

PURCHASING POLICY



Policy Title	Purchasing Policy		
Version	001	Status	Final
Date	November 2024	Author	Andrew Miles
Next Review Date:	15/01/2028	Approved by	ELT
Responsible Officer:	Head of Finance and Procurement	Date Approved	15/01/2025
Associated documents	Financial Regulations and Procedures Scheme of Delegation	EIA Completed by	XXXXX

TABLE OF CONTENTS

1. Background and purpose _____ 3

2. Purchasing and Procurement _____ 3

Purchasing via corporate contracts _____ 3

Procurement _____ 4

Diversity & inclusion _____ 9

1. BACKGROUND AND PURPOSE

- 1.1. Cornwall Housing Limited (CHL) is an ALMO who procures a range of goods and services to the stock it manages on behalf of the Cornwall Council.

2. PURCHASING AND PROCUREMENT

INTRODUCTION

- 2.1. CHL applies a standardised approach to procurement, according to the complexity and level of risk involved. Sourcing activity therefore depends on whether the goods, services or works are available via one of CHL corporate contracts and, if not, on:

- (i) What is being procured
- (ii) The value of the procurement
- (iii) The contract terms

- 2.2. Compliance with procurement procedures helps ensure that value for money is obtained from purchasing arrangements and economies of scale can be leveraged.

- 2.3. For all requirements outside of existing framework agreements the value threshold for only requiring one written quotation is £25,000.00

- 2.4. For order values:

- £0 - £25,000.00 – one quotation
- £25,000.00 – £150,000, attempt to obtain a minimum of three quotations, formal procurement, advertised on Contracts Finder
- Over £150,000 should be either 3 quotes or agree on a framework contractual basis, formal procurement, advertised on Contracts Finder

- 2.5. Orders above £25,000 have to comply with Public Contract regulations 2015. Please refer to the Procurement Procedure Rules Summary Flow Chart available on the Intranet.

PURCHASING VIA CORPORATE CONTRACTS

- 2.6. CHL has a number of corporate contracts in place through which standardised supplies and materials must be procured. Details of the corporate mandated contracts are available from the Finance and Procurement department.

- 2.7. Requisitions for ordering goods via a corporate mandated contract should be submitted in accordance with the guidance set out by the Finance and Procurement team, or the Director of Resources.

PROCUREMENT

- 2.8. Where there is no corporate contract in place, it is necessary to follow the procurement approach laid out within CHL procurement procedure rules.
- 2.9. There is no requirement for competition for very low risk procurements (i.e., those up to £25,000 or such other limit set out in the Rules). Such procurements can be made using:
- (i) Submission of a requisition form direct to procurement or
 - (ii) A Purchase Card in line with company policy
- 2.10. All other goods, services and works must be procured following a process that reflects the relative risks of the procurement as laid out within the Scheme of Delegation and procurement rules.
- 2.11. Officers involved with engaging contractors, and/or with purchasing decisions, have a responsibility to declare:
- (i) Any links or personal interests that they may have with purchasers, suppliers and/or contractors; and
 - (ii) Any gifts or hospitality offered by, or received from, purchasers, suppliers and/or contractors.
- 2.12. All new contracts must be recorded and retained in the corporate contracts register.
- 2.13. Where a third party is procuring goods, services or works on behalf of CHL, then the relevant Budget Holder(s) must ensure that the third party is aware of, and complies with, CHL's procurement procedures.
- 2.14. Budget Holders responsible for letting contracts should regularly review contractors' performance and address errors, poor performance and/or misrepresentation, and to invoke service credits where applicable.

Ordering and paying for work, goods and services

Orders for work, goods and services

2.15. Orders for goods, services and works must:

- (i) Be raised in accordance with the Procurement Rules via the Finance system and issued to the supplier prior to receipt of goods or services or commencement of works. The only exceptions are for periodic payments such as rent or rates and petty cash or purchase card purchases
- (ii) Not be raised for any personal or private purchases
- (iii) Be raised for an amount within budget
- (iv) Be authorised in accordance with the limits as set out in the Scheme of Delegation.
- (v) In addition, approval of all contracts must align to the following limits, where value reflects total value over the lifetime of the contract (ex. VAT):

Role	Approval Limit
CHL Board of Directors	Over £1m
Executive Leadership Team	£0.5m to £1m
Senior Leadership Team	£50k to £0.5m
Budget Holders	Up to £50k

Contracts signing authority will align with these financial limits.

2.16. Senior Managers must maintain a list of designated Budget Holders. This will be incorporated in the Finance System approval processes with the approval Limits set as per the Scheme of Delegation.

