



Your Homes
Newcastle

English	This information is about Your Homes Newcastle, who are responsible for managing council homes on behalf of Newcastle City Council, and how we are doing. If you need this in your language, or a different language phone 0191 278 8633.
Bengali	এই তথ্য হল ইউর হোমস নিউক্যাসল সমন্ধে। এবং আমরা কিভাবে দায়িত্ব পালন করছি সে সমন্ধে। ইউর হোমস নিউক্যাসল, নিউক্যাসল সিটি কাউন্সিলের পক্ষে কাউন্সিলের ঘর বাড়ী ব্যবস্থাপনার দায়িত্বপ্রাপ্ত। এই তথ্য যদি <বাংলায়> অথবা অন্য কোন ভাষায় প্রয়োজন হয় তাহলে এই নাম্বারে ফোন করুন- ০১৯১ ২৭৮ ৮৬৩৩
Chinese	这是有关代表纽卡斯尔市政府（Newcastle City Council）负责管理市政房屋的 Your Homes Newcastle（您的纽卡斯尔住房）组织的信息，内容解释了我们是如何运作。如果您需要此信息的普通话版本或其它语言版本，请致电 0191 278 8633 索取。
Farsi	این اطلاعات درباره سازمان «خانه‌های شما در نیوکاسل» و عملکرد آن است. این سازمان از سوی شهرداری نیوکاسل، مسئولیت اداره خانه‌های دولتی را به عهده دارد. در صورت نیاز به این اطلاعات به زبان فارسی یا زبان‌های دیگر با شماره تلفن ۰۱۹۱۲۷۸۸۶۳۳ تماس بگیرید.
French	Ces informations concernent Your Homes Newcastle : qui est chargé de gérer les logements sociaux au nom de la municipalité de Newcastle et comment nous procédons. Si vous avez besoin de ces informations en français ou dans une autre langue, téléphonez au : 0191 278 8633.
Kurdish	ئەم زانیاریانە سەبارەت بە Your Homes Newcastle و چۆنیەتی کارکردنەکیه که له لایەن شۆرای شاری نیوکاسیلەوه ئەرکی ئەوەی پێدراوه که خانووکانی شۆرای شار بەرپۆه‌بەرایەتی بکات. ئەگەر حەزتان لە وەرگرتنی ئەم زانیاریانە بە زمانی کوردی یا هەر زمانیکی دیکە هەیه بە ژمارە تیلیفۆنی 0191 278 8633 پێوهندی بکرن.
Portuguese	Esta informação refere-se à <i>Your Homes Newcastle</i> , a organização responsável pela gestão da habitação social em nome do Município de Newcastle, e a nossa situação actual. Se precisar desta informação em <português> ou noutra língua, queira ligar para o 0191 278 8633.
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Spanish	Ésta es información sobre Your Homes de Newcastle, que es la responsable de gestionar las viviendas municipales en nombre del Ayuntamiento de Newcastle, y sobre nuestra manera de hacerlo. Si necesita esta información en español o en otro idioma, llame al 0191 278 8633.

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Other useful resources

Office of Government Commerce www.ogc.gov.uk

North Eastern Purchasing Organisation www.nepoportal.org

Procurement for Housing www.procurementforhousing.co.uk

Audit Commission www.audit-commission.gov.uk

Communities & Local Government www.communities.gov.uk

Government Equalities Office www.equalities.gov.uk

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1. Introduction

This strategy has been developed to ensure that an effective and consistent approach to procurement is taken across Your Homes Newcastle. It has been informed and influenced by a number of factors.

- Review of Procurement;
- Value for Money; and
- Newcastle City Council's Corporate Procurement Strategy
- Internal Audit of Procurement Systems and Procedures.

