



Connexus Procurement Strategy 2020-23 (draft)

1.0 Introduction

- 1.1 We will use our Procurement Strategy to shape our procurement and contracting arrangements to make it easier for our customers and for Connexus.
- 1.2 This procurement strategy is aimed at delivering effective, consistent, best practice procurement across the whole organisation. In order to be efficient, effective and compliant, Procurement needs to be carefully considered and as such Connexus have developed this strategy to assist the organisation in careful management of resources to maximise customer satisfaction, comply with all statutory, regulatory and agreed best practice and value for money.

2.0 Mission

- 2.1 To support our Corporate plan by delivering a professional and sustainable procurement service which delivers both Value for Money and added value to our customers and stakeholders, as well as long term positive impacts for our business, our customers, local communities and other stakeholders.

3.0 Scope and Objectives

- 3.1 The Connexus Procurement Strategy concerns the acquisition of all goods and services purchased in the course of our operations across the Connexus Group. With the exception of expenditure related to the employment of colleagues.

3.2 Overarching Objectives

- 3.2.1 This strategy and its objectives are to ensure that Connexus:

- Follow best practice
- Be non-discriminatory
- Be proportionate
- Be fit for purpose
- Achieve value for money
- Ensure that procurement practice is consistent with strategic objectives
- Develops a culture where all staff are aware and are committed to effective procurement

- Follows all statutory, regulatory and agreed best practice requirements
- Is transparent and fair in all its procurement activity

Objective 1 Value for Money

For Procurement purposes we define Value for Money as achieving the best possible long-term outcome for Connexus, our tenants and communities for the investment or spend made.

How will we do this?

Maintaining a commercial focus to all procurement activity and supporting internal and external colleagues to do the same.

By identifying future opportunities within the business through Group purchasing power and challenging current internal methods to develop new ways of delivering value for money.

Considering whole life contract outcomes to ensure that value for money is achieved over the long as well as short term.

Including appropriate and robust, cost, quality and environmental factors in to procurement evaluation methodology by involving colleagues with the required skillsets at the design stage.

Measure

The procurement strategy will support the Value for Money Strategy, ensuring that the Efficiency targets agreed in the Connexus Business Plan are achieved.

Objective 2 Real Savings and Financial Strength

We will support Connexus long-term financial strength and viability through the delivery of real savings against historic and anticipated spend and performance with a target to outperform our business plan by making savings to budget.

How will we do this?

Developing fit for purpose contracts solutions, which achieve savings against budget or improvements in performance outcomes for Connexus and our customers.

Including appropriate clauses in to contracts to manage risks and support the management of cost variation.

Obtaining market insight to support budget holders and others during the budget setting process.

Monitoring our supply chain using the support of key partners to identify any changes in the financial viability, capacity or performance to manage risks and opportunities.

Measure

Additional savings will be targeted exploiting our financial strength by seeking to secure increased early payment discounts.

We will measure the number of suppliers who cease trading during contract.

Objective 3 Supply Chain Development

We will continually work to develop the Connexus supply chain to meet the current and future need of Connexus

How will we do this?

Using partner and supplier engagement to provide insight and help us to design and develop contract solutions and frameworks, which meet the needs of Connexus and out tenants, matched to our business needs and the ability of the supply chain to deliver.

By regularly engaging with key suppliers to manage performance, exploit contract benefits and intelligence to improve service outcomes over the long term. To deliver long term gains by becoming a partner of choice through improved engagement and working methods.

Developing supporting and where necessary enforcing a true Health and Safety culture throughout the Connexus Supply chain.

Ensuring that procurement processes are proportionate and fair.

Measure

We will continually engage with partners and suppliers and increase awareness of Connexus, taking opportunities to engage with new partners and suppliers through the life of the strategy, and record annually the changes in year.

Objective 4 Compliance and Assurance

We will manage and mitigate procurement and contract risk through a focus on compliance and assurance

How will we do this?

By having a professionally qualified Procurement manager to lead and support procurement on behalf of Connexus.

By maintaining, the Connexus Contracts register to track and record all contracts activity in a central location.

By managing our procurement service to ensure compliance with all internal and external legislative and governance frameworks as identified in the overarching framework.

By seeking independent validation of our procurement delivery to ensure we remain compliant and adopt best practice.

Developing and monitoring contracts to ensure that the supply chain meets the minimum standards and agreed performance requirements.

By requiring all staff to declare any interests when undertaking procurement exercises and recording such interests in the relevant procurement documentation.

Measure

Connexus contracts will be monitored to the Contracts register and Procurement plan, and renewed within 3 months of their expiry date.

