Policy Name	Procurement Policy
Policy Category	Finance
Policy Number	FI011
Officer Responsible	Chief Executive
Equality Impact Assessment Complete	Yes
Scottish Housing Regulator Standards	1.3
Date to Board	April 2026
Next Review Date	April 2031

1. Introduction and Scope

1.1 The Association's procurement arrangements support delivery of its mission and strategic objectives by ensuring value for money, quality outcomes, sustainability, effective governance and long-term financial viability.

1.2 This Policy sets out the framework by which the Association undertakes the procurement of goods, services and works. Procurement is defined as the end-to-end process of acquiring goods, services or works, from identification of need through to contract management and end of contract review.

1.3 The Policy applies to all procurement activity undertaken by the Association, regardless of value, and is designed to ensure that procurement activity:

- Delivers value for money on a whole-life basis
- Is transparent, fair and proportionate
- Complies with relevant legislation
- Supports the Association's objectives for sustainability, equality and good governance.

1.4 **Funded and Part-Funded Projects** – all projects that are fully or partially funded by external sources (including grants, contributions or partnership arrangements) will be subject to the same procurement requirements as those fully funded by the association. The total value of the contract will determine the procurement route, and external funding conditions will not override the Associations procurement policy or regulatory obligations. Such projects will be approved in line with the association's governance framework and, where required, will be presented separately to the Board for Approval.

1.5 This Policy also provides the framework for procurement undertaken by the Association's wholly-owned subsidiaries. Where a subsidiary is not a contracting authority for the purposes of procurement legislation, this Policy is applied as a matter of good governance and proportionality.

2. Legislative and Regulatory Framework

2.1 The Association is a contracting authority and will comply with all relevant procurement legislation, including:

- The Procurement Reform (Scotland) Act 2014
- The Public Contracts (Scotland) Regulations 2015
- The Procurement (Scotland) Regulations 2016.

2.2 Procurement routes and requirements are determined by the estimated total value of the contract over its full term, including any extensions or foreseeable repeat spend. Contracts must not be artificially disaggregated to avoid regulation.

2.3 In accordance with Section 15 of the Procurement Reform (Scotland) Act 2014, the Association will review its regulated procurement activity annually to determine whether the statutory threshold for a Procurement Strategy has been met. Where the Association expects to incur £5 million or more of regulated procurement spend within a financial year, a Procurement Strategy will be prepared and published, and an Annual Procurement Report will be prepared in line with legislative requirements. Where the threshold is not met, the Association will prepare an Annual Procurement Report where required by legislation and will not maintain a separate Procurement Strategy, relying instead on this Policy and supporting Procurement Guidance to meet statutory obligations.

3. Procurement Principles

3.1 All procurement activity will be guided by the following principles:

- **Value for Money:** Achieving the optimum balance of cost, quality and benefit over the whole life of the contract
- **Proportionality:** Applying controls, documentation and assessment appropriate to the value and risk of the procurement
- **Transparency and Fairness:** Treating suppliers equally and maintaining a clear audit trail
- **Sustainable Procurement:** Considering how procurement can improve economic, social and environmental wellbeing
- **Fair Work First:** Promoting fair, inclusive and safe working practices in a proportionate manner
- **SME and Third-Sector Access:** Facilitating fair access to procurement opportunities where appropriate.

4. Governance and Responsibilities

4.1 The Board is responsible for approving this Policy and for providing strategic oversight of procurement governance.

4.2 The Senior Management Team is responsible for ensuring that procurement activity is undertaken in accordance with this Policy and that appropriate controls are in place.

4.3 The Finance Manager has overall accountability for procurement compliance, including:

- Ensuring appropriate procurement routes are followed
- Maintaining oversight of regulated and non-regulated procurement
- Preparing the Annual Procurement Report where required.

4.4 Budget holders are responsible for identifying procurement needs, ensuring value for money, and complying with this Policy and associated guidance.