Our first Corporate Procurement Strategy was approved by Your Homes Newcastle's (YHN) Board in 2004, with updates in December 2007, June 2009 and October 2010. During this time significant progress has been made in the development of the procurement function and its role in delivering efficiency savings and increased Value for Money across the organisation. Key achievements/developments include:

- Completion of a number of major procurements including
 - Modern Homes programme framework
 - Repairs and Maintenance
 - Developer Framework
 - Painting Programme
 - Furniture Service Supply Framework
- Creation of a dedicated procurement team
- Implementation of contract database
- Implementation of e-tendering system
- Generation of procurement savings through:
 - Increased membership of consortia and the use of framework agreements
 - Greater use of corporate contracts in conjunction with Newcastle City Council
 - Aggregation of spend to improve purchasing power
 - More effective control of our needs and the specifications which has minimised contractor price rises
 - Regulation of contract extensions.

Procurement savings identified include:

- Decent Homes Programme £25m over 5 years
- Painting Programme £0.8m over 4 years
- Minor Works £1.2m over 3 years
- Printing framework £70k over 2 years
- Cherry Picker purchase £130k over 3 years
- District Heat Meters phase 2 £100k
- Removal Services £80k over 2 years
- Mobile Phone £58k over 4 years

1.1 Scope of the strategy

The strategy covers the procurement of all works, goods and services undertaken by our organisation and has been updated to take us to the next formal review in July 2014.

The strategy is complemented by a suite of policies, processes and toolkits which can be found in the appendices.

1.2 Purpose of the strategy

The purpose of our Corporate Procurement Strategy (CPS) is to set out the vision and strategic aims which direct and govern our procurement activities. This document also outlines the policies, toolkits and processes that we use to deliver the strategy, together with an action plan setting out our overall “direction of travel” and specific actions to achieve our strategic aims.

This strategy recognises the important contribution effective procurement makes to the delivery of strategic objectives. Through the implementation of this strategy YHN will ensure that each service, including the goods and services we need to operate effectively, is delivered from the most appropriate and economically advantageous source ensuring equal opportunity of access and positive outcomes for all sections of the community.

1.3 Links with our organisational mission and strategic objectives

Our procurement strategy is intended to contribute towards our organisational mission and strategic objectives.

The mission for YHN is:-

To be the best housing provider in the North East.

Which we will achieve by investing in:

- **S**upport and care to communities
- **T**hree star excellent services
- **A** quality workforce
- **R**efurbishing and building homes

1.4 Our core values

In November 2009, following consultation with staff, Board and customers, our new core values were agreed. They are:

- **Accountability** – acting openly and taking responsibility
- **Integrity** – acting fairly and honestly
- **Passion** – working positively with enthusiasm
- **Respect** – treating everyone with care and professionalism
- **Forward thinking** – proactively seeking improvements and solutions

Our core values are at the heart of the business, and are the principles and standards that influence the way we work and behave. They make a difference by giving us a sense of pride and belonging at work, and show we care and are committed to people and the work we do. Our core values are what will help us to achieve our organisational objectives and will be applied throughout all of our procurement activity.

2. Our Vision for Procurement at YHN

Our vision for procurement at YHN is to:-

To ensure that effective procurement positively contributes to YHN's strategic objectives and service improvements through the implementation of best practice and innovative working practices in a structured, coordinated and socially responsible way.

This vision will help ensure that we:

- Contribute to delivering YHN's strategic objectives
- Help to deliver value for money and improvements in service delivery arrangements
- plan and undertake procurements in a structured, controlled and co-ordinated way
- Contribute to delivery of the budget, medium term plan and our Value for Money Strategy
- Utilise and exploit technology to improve services and generate efficiencies
- Establish and develop collaborative opportunities, partnerships and new and more effective ways of working
- Award contracts that are non discriminatory and promote equality of opportunity

3. Background

3.1 What do we mean by procurement?

Procurement is the process by which we obtain goods, services and works.

Procurement is more than just purchasing. The procurement process covers a full lifecycle of activities starting with the identification of needs, through to evaluation, purchasing and contract management.

Procurement can range from the day to day purchasing of commodities to purchasing key strategic items (such as large capital assets), commissioning a service or buying an entire service. Goods and services can be provided by internal or external providers and there are a number of different models for provision of services, such as private finance initiatives and public private partnerships.

3.2 Why is procurement important?

All of our services involve procurement. There is a direct link between good procurement and the delivery of high quality and cost effective services to our customers.

