015		Terms & Conditions & Master Services agreement (SharePoint)
Bribery Act 2010		Invitation to Tender/RFQ documents
		Cabinet Office Procurement Knowledge drops