2.17. No one may authorise an order unless they are satisfied that:

- (i) The goods, services or works ordered are appropriate and needed
- (ii) There is adequate budgetary provision
- (iii) Where a suitable corporate contract exists, this has been used
- (iv) Where there is no corporate contract, that Procurement Rules have been adhered to
- (v) Costs incurred by the order are recoverable and matched to an Income (either directly from a sales invoice or indirectly via allocations and recharges)

Receipt of goods, services or works

- 2.18. Goods, Services or Works must be checked upon receipt to ensure that they are in accordance with the order. Wherever possible, goods should not be received by the person who approved the order as per the section on Segregation of Duties.
- 2.19. For goods or services obtained using a Purchase Card, it is the cardholder's responsibility to ensure that this is done in compliance with CHL's Purchase Card Policy.
- 2.20. Subcontract Works should never be ordered via a purchase card.
- 2.21. For goods, services or works ordered through the Finance system, the receipt must be recorded against the original purchase order prior to processing of an invoice, in order to provide approval to pay the invoice.

Payment of suppliers

- 2.22. For items ordered in accordance with the Procurement Rules, the Head of Finance and Procurement will make payments from the appropriate bank account upon the receipt of a valid VAT invoice provided that:
- (i) A valid purchase order number is quoted on the suppliers' invoice; and
 - (ii) Confirmation of receipt of the (fault free) goods, services or works has been provided and the invoice is consistent with the receipted amount.
- 2.23. Invoices received which do not quote a valid purchase order number will be returned to the supplier unpaid. At this point the supplier needs to contact the purchaser and review the circumstances surrounding the rejection for payment.
- 2.24. The Head of Finance and Procurement will also make payments upon the receipt of a valid VAT invoices that have been checked, coded and certified in accordance with the limits set out in the Scheme of Delegation (see appendix 1), confirming:
- (i) The receipt of goods or services to the correct price, quantity and quality standards
 - (ii) That expenditure has been properly incurred and is within budget provision
 - (iii) That prices and arithmetic are correct and accord with quotations, tenders, contracts or catalogue prices
 - (iv) That discounts have been taken where available
 - (v) The correct accounting treatment of tax