Effective procurement has also and continues to be at the heart of the Government's drive to improve public spending efficiencies. Much of this has been centred round how the public sector can improve its practices to ensure that they achieve better value for money and realise wider social and environmental benefits.

4. Context

4.1 The national and local context

The development of this strategy has been informed by a number of national and local drivers, a summary of which is provided in the tables below:

National drivers
<ul style="list-style-type: none">• The National Procurement Strategy - sets out a framework for all public bodies to develop a strategic approach to procurement.• The Tenant Services Authority (TSA) – the TSA's regulatory framework sets out how they expect us to embed a set of processes which make sure we involve and are accountable to our tenants, this includes procurement and commissioning.• EU procurement legislation - sets out the legal requirements for free trade, open and fair competition, non discrimination, equality and transparency in procurement and commissioning• The Audit Commission's Better Buys Report - sets out five recommendations to improve social sector procurement efficiencies• The Regional Centres of Excellence (RCEs) - have placed joint working on procurement high on their agenda.• Procurement consortia – several local and national procurement consortia for the social housing sector have been established to reduce costs and improve quality through collective purchasing.• Single Equality Act - sees the procurement function as pivotal in driving

through the equality and diversity agenda.

- **The Social Housing Equality Framework** – is a performance improvement and benchmarking tool aimed at helping local government to mainstream and embed equality and diversity across all work areas, including procurement.
- **Comprehensive Spending Review (CSR) 2010** – Announced by the Chancellor in October 2010 this covers the period 2011-12 to 2014-15 and aligns the allocation of public resources with the Government's overall objectives as set out in the Coalition Agreement. These prioritise spending that promotes long term economic growth, introducing structural reforms to enable a private sector led recovery and building a low carbon economy; and fairness and social mobility, providing sustained routes out of poverty for the poorest. These priorities are underpinned by radical reform of public services to build the 'Big Society' where everyone plays their part, shifting power away from central government to the local level as well as getting the best possible value for taxpayers' money.
- **The Homes and Communities Agency (HCA)** is instrumental in driving forward employment and training initiatives and securing increased value for money through procurement, as part of its Affordable Homes Programme.
- **The Government's Construction Strategy** – is set to reform the way in which government procures construction across all sectors, and in doing so will, it is hoped, reduce costs by up to 20% by the end of this parliament.
- **The Governments Sustainable Procurement Action Plan "Procuring the Future"** - developed by the Sustainable Procurement Task Force to help overcome barriers to sustainable procurement as part of the Governments Sustainable Development Strategy goal of making the UK a leader in the EU in sustainable procurement.

Local context

Newcastle City Council Procurement Strategy

As a wholly owned subsidiary of Newcastle City Council YHN's procurement strategy supports and underpins the Cities strategic objectives and goals.

YHN Business Strategy (2009-2014)

Our business strategy sets our medium term goals over the next few years. It provides our organisation and customers with an overview of our direction.

This procurement strategy underpins our business strategy as we recognise that effective and efficient procurement is fundamental to the on-going success of our organisation.

YHN Delivery Plan (2011-2012)

This strategy will contribute towards achieving the following corporate objectives as set out in the 2011-2012 Delivery Plan:

- **Support and Care to communities.**
- **Three Star Excellent Services.**
- **A Quality Workforce.**
- **Refurbishing and building homes.**

YHN Finance Strategy

Our new Finance Strategy is currently being developed and will set out the financial methods required to enable us to deliver our Business Strategy. It will enable us to sustain a healthy financial position which will ultimately allow us to continue to provide excellent services for our customers. The Procurement Strategy underpins this strategy.

YHN Value for Money Strategy (2010 – 2014)

Value for money is a requirement for any successful organisation as it enables the delivery of high quality services, provides more choice and ensures needs and priorities are met. Successfully embracing value for money will enable us to provide better homes, better services and contribute towards better neighbourhoods.

Our VFM Strategy is overarching and outlines how we will deliver value for money to all our customers, stakeholders and partners through optimising the efficiency and effectiveness of all our in house and external services. As a key contributor to value for money, this Procurement Strategy specifically addresses our strategic approach to improving our current procurement processes.

