



Irwell Valley Homes Procurement Strategy

2024-27

1.0 Introduction

- 1.1 Irwell Valley Homes (IVH) is committed to making the best use of our available resources and being transparent and fair in the way we procure goods, services or works from external suppliers and contractors.
- 1.2 Our mission is to enable people to live well in their homes and communities.
- 1.3 The objectives underpinning the Procurement Strategy (“the Strategy”) are:
 - To think strategically about what we buy - in line with the priorities set out in our Living Well Corporate Plan.
 - To be consistent and compliant in how we buy - to comply with procurement legislation and our own procurement rules and ethical standards.
 - To deliver Value for Money (VfM) when we buy – to make sure we spend the income we receive from customers and other stakeholders wisely. This includes social, environmental and quality considerations as well as economic.
 - To manage our supply chain effectively after we buy – by ensuring we have a good understanding of the market, products and direct and indirect suppliers.
- 1.4 The implementation of the Strategy is facilitated by the IVH Procurement Team who work to a three-year Procurement Plan (appendix one), to ensure that goods and services are procured in line with business and customer requirements, and in line with the Integrity (including Anti-Bribery) Policy and Anti-Fraud & Anti-Money Laundering Policy.

2.0 How does the Procurement Strategy link to our Living Well Corporate Plan

- 2.1 The Strategy supports our Living Well Plan. We procure goods, services and works in an efficient and effective way to support the delivery of the three core objectives of the Plan:
 - Providing safe, affordable and good quality homes.
 - Making a difference in the communities we serve.
 - Supporting colleagues to enjoy work, learn and grow.
- 2.2 We set targets for the delivery of procurement efficiencies and the target is revised annually based on the three-year Procurement Plan and included within the Value for Money Strategy.

3.0 How does the Procurement Strategy link to legislation and regulations

- 3.1 The Procurement Act 2023 is new legislation set to transform the procurement procedures in the UK.
- 3.2 It replaces all existing EU-based procurement regulations, including Public Contracts Regulations 2015.
- 3.3 The Procurement Act 2023 aims to overhaul the prior system. The key principles of the Act are:
- **Transparency** – The Act mandates increased transparency in procurement processes, requiring organisations to disclose more information about procurement opportunities, evaluation criteria, and contract awards.
 - **Fairness** – The Act emphasises fairness by prohibiting discrimination throughout the procurement process to ensure all suppliers, particularly Small and Medium Enterprises (SMEs), have equal access to government contracts.
 - **Efficiency** – The Act seeks to improve efficiency by introducing measures such as electronic procurement platforms and standardised procedures to reduce administrative burdens and enhance the speed of procurement activities.
 - **Compliance** – Compliance with the new legislation is mandatory for all public sector entities involved in procurement. Failure to adhere to its provisions may result in penalties, including contract termination.
- 3.4 It should be noted that the Procurement Act 2023 does not come into force until October 2024. Contracts that are procured prior to this will still be governed by the current regulations (PCR2015).

4.0 What we need from our suppliers and contractors

- 4.1 IVH looks for the following from its suppliers and contractors:
- Financial, commercial and technical capability to meet our business requirements.
 - Compliance with relevant legislation and standards, particularly with regards to health & safety standards.
 - Commitment to meeting and reporting on agreed performance standards as set out in the contract.
 - Commitment to Living Wage standards.
 - Commitment to supporting the delivery of Social Value.
 - Commitment to engaging with the Supply Chain Sustainability School.

4.2 In return, IVH will:

- Comply with all current legislation and regulations.
- Disclose information about procurement opportunities, evaluation criteria, and contract awards.
- Ensure opportunities are open to all relevant suppliers and contractors.
- Set clear performance expectations for all suppliers and contractors.
- Establish and maintain good working relationships with suppliers and contractors.
- Keep suppliers and contractors abreast of changing business priorities and requirements to enable workforce and resource planning.
- Pay our suppliers and contractors on time and treat them with courtesy and respect.

5.0 How we procure goods, services and works

5.1 Our approach is set out below, in line with the Procurement Act 2023:

Define

1. **Determine business and customer requirements** – the Procurement Team will work with contract managers across the business to develop a tactical plan for the delivery of the Procurement Strategy, in a way that aligns and prioritises business and customer requirements, in the context of the resources available. The timeline of requirements is set out in the rolling three-year Procurement Plan.

2. **Understand how we spend money** – we have a category management approach to analyse the suppliers we use across different categories of spend, how much we spend with each and how regularly we use them. This approach enables us to make decisions about how to drive the most value from each category. We will aim to keep the number of suppliers in each category to an optimum level, whilst ensuring Value for Money.

Plan

3. **Assess the market** – the Procurement Team will work with contract managers to establish and maintain a deep understanding of the market, products, suppliers, and supply chain. This will include:

- An assessment of the availability and suitability of procurement frameworks.
- Consideration of innovative products and services.
- Alternative options in the case of supplier failure or market disruption.
- Market testing and benchmarking of the supplier base for competitiveness.
- Consideration of improvements in the supply chain.

