

<p>Procurement Policy</p> <p>Approved by: Group Audit Committee</p> <p>Date of approval: May 2018</p> <p>Review date: May 2021</p> <p>Version: 3</p>	
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1. Statement of Intent

- 1.1 Radian is committed to ensuring that all of our supply chain activity is managed so that we:
- Achieve our corporate objectives
 - Achieve value for money
 - Comply with our legal and regulatory obligations
 - Demonstrate probity in all our activities
 - Manage contracts to ensure we receive what we pay for

2. This policy applies to...

- 2.1 This policy applies to all employees and executive board members who may conduct any procurement activity in the course of their duties. Employees' contractual obligations take precedence over this policy and associated procedures.

3. Policy

Legal and regulatory obligations

- 3.1 Radian is regulated by RSH, the Regulator of Social Housing (formerly the HCA – Homes and Communities Agency). Of particular note with regard to Radian's procurement activity is the Value for Money Standard 2018, and the need to ensure that optimal benefit is derived from resources and assets [leading to] economy, efficiency and effectiveness¹.
- 3.2 As a registered provider Radian must comply with the Public Contracts Regulations 2015 (PCR2015). Radian will conduct its procurement and supply chain activity in compliance with all relevant legal and regulatory obligations. The PCR2015 dictates the way in which procurement activity must be conducted over advertised thresholds for goods, services and works. PCR 2015 is based on the EU treaty principles of transparency, proportionality, equal treatment, non-discrimination and mutual recognition.
- 3.3 Other legal / regulatory obligations include:
- General Data Protection Regulations (GDPR)
 - Modern Slavery Act 2015

¹ From Consultation on a revised Value for Money Standard and new Code of Practice – Decision Statement (Annex 2 clause 1.1 (d))

- Social Value Act 2012
- Health & Safety Act 1974
- Small Business Enterprise and Employment Act 2015 (including the Government's mystery shopper service)
- Safeguarding (The Care Act 2014; Children's' Act 2004; Working Together to Safeguard Children Act 2015)

Radian's obligations with regard to the above are captured within Radian's standard terms and conditions, and added specifically to other terms and conditions where relevant to the subject matter on occasions when Radian's standard set is not being used. In addition, they are also included as part of the registration for firms applying for a place on our Approved Contractors and Consultants List (ACCL).

Corporate obligations

- 3.4 All procurement activity must be conducted in accordance with the Group Financial Regulations. The procurement procedures are based on the thresholds detailed within them. There are specific circumstances where an exemption is permitted; these are listed in the regulations. All such exemptions must be approved by a director and reported to the Deputy Director of Finance.
- 3.5 The Financial Regulations also provide a Scheme of Delegation; this is reflected in individual project strategy documentation to ensure that decisions are taken - and budget is committed - by those who have the right levels of authority.
- 3.6 The objectives outlined in Our Strategy 2018-2023 will direct procurement activity at a high level, and serve to prioritise requirements over the period of the strategy.

Probity

- 3.7 All staff involved in supply chain activity must comply with the requirements of both this procurement policy and the probity policy at all times. Radian's probity policy states that Radian is committed to the highest standards of scrutiny and the proper use of resources; the procurement tools and procedures in place are designed to deliver and facilitate achievement of these standards.
- 3.8 Professional staff in the procurement team are fully qualified members of the Chartered Institute of Procurement and Supply (CIPS), or working towards full membership. This includes sign up to the CIPS code of ethics, which requires members to conduct their business to exacting standards, and is renewable annually.
- 3.9 Staff must ensure that they declare any interest in a supplier or contractor, current or potential, in accordance with the Declaration of Interest procedure. Before a new supplier can be set up to receive any payment from Radian, the originator must confirm that they have nothing to declare using the electronic new supplier form. Also, staff must not be involved in the evaluation or award of a contract to a potential contractor where there could be a conflict of interest.
- 3.10 All bidding activity, whether quotations or tenders, must be conducted via the procurement portal. This has been a legal requirement since the review of the EU procurement and concession rules in April 2016. It helps protect Radian and staff from instigating or being subject to fraudulent activity, bribery or money laundering.

3.11 Staff must ensure they maintain segregation of duties by explicitly separating out responsibilities so that requisitioning, approval and receipt of goods, services or works are carried out by different, authorised individuals.

3.12 Gifts & hospitality are a recognised feature of supply chain activity. Any gifts or hospitality must be declared in accordance with the probity policy.

Reporting and work planning

3.13 Radian maintains a register of all term contracts, recording our contractual obligations at any one time. This register feeds in to the overall assets & liabilities register. Contract managers are responsible for ensuring any contracts they have created are recorded on the register.

3.14 Spend analysis is conducted via Self Service. This analysis helps to identify areas of supply chain activity that need to be managed. Analysis looks at spend by supplier, by category and by buyer/department.

3.15 Procurement requirements are identified by:

- Spend analysis;
- Expiry of existing contracts, as identified in the Contracts Register;
- Business Change Group (BCG) projects with a supply chain requirement;
- Request from staff.

Project specific strategies

3.16 All procurement projects² are assessed against a 4 box model to establish a value/risk profile, and then prioritised accordingly.

3.17 Procurement projects that are over £50k, or below £50k but considered high risk, will have an individualised project strategy document completed. A project strategy will cover the following:

- Scope, including restrictions, dependencies;
- Current situation including expenditure profile;
- A PESTEL analysis;
- The market place including the suppliers' view;
- Business risks and mitigation;
- A review of options and routes to market.

3.18 A project strategy will require sign off by authorised staff.

3.19 A critical element for a successful procurement is contract management. The project strategy will identify roles and responsibilities post-implementation to ensure clarity, and a hierarchy to be followed should there be persistent issues.

Breaches of policy

² Note: a 'project' in procurement terms relates to supply chain activities; this is distinct from a 'project' as referred to within BCG, although a BCG project may have a supply chain element to it that is picked up specifically as a procurement project.

- 3.20 Staff breaches of policy will be dealt with as set out mainly in the probity policy and associated procedures, but could include escalation to the Director of Finance, Chief Executive and or the Chair of ARC. They could also lead to disciplinary action or termination of a contract of employment.
- 3.21 A breach of the Public Contracts Regulations 2015 could lead to legal challenge and a contract being voided. Disputing such a challenge could impact negatively on Radian's provision of service, cause reputational damage and incur significant legal costs.

4. Related Policies

- Financial Regulations
- Anti-bribery policy
- Anti-fraud policy
- Anti-money laundering policy
- Probity policy
- Data protection policy

5. Related Procedures

- Quotations procedure – under £50,000
- Tender procedure – over £50,000
- Procuring works procedure
- Approved contractors and consultants list (ACCL) procedure

6. Associated Documents

- Procurement Strategy
- Equality Analysis