Risk Management Strategy (2010-2012)

Our Risk Management Strategy sets out:

- Our understanding of risk and risk management
- Our commitment to implement an effective risk management framework
- Our approach to analysing risks and how we embed risk management
- Clear roles and responsibilities in the process of risk management
- Clear monitoring procedures at a strategic, divisional and service level.

An integrated risk management strategy is central to effective governance and is considered a fundamental aspect of successful procurement management.

Environmental Sustainability Strategy (2011 – 2013)

Our Environmental Sustainability Strategy sets out our vision to be a regional leader on environmental sustainability and demonstrates our commitment to “green procurement” through reducing the environmental impact of our business activities and providing good quality, energy efficient homes for our tenants.

The Corporate Procurement Strategy underpins this vision and outlines our commitment to sustainable procurement by adopting an effective and consistent approach to ensure that environmental issues are considered at all stages of the procurement process.

YHN Skills to Work Strategy (2011 – 2014)

Our Skills to Work Strategy sets out how we will create opportunities that enable our tenants and residents to improve their employability, become financially independent and move away from benefit dependency. The four key priorities within the strategy are:

- Continuing to embed tackling worklessness into our organisational culture.
- Working in partnership we will improve access to pre-employment information and support.
- Improving the employability of residents and local people.
- Getting people into work.

We recognise the potential to create jobs or training opportunities with procurement partners and the two strategies have been closely aligned to reflect this.

Corporate Equality Plan (2011 - 2014)

This is YHN’s overarching document outlining our strategic approach to promoting our equality and diversity agenda. It includes actions on removing barriers to accessing services and further embedding equality and diversity throughout the organisation.

Community Cohesion Strategy

This strategy builds upon the existing work and initiatives that we currently have in place that demonstrates our approach to community cohesion. The central aims of the strategy for YHN are to promote wider understanding of community cohesion across all of YHN’s business areas, ensuring that in all our business activities we promote the concepts of inclusivity and fairness across the range of services and opportunities we provide.

5. Our Strategic priorities and aims

To achieve our vision for procurement at YHN we have identified four strategic priorities which are underpinned by a number of aims.

5.1 Priority 1- Ensuring efficiency and effectiveness

5.1.1 Efficiency and value for money

We will use the “four Cs” - challenge, compare, compete and consult - to deliver best value across all of our services.

We will ensure that efficiency and value for money is delivered across all aspects of procurement in YHN including:

- In-house service reviews;
- Service Level Agreement Reviews;
- Major projects; and
- All other Corporate procurements

We will focus on identifying efficiencies and delivering value for money throughout the procurement process. For example, options appraisal is the stage of the process that requires the most detailed work and innovative thought about service provision. It is critical that the appraisal is based on firm foundations of service definition and market intelligence.

We will ensure that external consultants will only be used when necessary and in accordance with our guidelines and Financial Regulations.

Please refer to Appendix 10 and 22 for details on the options appraisal toolkit and use of consultants

5.1.2 Doing business electronically

We are committed to e-procurement - doing business electronically. We will use information and communications technology to improve accessibility and the efficiency and effectiveness of our activities.

We will also encourage our partners and suppliers to do business electronically to reduce costs and improve communication.

Please refer to Appendix 15 for our e-procurement policy

5.1.3 Effective governance and democratic accountability

We will establish strong and effective governance. Finance and Resources Committee will play a key role in implementing, developing and monitoring the

Corporate Procurement Strategy and all related policies. Our governance arrangements are illustrated and explained in Appendix 2.

We will regularly report on progress and evaluate the effectiveness of this strategy. This will contribute to continuous improvement in all aspects of our procurement practices.

Our policies on communication and engagement with all stakeholders (service users, customers, communities, trade unions, staff and suppliers) will contribute to the transparency and accountability of the procurement process.

These policies are attached at Appendix 18 and Appendix 19.

We recognise the importance of managing risks in relation to bribery, fraud and corruption. A breach of YHN's procurement procedure rules may result in significant consequences for the individual.