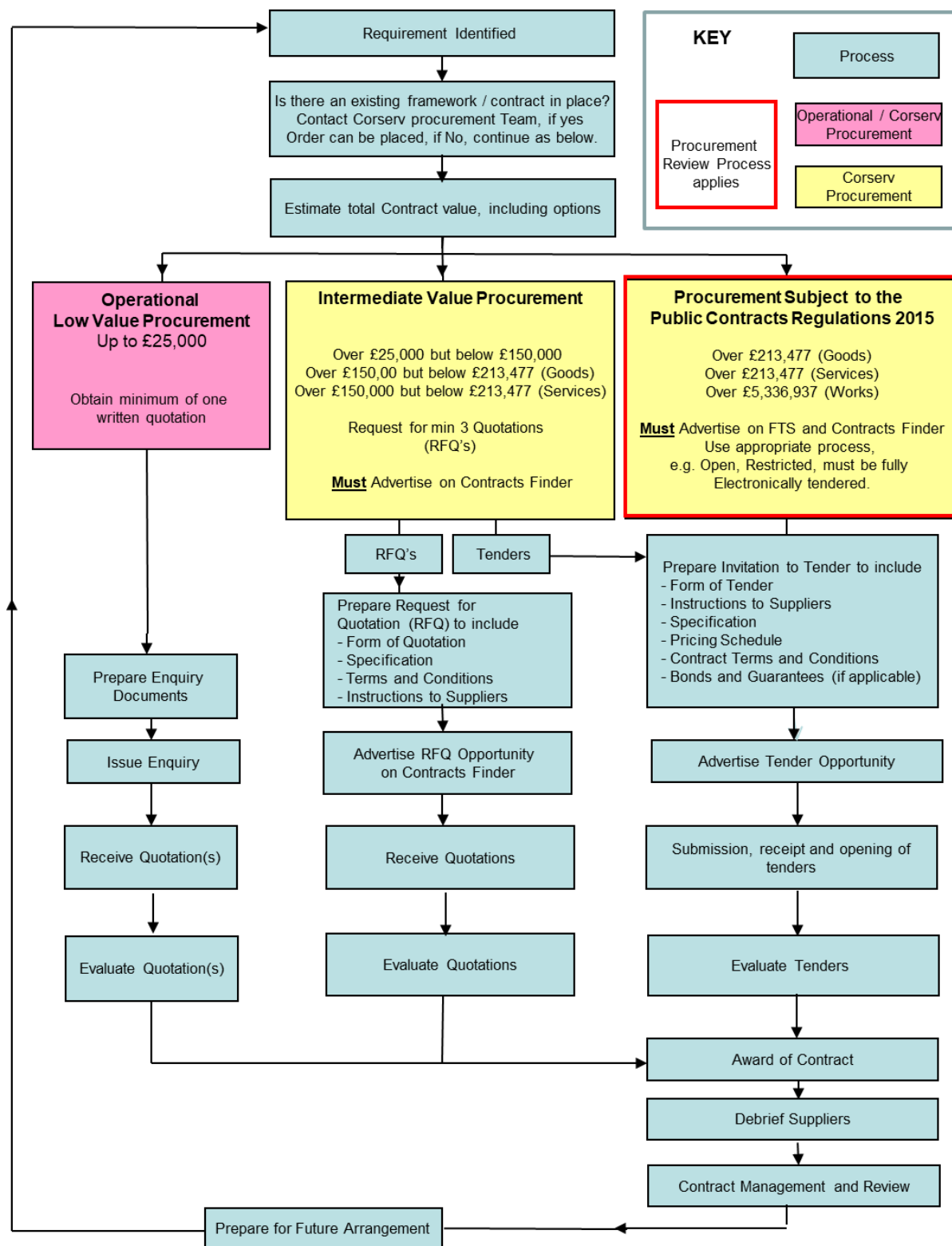
- 2.25. Payments to creditors will be made, as far as possible, within agreed payment terms but relies on the data to be correct and for the purchaser and supplier to adhere to the above steps.
- 2.26. Any invoice in dispute with a supplier must be clearly identified and resolved in a timely manner by the budget holder. Where a dispute escalates, and before legal proceedings commence against CHL, the budget holder must make the Senior Management Team and the Head of Finance and Procurement aware of the dispute with associated details.
- 2.27. It is not permissible to make a payment in advance of the delivery of works, goods or services, or to vary CHL's standard settlement terms, other than with the prior approval of the Director of Resources.
- 2.28. The normal methods of payment by CHL shall be by:
- (i) BACS payments direct into suppliers' bank accounts
 - (ii) Purchase Card (in accordance with CHL's Purchase Card Policy)
- 2.29. The use of direct debits to make payments will require the prior agreement of the Director of Resources.
- 2.30. All appropriate evidence of the transaction and payment documents will be retained and stored in accordance with the document retention policy.

Contracts for construction and alterations to buildings / civil engineering works

- 2.31. The procedures for dealing with contracts for construction and alterations to buildings and for civil engineering works must be agreed with the Budget Holder (in line with limits set out in the Scheme of Delegation – see appendix 1).

This will include procedures for the certification of interim and final payments, checking, recording and authorising payments, for monitoring and controlling capital schemes and the procedures for validation of subcontractors' tax status.

CHL Procurement Procedure Rules - Summary Flow Chart



* To determine value for an ongoing contract, calculate annual value up to intended term. Contact Corserv Procurement for detailed information.

Eff. 01/09/2023

DIVERSITY & INCLUSION

We are committed to treating all people with fairness and respect. We aim to create an inclusive environment where people are treated with dignity, inequalities are challenged, and we anticipate and respond positively to different needs and circumstances to enable individuals to achieve their potential and foster good relations within the communities we serve. We want to be recognised as an organisation delivering fair, inclusive, accessible services and an employer and partner of choice.

When applying this policy, we act sensitively towards the diverse needs of individuals and to reduce discrimination and harassment by making reasonable adjustments such as:

- eliminating discrimination – by providing support to those who need it and information in accessible formats and languages on request.
- tailoring the policy to meet both the specific needs of the individual, including those with additional support needs, and the diverse needs of the wider community.
- advancing equality of opportunity – treating all tenants fairly
- fostering good relationships – listening to customers and responding appropriately
- compliant with all aspects of Equality & Diversity legislation, and specifically the Equality Act 2010.

Contact us:

Email: info@cornwallhousing.org.uk

Telephone: **0300 1234 161**

By letter: **Cornwall Housing, Chy Trevail, Beacon Technology Park, Bodmin, PL31 2FR**
allhousing.org.uk

Alternative formats:

If you would like this information on audio CD, audio tape, Braille, large print, any other format or interpreted in a language other than English, please contact info@cornwallhousing.org.uk