An increase in the use of Purchase Orders will be targeted over the life of the strategy to provide added levels of assurance about contract compliance. The percentage and value of spend will be captured at the end of each financial year.

Objective 5 Sustainable Supply

We will ensure that environmental and social sustainability is a key consideration in our procurement processes

How will we do this?

By including proportionate Community Benefit clauses in contracts when it is proportionate and relevant to do so to support the inclusion and development of the local Shropshire and Herefordshire, supply chains.

By considering the environmental impacts of contracts at the outset of the procurement and by asking suppliers to tell us what they are doing to manage their environmental impact where it is appropriate to do so.

Measure

Annual budgets fluctuate and therefore for comparison purposes both the value and % of transactions in the Shropshire and Herefordshire area will be monitored on an annual basis. A target for the value or % of overall spend with local suppliers to increase through the life of the strategy has been set weighted against the need to provide the best quality services and value for money.

4.0 Delivery

Our procurement activity will be undertaken by a range of staff within the business according to contract value and risk linked to the Standing Orders and Financial Regulations.

We have a central procurement function in the Resources Directorate Service Area part of the Finance and Procurement service.

The central procurement function will support our delivery of procurement through a business partnering approach, working hand in hand with department leads and specialists to deliver excellent procurement and contract outcomes.

Staff within the wider business that have responsibility for procurement activity; will be able to call on the technical expertise and knowledge of the procurement team for advice, guidance and support.

In addition, the central procurement function will lead training and other awareness initiatives for staff and stakeholders. These initiatives will help ensure all those involved in procurement activity have the right knowledge and understanding to deliver compliant, value for money, sustainable procurement outcomes that support our long-term financial stability and promote supply chain development.

5.0 Governance Framework

In the delivery of our objectives All procurement activities will be delivered to comply with all appropriate procurement legislation, applicable sector specific requirements, best practice, internal governance rules to include financial, other internal policies and procedures and other associated legislations, which include, but are not limited to:

- The Bribery Act 2010
- The Modern Slavery Act 2015
- The Social Value Act 2012
- Public Contract Regulations 2015

- Public Contracts Directive 2014/24/EU - Under the directive, so that contracts are open to competition across the EU, they must be advertised on the Official Journal of the European Union (OJEU).
- Criminal Finance Act 2017
- General Data Protection Regulation 2016/679 (EU)

5.1 Corporate Social Responsibility

5.1.1 All procurement will:

- Be sustainable and support the delivery of a high level of customer service and be ethical with services supplied based on good business principals
- Consider the use of small and medium sized enterprises to support local communities or determine how larger suppliers will contribute to the local economy.
- Comply with statutory Health & Safety requirements.

5.2 Diversity and Equality of Opportunity

5.2.1 Connexus expects all colleagues and approved suppliers to promote equality and diversity in line with our Equality and Diversity Policy. We do not discriminate against any person on the grounds of race, ethnic origin, disability, nationality, gender, sexuality, age, class, appearance or religion.

5.3 Health and Safety

5.3.1 Connexus put health and safety at its core and has a responsibility to ensure, so far is reasonably practicable, the health, safety and welfare of all colleagues, customers, contractors and visitors who may be affected by its activities and to ensure health and safety compliance throughout the company.

5.3.2 Connexus is committed to providing a working environment which is both safe and fit for purpose, and which will comply with all relevant health and safety legislation in effect from time to time. Further details can be found in the Connexus Health and Safety Policy.

5.4 Modern Slavery

5.4.1 Connexus seeks to ensure that all suppliers will be assessed to understand what procedures and controls are in place to avoid any practice that contravenes the Modern Slavery Act 2015.

6 Compliance, Monitoring and Review

6.1 All employees will comply with the requirements of this strategy. Non-compliance may lead to action under disciplinary procedures. Existing contracts and procurement activity will be audited to ensure compliance.

6.2 This strategy shall be reviewed following any change in legislation impacting upon it or following any significant change in operating arrangements. Procurement Strategies need to be flexible

to meet changes in the operating environment. Any amendment will also incorporate continual improvement from lessons learnt and improvements identified from colleague, customer and supplier feedback.

6.3 This strategy shall be reviewed every three years.

Policies and Strategies linked to the delivery of this strategy

Standing Orders and Financial Regulations

Procurement Procedure

Procurement Guidelines

Anti-Fraud, Bribery and Corruption Policy

Strategies and plans that this strategy supports.

Value for Money Strategy 2018-21

Connexus Corporate Plan 2020-23

New Homes Strategy 2020-23

Written by Head of Finance and Procurement June 2020