This assessment of the market will be continuous throughout the contract lifespan and for significant contracts, will be linked to a contract risk register.

4. **Determine the optimum balance between cost and quality** – each time we procure goods and services we will consider the appropriate balance between cost and quality, depending on the nature of the supply. We will monitor and track the VfM delivered for each tender and report this quarterly. For contracts where the service is being provided directly to customers, we will involve and consult with customers to establish their requirements.

5. **Explore partnering opportunities** – IVH is a leading member of the Greater Manchester Housing Partnership (GMHP) Procurement Group. Part of the Group's objectives is to explore opportunities for partnering and joint procurement, with a view to increasing purchasing power, reducing costs, and maximising investment and impact. We will also consider long-term partnership opportunities, where this is beneficial to customers and IVH.

Procure

6. **Complying with legislation, regulations, and standards** – the Procurement Team will ensure that tender and evaluation processes from contract advertising or request for quotation, through to award stage, complies with all legal requirements and external and internal regulations. These requirements are set out in our Financial Regulations. We will maintain a contract register that includes up-to-date relevant contractual documentation for each contract and will keep an up-to-date assessment of financial standing of all suppliers. This will help to protect our customers and the business against risk.

We will collate and report on, where relevant, key performance indicators and service level agreements, in line with the legislation.

Manage

7. **Contract Management** - The Contract Management Policy cascades from the Procurement Strategy and sets out clear guidelines for contract management activities, to ensure that after we buy, there is a continuous process of performance management to ensure contracts are delivered to the agreed standards and costs.

8. **Delivering additional value through contracts** – We will procure goods, services and works, in a way that secures additional benefits from our supply chain to generate social value opportunities that directly benefit the residents and communities of IVH.

We will set expectations for the delivery of social value as part of the tender process for new contracts, involving customers in this process for relevant contracts.

Contractors and suppliers will be requested to pledge what they will deliver during the contract term. Social value pledges will form part of their contractual obligations to deliver outcomes in line with submitted tenders. We will track the delivery of social value as part of the performance management processes for the contract.

Our procurement activities sustain and maintain a significant number of jobs within Greater Manchester, and we are committed to working with suppliers who pay the Living wage and operate within Greater Manchester, creating opportunities for local people.

IVH require all suppliers to be an active member of the Supply Chain Sustainability School, which is a tool used to educate and set new standards in climate change, modern slavery, fairness and inclusion. It provides access to online learning resources for suppliers.

9. Embedding equality, diversity and inclusion – We will embed equality, diversity and inclusion through all our procurement activities from initial engagement through to contract, by actively promoting the importance of this in our tendering process, and ensuring suppliers and contractors meet mandatory commitments and comply with their legal obligations.

We will also ensure that contracts directly affecting our customers take their diverse needs and requirements into account.

6.0 How will success be measured

6.1 Success will be measured through:

- Achievement of the three-year Procurement Plan and annual efficiencies target, as set out in the VfM Strategy and agreed annual VfM metrics.
- Achievement of KPIs for relevant contracts, and active performance management where these are not being met.
- The delivery of social value through procurement, including for example the proportion of spend with businesses with an operating base within Greater Manchester, the number of suppliers that pay the Living Wage and the number of apprentices employed by contractors.

7.0 Responsibilities and monitoring

7.1 The Executive Director of Finance & Strategy is ultimately responsible for this Strategy and the Procurement Manager is responsible for its effective implementation.

7.2 The Audit & Risk Committee is responsible for approving this Strategy. The Committee is also responsible for monitoring the delivery of the three-year Procurement Plan and scrutinising the achievement of the target efficiencies and the delivery of social value. This is reported via a quarterly update report on VfM and procurement activities.

7.3 Board is ultimately responsible for ensuring we are achieving VfM in all operations across our organisation, and for approval of the Value for Money Strategy. Procurement plays a key role in delivering Value for Money and one of the VfM metrics monitored by the Board is in relation to the procurement efficiencies.

7.4 All procurement activities are centrally managed by the Procurement Team and the delivery of the three-year Procurement Plan is their responsibility, working with contract managers across the business. Central co-ordination of all procurement activity helps to ensure probity, integrity and fraud prevention.

7.5 Contract management is the responsibility of the relevant contract managers across the business, supported by the Procurement Team.

8.0 Links to other strategies and policies

8.1 This Strategy is linked to:

- Value for Money Strategy
- Three-year Procurement Plan
- Financial Regulations
- Contract Management Policy
- Communities Strategy
- Integrity (including Anti-Bribery) Policy
- Anti-Fraud & Anti-Money Laundering Policy
- Equality Diversity and Inclusion Strategy and EDI action plan