



Procurement Policy

1.0 Introduction

- 1.1 This Policy sets the principles of how we buy goods, works and services – making sure we achieve value for money in all our procurement, purchasing and contract management activity.
- 1.2 This policy applies to all our colleagues and suppliers who work on our behalf. It supports a culture of spending money wisely and highlights how colleagues can escalate potential divergence with these principles and obligations, should a legitimate need arise.
- 1.3 We define our suppliers as a person or organisation external to Southern Housing providing us with products or services.
- 1.4 We are subject to the Procurement Act 2023, The Procurement Regulations 2024 and our Board's delegated authorities. Our Risk Appraisal Group (RAG) is delegated under their terms of reference to approve business cases and subsequent contract awards for significant or complex contracts.
- 1.5 We only work with suppliers who meet and maintain our '*Approved Supplier*' standards.
- 1.6 We instruct suppliers through issuing Purchase Orders (PO) or job tickets. We will only pay suppliers' invoices corresponding with a valid order number. We instruct suppliers using the following systems:
 - Proactis – our dedicated purchase to pay system for goods and services
 - Orchard – for responsive day to day repairs
 - ClickTravel – for all colleagues to pre-book rail travel and hotels
 - ServiceConnect – for Direct Services colleagues to instruct suppliers, maintain orders and integrate with material purchasing
 - StarRez – for student and keyworker colleagues to raise repair and maintenance instructions
 - Oneserve – Southern Maintenance Service ordering system due to be phased out in 2025
 - purchase cards – for material and hand tool ordering for Direct Services, Estates and Commercial team colleagues.
- 1.7 We apply the following principles in all contracts, whether, under legislation, the value obliges us to or not. We will therefore always apply:
 - transparency – all actions and decisions are visible and accountable

- proportionality – our approach and requirements are relevant to the need
 - fairness and equality – everyone has the same opportunity to bid.
- 1.8 Each Procurement exercise will assess and apply:
- how our residents can contribute meaningfully to the design and awarding of projects
 - sustainability risks and opportunities
 - improvements on the economic, social and environmental well-being of the relevant geographical area
 - opportunities for innovation and technological improvements
 - safeguarding and health and safety obligations relating to people and property
 - provisions for cyber security risk management.
- 1.9 Any exception to this Policy requires the written acknowledgement of the Director of Procurement or, in their absence, the Head of Procurement or Head of Commissioning.
- 1.10 A breach of this Policy is subject to the Disciplinary Policy.

2.0 Procurement rules and financial regulations

- 2.1 Our Procurement approach complies with all legislative and regulatory requirements. Currently, the main requirements are contained within:
- Procurement Act 2023
 - The Procurement Regulations 2024
 - Landlord & Tenant Act 1985
 - Commonhold and Leasehold Reform Act 2002
 - Public Services (Social Value) Act 2012
 - The Modern Slavery Act 2015
 - The United Kingdom General Data Protection Regulation (GDPR)
 - National Procurement Policy Statement.
- 2.2 We conduct procurement activities in an open, transparent, and ethical way demonstrating:
- full compliance with relevant legislation, regulation and best practice
 - value for money in terms of price, quality, timescale, and specification of products, works and services
 - alignment with our social value, sustainability, safeguarding and equality, diversity, and inclusion commitments
 - meaningful resident contribution and consultation in procurement activities.
- 2.3 Our procurement and commissioning activity is governed by all relevant internal policies, statements and procedures, most notably:
- Governance Framework and Delegations
 - [Probity Policy](#)
 - [Anti-Fraud, Bribery & Corruption & Thefts Policy](#)
 - [Safeguarding Adults Policy](#) & [Safeguarding Children & Young People Policy](#)
 - [Anti-Slavery and Human Trafficking Policy](#)
 - [Gifts & Hospitality Policy](#)

- [Sustainable Procurement Principles](#)
- [Service Charge Policy](#)
- Contractor Vetting Procedure
- Contractor Management Procedure
- [Social Value commitments](#)
- emerging Fire and Building Safety Policy
- emerging Approved Supplier Procedure
- emerging Supplier Cyber Security Policy.

2.4 The Procurement Regulations 2024 give clear direction on tendering and contract awards above financial thresholds¹. The Procurement Team will lead on all new tenders or contract awards exceeding these thresholds.

Requirement	Aggregated whole-life value (INCLUDING VAT)	Rules
New contract or purchase order	Up to £10,000	Staff are responsible for scrutinising and approving the approach and recommendation within their delegated authority financial levels and in accordance with relevant internal Policies and procedures. Staff will record and retain evidence of decision for audit purposes.
New contract or purchase order	£10,000 to £30,000	Requires three written quotations. Or the approval by Head of Procurement or Head of Commissioning where three quotes are not possible. And approved within delegated authority levels and in accordance with relevant internal Policies and procedures
New contract	£30,000 to £75,000	Requires competitive tender process run by Procurement or the approval by either Director or Head of Procurement or Head of Commissioning And approved within delegated authority levels and in accordance with relevant internal Policies and procedures
Variation to existing contract	Any variation to scope, term, or value	Requires review by Procurement's Commissioning Team to determine if the contract has sufficient scope and financial capacity to accommodate the change. And approved within delegated authority levels and in accordance with relevant internal Policies and procedures
All new contracts or variation to existing contract	£75,000 and over	Refer to Risk Appraisal Group for approval to both tender and subsequently award.