4.5 Where external consultants or agents are engaged to support procurement activity (including development-related procurement), the Association retains accountability for compliance, decision-making and assurance.

4.6 Roles and responsibilities for procurement activity are further detailed in the Association's Procurement Guidance, including the RACI model.

5. Regulated and Non-Regulated Procurement

5.1 Procurement activity is categorised as regulated or non-regulated in accordance with statutory thresholds.

5.2 Regulated procurement will be advertised and managed in compliance with legislative requirements, including publication on Public Contracts Scotland where applicable.

5.3 Non-regulated procurement will be undertaken in accordance with the Association's internal thresholds and procedures, applying proportionate competition and documentation.

5.4 Detailed process maps, thresholds and procedural requirements are set out in the Procurement Guidance.

6. Sustainable Procurement, Fair Work and Community Benefit

6.1 The Association will comply with the Sustainable Procurement Duty and will consider, in a proportionate manner:

- Environmental wellbeing
- Social wellbeing
- Economic wellbeing
- Opportunities for SMEs, third-sector bodies and supported businesses
- Innovation.

6.2 For higher-value or higher-risk procurement, sustainability considerations will be assessed in more detail, including life-cycle impact and measurable outcomes.

6.3 Fair Work First principles will be considered proportionately in procurement activity. Suppliers will not be unfairly excluded, but positive fair work practices may be taken into account in evaluation where appropriate.

6.4 Community benefits will be considered where relevant and proportionate to the nature and value of the contract.

7. Evaluation and Award

7.1 Contract awards will be based on transparent and objective evaluation criteria, which may include cost, quality and sustainability considerations.

7.2 Evaluation approaches and scoring methodologies will be determined in advance and documented.

7.3 Procurement Guidance provides further detail on evaluation tools, including balanced scorecards and proportional assessment models.

8. Contract Management and Supplier Performance

8.1 All contracts will be actively managed to ensure delivery of agreed outcomes, value for money and compliance with contractual requirements.

8.2 Supplier performance will be reviewed on a proportionate basis, taking account of contract value, risk and criticality.

8.3 Lessons learned from contract delivery will be used to inform future procurement activity.

9. Reporting, Assurance and Compliance

9.1 The Association will maintain appropriate records to evidence compliance with this Policy and procurement legislation.

9.2 An Annual Procurement Report will be prepared where required by legislation and will summarise regulated procurement activity, application of the sustainable procurement duty, and engagement with SMEs and third-sector bodies.

9.3 Procurement activity may be subject to internal or external audit and external assessment, including Scotland Excel.

10. Equality, Diversity, and Inclusion

The Association is committed to promoting positive measures that eliminate all forms of unlawful or unfair discrimination on the grounds of age, disability, gender reassignment, marriage & civil partnership, pregnancy & maternity, race, religion or belief, sex, sexual orientation. Our aim as landlord, service provider and employer is to recognise the needs of individuals, and ensure these commitments are evident through every aspect of our business and our activities.

The Association assesses and reviews all new and revised policies and procedures and an Equality Impact assessment for this policy is available.

We are committed to removing any barriers to communication. Therefore, if required this Policy can be produced in another format e.g. braille, large print, etc. In addition, where English is not the employee's first language, the Association will provide on request written information in the first language.

10. Review and Continuous Improvement

10.1 This Policy will be reviewed every five years in line with the Association's policy review cycle, or earlier where required due to changes in legislation, regulation or organisational requirements.

10.2 Supporting Procurement Guidance may be updated more frequently to reflect changes in best practice or operational arrangements.

Appendix A – Procurement Guidance (Referenced)

The following documents support implementation of this Policy and may be updated independently of the Policy:

- Sustainable Procurement Process Maps (regulated and non-regulated spend)
- RACI – Sustainable Procurement Roles and Responsibilities
- Non-Regulated Spend Flowchart
- Sustainability Risk / Impact Scoring Tool
- Sustainability Test Guidance
- Balanced Scorecard – Transparent Decision-Making
- Supplier Performance Review Template