Please refer to Appendix 23 for details of our fraud and corruption policy

5.1.4 Standards and controls

We will ensure that all of our procurements comply with legal requirements and regulations. Our procurement practices must also meet YHN's corporate values and high standards of ethics and good stewardship. Some of the key standards and controls which are relevant to procurement are summarised below:

Procurement law and the regulatory framework

Procurement is governed by a number of legislative and regulatory sources. The Assistant Chief Executive and Director of Business provides guidance to the Finance and Resources Committee as necessary on appropriate legislation and legislative processes. The Assistant Chief Executive and Director of Business will draw on the Service Level Agreement with Newcastle City Council's Legal Services to provide guidance if required

Please refer to Appendix 4 for a list of currently applicable legislation

Financial regulations

YHN is governed by Financial Regulations. Financial Regulation 8 governs 'Procurement and Contracts';

A summary of Financial Regulation 8 is attached at Appendix 5 together with two key diagrams providing guidance on the process, financial thresholds and documentation requirements. A full copy of the Financial Regulations is available on request.

Whistleblowing

We are committed to the highest possible standards of openness, probity and accountability. We encourage and expect employees and other people we deal with, to come forward if they have concerns about any aspect of our work.

Our Whistleblowing Policy has been put in place to encourage the raising of concerns without fear of victimisation, subsequent discrimination or disadvantage. The policy applies to all employees and those contractors working for us, for example agency staff, builders and sub contractors. It also covers suppliers and those providing service under a contract with us in their own premises. The Whistleblowing Policy is reflected where appropriate in our procurement documentation; and a copy of our can be located at:

http://www.yhn.org.uk/about_us/strategies,_plans_and_reports.aspx

Health and Safety

We are committed to providing a safe and healthy work place and work environment for all of our employees, contractors and suppliers. This commitment forms part of our corporate health and safety policies but we will also consider health and safety issues when qualifying contractors and suppliers with whom we may do business. Relevant health and safety issues will form part of the contract documentation.

5.1.5 Risk management

We are committed to a risk-based approach to all aspects of the procurement of goods, works and services.

One aspect of risk management is evaluating and determining the capabilities of suppliers and contractors with whom we may do business. We will achieve this by:

- Building pre-qualification into the procurement process for contracts in accordance with our Financial Regulations;
- Pre-qualifying all contractors and suppliers with whom we have framework arrangements or who form part of any standing list we may operate; and
- Monitoring performance / key outcomes of contractors.

Risk management is built into our procurement processes from options appraisal through to procurement and contract management.

Please refer to Appendix 16 for further details of our risk management approach.

5.1.6 Performance management

We will establish and develop a culture of performance management within procurement. This will incorporate mechanisms for monitoring and reporting progress, and a drive for continuous improvement.

Evaluation of the options appraisal and procurement processes is important to draw on the lessons learnt and to feed these into future appraisal and procurement best practice. Performance management will include:

- Regular reporting to the Assistant Chief Executive and Director of Business and Finance and Resources Committee during the appraisal and procurement processes;
- Performance Indicators as a driver for procurements; and
- All contracts and Service Improvement Plans will be subject to YHN's performance management and monitoring regimes.

Performance standards will be built into all contracts as appropriate. Failing contracts will be identified as early as possible and a range of actions will be considered.

Please refer to Appendix 21 for our policy on failing contracts

It is vitally important that all contracts awarded by the council, irrespective of value, are managed whilst in operation. This is to ensure that the contract is working well in practice and is delivering the planned benefits.

Please refer to Appendix 24 for details of our approach to managing contract performance.

Quality assurance will be carried out through the Gateway Review Process. The Office of Government and Commerce (OGC) developed the Gateway Process for government departments to provide a method of managing a project at critical stages in its lifecycle to provide assurance (with supporting evidence) that the project can proceed to the next stage. Within the process are review/hold points known as Gates. These allow an independent assessment of the progress and robustness of the project, measured against the required outcomes. The process ensures control of expenditure and assists with resource planning, financial planning and financial forecasting. It allows for identification and management of risk during the life of a project. Gateway is designed for projects that procure services, construction, property, IT enabled business changing projects and procurements utilising framework contracts.

