

Policy Name: Procurement Policy

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1. Policy Statement

This Policy has been updated to reflect the enactment of the Procurement Act 2023 and the Procurement Regulations 2024, which replace the Public Contracts Regulations 2015 (PCR) and took effect on 25 February 2025. As a contracting authority, Midland Heart must comply with this legislation.

The Commercial Team are required under the Procurement Act 2023 to annually publish an 18-month forward look pipeline of procurement projects (Pipeline). This will be internally ratified by Directors Group in early April each year before being externally published within 56 days of the start of the financial year (no later than the 26th May annually). The Pipeline must be published in accordance with the Procurement Regulations 2024 and stakeholders must engage with the Commercial Team to ensure the Pipeline is completed in line with the legislation. Our policies and procedures apply to the projects undertaken via the Pipeline.

1.1 Scope of Policy

- 1.1.1 This document defines Midland Heart's approach to the procurement of Goods, Works & Services, ensuring we achieve value for money and an excellent tenant service, together with compliance with the Procurement Act 2023 and the Procurement Regulations 2024.
- 1.1.2 This procurement policy is an integral part of Midlands Heart's Governance & Control Framework.
- 1.1.3 Employees will be asked to adhere to our procurement policy & procedures to ensure we adhere to increased transparency obligations, deliver value for money and high-quality services in line with our Governance & Control Framework and external legislation.
- 1.1.4 All procurement must be undertaken in line with the Procurement Act 2023 objectives of treating suppliers the same and not in a manner that would put any supplier at an unfair advantage.
- 1.1.5 All procurement must have regard to the importance of:
 - 1.1.5.1 delivering value for money,
 - 1.1.5.2 maximising public benefit,

- 1.1.5.3 sharing information for the purpose of allowing suppliers and others to understand Midland Heart's procurement policies and decisions,
- 1.1.5.4 acting, and being seen to act with, integrity and
- 1.1.5.5 reducing or removing barriers to participation for small and medium-sized enterprises (SME's).

All Procurement at Midland Heart must also pay due regard to the National Procurement Policy Statement (NPPS) and Cabinet Office Procurement Policy Notes (PPN's).

1.2 Purpose

- 1.2.1 The purpose of this policy is to ensure that Midland Heart employees follow our procurement policy & procedures to effectively deliver their services and ensure good governance whilst complying with the requirements and objectives of the Procurement Act 2023.
- 1.2.2 Employees should ensure that suppliers to Midland Heart represent value for money and have undergone appropriate due diligence to ensure the suppliers we choose are sustainable, legitimate, and fit for purpose.
- 1.2.3 Midland Heart has the following principles that need to be taken into consideration when carrying out procurement exercises. We require all employees to consider the following when selecting contractors and suppliers:

Strategic	Focus on the quality of our supply chain as it is of strategic importance for the overall business. Ensure suppliers are competent and technically qualified to deliver brilliant services to our tenants.
Financial	Ensure that suppliers have suitable economic and financial standing and are capable of delivering contracts of the relevant size, scope and scale of each requirement. Working with suppliers who lack the necessary integrity and financial standing can potentially lead to heavy financial penalties and / or suppliers could fail and enter into administration.
Reputational	Ensure that no suppliers are used that could be linked to any kind of crime and negative media as this could risk severe damage to our reputation.
Regulatory	Ensure compliance with the regulatory requirements that are applicable to our sector and fulfil all legal requirements.
Transparency	We must act and be seen to act with integrity which requires us to operate within an increased transparency

	<p>regime. As part of its transparency obligations, Midland Heart will generally require the publication of pre-market engagement notices before we engage in any conversations with suppliers.</p>
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2. Policy and Outcomes

- 2.1.1. Midland Heart's policy is to procure goods, services and works using effective methodologies to service the organisations needs and the tenants’ needs in a fair and transparent way ensuring compliance with all necessary legal requirements and Midland Heart policies.
- 2.1.2. Value for money is the most important outcome we can achieve from our procurement exercises and value should be measured on the basis of service, quality, delivery, added/social value and cost. In procuring we should always choose the most advantageous tender to Midland Heart, which is not necessarily the cheapest.
- 2.1.3. In procuring for Midland Heart, employees must always ensure they are considering where appropriate the views and input of our tenant base and actively include them wherever relevant and appropriate. This must be done in the procurement and contract management phases.
- 2.1.4. All Procurement exercises and commercial negotiations should be carried out in an open and transparent way considering environmental, social and the legal obligations Midland Heart are bound by.