¹ [Guidance: Thresholds \(HTML\) - GOV.UK](#)

New contract anticipated to exceed financial thresholds	Prevailing regulatory threshold values	Procurement led. Risk Appraisal Group to approve tender proposal and subsequent award.
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- 2.5 We will comply with all regulatory or contractual obligations to consult with residents as set out in the terms and conditions of:
- The tenancy agreement
 - The lease
 - The transfer agreement(s), and
 - Any other contract we have with residents.

3.0 Approved suppliers

- 3.1 We only work with suppliers able to demonstrate a commitment to our values and compliance with our policies. And have the appropriate competency, capacity capability and accreditations relevant to the works or services they provide.
- 3.2 All suppliers must meet and maintain our cyber security standards to an appropriate level relevant to the information handling responsibilities.
- 3.3 Suppliers meeting our requirements will be approved and set up in our financial system. Suppliers will need to maintain and evidence their credentials annually to retain their 'approved' status.
- 3.4 All suppliers working in our homes, workplaces or on our estates must have Safety Schemes in Procurement (SSIP) accreditation or evidence their safe working practices are approved by our Health & Safety Team.
- 3.5 Approved suppliers will be commissioned under standard terms and conditions or our standard amendments to established contract forms. Any variation to these amendments requires the approval of the Head of Procurement, Head of Commissioning or Director of Procurement.

4.0 Commissioning and Contract management

- 4.1 All third-party contracts or agreements £30,000 or more (including VAT) will be uploaded and maintained in the central contracts register by Procurement. The register will also retain significant, instructed modifications to scope, term, or value.
- 4.2 Contract Managers will ensure contracts are managed in line with the procedures set out under the specific Contract Conditions and Contract Management Framework. And will apply the contractual mechanisms and remedies applicable to address non-performance. Contract Managers will demonstrate accountability for contract performance, change, data security, business continuity and cost control through the annual review mechanism.
- 4.3 All contracts where a cyber risk is identified, will provision for our auditing of the supplier's cyber security controls, unless a specific exemption is granted by the Director of Technology. Suppliers with a high cyber risk profile, will confirm their

cyber risk management approach at least annually, for our assessment and satisfaction.

4.4 The Procurement & Commissioning Teams will support corporate compliance with new transparency obligations of the Procurement Act 2023. This includes publication of the following transparency notices:

- contract payments
- contract performance
- contract details, including redacted copies of qualifying contracts
- contract modification
- payment compliance
- contract termination and expiry.

5.0 Controls

5.1 The following controls are in place to support this policy:

- Delegated Authority and financial levels set by Board
- Risk Appraisal Group approve both the tendering approach and the subsequent contract award
- purchasing, procurement, and financial procedures
- purchasing system rejects invoices in the absence of a corresponding purchase order number
- colleagues are trained on this policy and instructed on contract management procedures
- colleagues are trained on the application of the Proactis purchase to pay system
- standard terms and conditions – and standard contract amendments
- purchasing systems maintain delegated authority levels and segregation between requisitioner and authoriser
- Contract Management Framework and supporting report templates
- financial limits set on purchasing cards
- central contract register maintained
- purchasing systems can only instruct Approved Suppliers
- annual Control and Risk Self-Assessment (CRSA) process.

6.0 Assurance

6.1 Line managers are responsible for ensuring they and their teams conduct their procurement, purchasing, and commissioning of third parties in accordance with this Policy and within Delegated Authorities.

6.2 Product Owners of our purchasing systems listed at 1.6 above will provide assurance to the system Service Owner. The Service Owner will present assurance to the Director of Governance & Regulation each quarter confirming:

- users are set to the correct delegated authorities and account codes
- ordering and authorising segregation is in place
- compliance with this policy.

6.3 The Director of Procurement will ensure:

- regulatory transparency obligations are met
- approved Supplier insurance and safety accreditations are maintained.

- Leadership Directors confirm their colleagues are aware of their specific Delegated Authorities through their Control and Risk Self-assessment return.

6.4 The Director of Procurement will ensure adequate internal audit is scheduled to provide independent 3rd Line assurance of compliance with Procurement Policy risks and controls.

7.0 Monitoring, reporting and external publication

7.1 The Procurement and Finance function will provide the following reports:

Report	Who	Where	When
Procurement pipeline	Head of Procurement	RAG	Annually
Spend by supplier	Head of Commissioning	RAG	Bi-annually
Policy Compliance with spend between £10,000 and RAG Threshold	Head of Commissioning	RAG	Bi-annually
Proactis Compliance	Procurement Systems Manager	Leadership Team	Monthly
² Contracts over £5million – KPI Performance	Head of Commissioning	RAG	Annually
Contract/non-contract spend	Head of Procurement	RAG	Bi-annually
³ Compliance with external publication of awards >£30k (incl. VAT)	Head of Commissioning	RAG	Bi-annually
Contract Payment Notice (payments over £30k via a public contract)	Procurement Systems Manager	RAG	Quarterly
⁴ Payments Compliance Notice	Director of Financial Services	RAG	Bi-annually

8.0 Escalation

8.1 All colleagues are responsible for upholding the Procurement Policy. As such, colleagues can escalate any perceived concerns or questions with any member of the Procurement function. Alternatively, and should colleagues wish to retain anonymity, any concerns should be raised through our reporting process set out under our [Whistleblowing Policy](#).

9.0 Review

9.1 We'll review this Policy every three years as a minimum and following regulatory changes or clarifications issued through Procurement Policy notes.

² For contracts procured under Procurement Act 2023

³ For contracts procured under Procurement Act 2023

⁴ For contracts procured under Procurement Act 2023

Controls

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