This principle has been incorporated into our corporate procurement process and assists in the achievement of the strategy for project delivery by ensuring that:

- All relevant stakeholders fully understand the project status and issues

- involved.
- The best available skills and experience are deployed on the project.
- The project is 'on target' with regard to cost, risk management and programme dependencies

Please refer to Appendix 9 for our corporate procurement process

5.1.7 Training and development

We will take a structured and co-ordinated approach to education, training and development for all officers with procurement responsibilities across YHN.

Relevant policies, toolkits and guidelines will be easily accessible for all members of staff. This information will be maintained and updated as necessary.

5.2 Priority 2- Social responsibility

5.2.1 Sustainability (social, economic and environmental)

Sustainable procurement has been defined, by the Government's Sustainable Procurement Task Force, as "a process whereby organisations meet their needs for goods, works and services including utilities, in a way that achieves value for money on a whole life costing basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment".

We are committed to sustainable procurement by ensuring that social, economic and environmental issues are considered during all stages of a procurement process and as part of the whole life cost of a contract. We will achieve this by ensuring that sustainability considerations are embedded within our procurement processes and by promoting good practices with those with whom we do business.

We are also determined to improve community well-being, in both the local and regional economies by encouraging local purchasing of goods and services and creating local employment and training opportunities.. Including where appropriate adopting provision under Article 19 of the public sector procurement directive to reserve contracts for supported factories and businesses.

Further information on our approach to reserved contracts can be found in Appendix 27

We are also determined to ensure through our commitment to "Green procurement" that our procurement activities and those of our suppliers have minimal detrimental effects on the environment and have a positive influence

on whether YHN achieves its environmental sustainability aims.

Green procurement is not limited to recycled paper but covers most areas of business activity including construction, furniture, IT equipment and transport. By making informed choices about the products we buy, we will make a real difference to the environment.

Through Green procurement products and services that minimise environmental impacts will be selected. We will also utilise YHN's purchasing power to promote productive use of resources and materials. This will mean integrating environmental considerations into all stages of the purchasing process; from avoiding unnecessary purchases and identifying greener products, to the specifications used for contracts and whole life costing.

Green products are made or operate in a way that:

- Uses fewer natural resources
- Contains fewer hazardous or toxic materials
- Has a longer life span
- Consumes less energy or water in production or use
- Can be reused or recycled on disposal
- Generates less waste, for example by being made from recycled materials, using less packaging or being recycled by the supplier.

We will reduce the negative effect on the environment of the products and services that we buy, by considering the effect of our decisions and by working with suppliers where appropriate, to ensure they have a similar commitment.

Further information on our Sustainable Procurement Policy can be found in Appendices 28.

5.2.2 Equality and Diversity

We strongly support equal opportunity, equal access and positive outcomes for all sections of the community when procuring goods, works and services. We aim to ensure that organisations which provide these on our behalf comply with equality legislation and promote equality of opportunity.

We will achieve this by ensuring that equality issues and benefits are factored early into the planning process for all procurements.

Please refer to Appendix 6 for further information on our approach to addressing equality and diversity.

5.2.3 Fair Trade

Fair Trade is an organised social movement and market-based approach that aims to help producers in developing countries and promote sustainability. It

advocates the payment of a fair price, as well as social and environmental standards, in areas related to the production of a wide variety of goods. Fair Trade's strategic intent is to work with marginalised producers and workers in order to help them move towards economic self-sufficiency and stability.

Products from developing countries are often sold at prices that do not afford their producers a decent standard of living. 'Fair Trade' aims to alleviate poverty and "humanises" the trade process by making the producer-consumer chain as short as possible so that consumers become aware of the culture, identity and conditions in which producers live.

Newcastle has been a "Fair Trade City" since February 2003. YHN are committed to increasing the awareness of Fair Trade throughout the City and (where appropriate) to explore the scope for procuring Fair Trade products.

5.2.4 Fair employment

A skilled and competitive workforce is a vital component of YHN's ability to respond to the rapidly changing public sector environment. We value our staff and give training and development a high priority.