2.2 Key outcomes of this policy are as follows:



Improved service to our tenants.



Increased value for money.



Reduced supply chain risk.



Improved environmental and social sustainability.



Improved internal processes to deliver more efficient services.



Compliance with regulations & internal governance.

3. Performance and Monitoring

- 3.1 We will communicate the procurement policy and procedures to all relevant employees via training and supporting documentation available via our intranet, wider comms channels and training suite.
- 3.2 We will measure and monitor budgetary savings and cost avoidance by providing management reports to Directors group & Executive team. We will measure & monitor any cost increases across our contracts providing supporting documentation and justification as relevant.
- 3.3 Adherence to the procurement procedures will be reported on a quarterly basis via the Value for Money Steering Group to the Executive Director of Finance & Growth, highlighting any areas of non-compliance to be addressed.
- 3.4 We aim to ensure our tenants are involved in our procurement exercises specifically those contracts that deliver direct services to them. In formulating our specifications prior to procurement, we should consider tenant feedback, whether existing or newly sought, to provide guidance on how these services should be delivered and incorporate tenant insight where appropriate.
- 3.5 We will support our Sustainable Procurement Framework (SPF) by ensuring we collect data from our supply chain to enable carbon reduction strategies to be implemented. Suppliers will have ideas around value added opportunities and/or possible innovation. These may be tenant or community focused. It is the Contract Manager's responsibility to take ownership of any proposals that they wish to progress and ensure they are approved, mobilised, trained out (where appropriate) and embedded in the business. These should all be reported on the HACT tool or other datasheet to meet added value commitments in the contract.

4. This Policy is to be read in conjunction with

- 4.1 Internal policies and procedures:
 - Procurement Procedures
 - Commercial Strategy
 - Governance and Control Framework
 - Contract Management Procedure
 - Contract Management Framework
 - Contract Management Policy (*including all applicable laws and regulations included in the Policy*)
 - Supplier Management Policy (*including all applicable laws and regulations included in the Policy*)
 - Corporate Social Responsibility

- Carbon Reduction Plan
- Anti-Fraud Policy & Procedure
- Anti-Money Laundering Policy
- Code of Professional Conduct
- Contractor Health and Safety Competency Framework
- Health and Safety Code of Conduct for Contractors
- Equality & Diversity Policy
- Data Protection Policy
- Safeguarding Policy
- Values and Behaviours
- Health & Safety Policy
- Supply Chain Cyber Security Policy
- Modern Slavery Statement

All contracts should adhere to relevant Midland Heart policies and procedures (e.g. Health and Safety, ESG, Cyber Security, Ant-Fraud and Data Sharing). It is important that the business adhere to the above policies and procedures in all procurement and contract management activity.

5. Legal framework

Legislation	What is covered
Landlord and Tenant Act 1985	Covers the relationship between landlords and tenants. Section 20 of the LTA 1985 requires us to carry out consultation with tenants in certain circumstances, where this applies, the consultation must form part of the tender process and required timescales observed.
The Procurement Act 2023	Sets out regulations that public authorities must abide by when selecting suppliers. The new Procurement Act 2023 has reformed the way public authorities purchase goods, services and works by simplifying and modernising procurement rules and procedures. The Act applies to all stages of the procurement and contract management life cycle right through to the end of contract. <i>Guidance and policy notes related to the Procurement Act 2023 should also be considered a part of the legal framework.</i>
The Procurement Regulations 2024	The Procurement Regulations 2024 as amended.
Social value and the Public Services (Social Value) Act 2012	Requires the public sector to ensure that the money it spends on goods/services/works creates the greatest economic, social and environmental value for local communities.

Equality Act 2010	Provides a duty for ensuring equality of opportunity for all protected groups and those associated with protected groups.
Social Housing (Regulation) Bill 2022-23	Sets out measures to ensure social housing is safe. These measures must be taken into account when selecting suppliers and managing contracts.
The Building Safety Act 2022	Sets out safety requirements for landlords to ensure the homes we provide are safe for our tenants.
Safeguarding Vulnerable Groups Act 2006	Providing safety and wellbeing to everybody with additional measures to those least able to protect themselves.
Data Protection Act 2018	Ensures that organisations process personal data lawfully.
The Hazards in Social Housing (Prescribed Requirements) (England) Regulations 2025	Commonly referred to as “Awaab’s Law”. Sets out requirements for Social Landlords to address all emergency hazards and all damp and mould hazards that present a significant risk of harm to tenants to fixed timeframes.

The above legal framework includes any and all amendments as may be made from time to time.