We recognise that service reviews and major project procurements may result in a change in the way services are supplied – for example, a private public partnership or a form of outsourcing. This could result in staff transferring to another employer (in line with Government policy). We will seek to minimise the negative impact of the procurement process by proper and systematic consultation. This should also minimise unexpected decisions. We will consider applying all aspects of the Government's Code of Practice on Workforce Matters in Local Authority Service Contracts subject to the possible effect on value for money, core objectives or service procurement.

Our commitments relating to fair employment are set out in Appendix 17.

5.3 Priority 3- Community focused procurement

5.3.1 Focus on service needs

It is important that the needs of service users are fully analysed and considered during any procurement process. This analysis must take account of the current level of met and unmet needs and how this may change in the future.

The needs of socially excluded groups and equality groups, as detailed in the Equality Act, must be fully documented and taken into account during the procurement process.

5.3.2 Community and customer engagement

We are committed to listening and talking to our communities and customers about what they want. Our values and overall strategy are set out in the Customer Involvement Strategy. The views of customer and community representatives should be sought as appropriate during procurements.

The regulator for social housing, requires housing providers to agree, locally with their tenants, arrangements for involving them in all aspects of the management of their housing. This includes procurement of services where it is appropriate. From 1 April 2011, local arrangements will be in place between YHN and tenants agreeing how they will be involved. These arrangements will be supported by local offers which are reviewed annually in partnership with tenants on an annual basis.

Where it is appropriate to involve customers in procurement, service users and community organisations will play a key role in options appraisals in connection with key services and regeneration projects where their involvement is an essential part of the public policy making process.

Service users, community organisations and trade union representatives will be consulted if any 'deconstruction' of a service is under examination for outsourcing, in order to assess the detailed implications.

Our policies and procedures in relation to stakeholder engagement are set out in Appendix 19.

5.3.3 Regeneration

The contribution to service provision made by small and medium-sized enterprises (SMEs), social enterprises (SEs), voluntary and community-sector suppliers, black minority ethnic groups (BMEs) is highly valued by YHN. We are committed to working with a diverse range of suppliers to ensure that they are given every opportunity to understand YHN's requirements and gear themselves up for procurement opportunities.

YHN is committed to improving community well-being both in the local and regional economies by encouraging local purchasing of goods and services and creating local employment and training opportunities.

We recognise the potential to use the jobs created as part of procurement contracts to help our customers improve their employability and get into work. We will be amending the procurement/new build tender application process so that, where appropriate, all tendering contractors are required to outline how they intend to support the objectives set out within our Skills to Work Strategy and support our employability agenda by offering opportunities for YHN tenants. When a contract is awarded we will work with the contractor to help fulfil these commitments.

Community benefit requirements can be included in contracts that are below

EU Public Procurement Thresholds and can be a factor in the selection and award of the contract. This is only applicable where non-local contractors are not disadvantaged and these contracts comply with the Government's procurement policy.

Where procurements are above the EU Public Procurement Thresholds, community benefits can be included and can be used in the selection and award procedures provided that each of the following tests are met:-

- They are related to the subject of the contract;
- They are mentioned in contract notices;
- They do not disadvantage non-local contractors;
- They are supported by the powers and policies of YHN and Newcastle City Council
- They provide a 'measurable benefit' to YHN.

We recognise that community cohesion is of particular relevance because regeneration, through procurement, is a key driver to improving this.

Here at YHN we see engaging with the local community as crucial to the success of any regeneration project and it's through this that community cohesion issues can be identified early on.

Our aim is to build homes that offer a physically-integrated mix of housing tenures, with a range of adaptable house types and sizes and a good quality, well-designed housing stock with regular, ongoing investment.

Please refer to YHN's Community Cohesion Strategy for further information on our approach to addressing community cohesion. The strategy can be viewed on our website www.yhn.org.uk

5.4 Priority 4- Partnering and collaboration

5.4.1 Constructive partnerships

We recognise the importance of joint working through partnerships as a way of delivering:-

- More efficient ways of working;
- More cost effective ways of working
- New and better models of delivery

A number of partnerships already exist within YHN. We are committed to challenging and improving these whilst also exploring new opportunities with other local authorities and public sector bodies, private and voluntary sector organisations and with central government.

5.4.2 Innovative collaboration

Innovative collaboration is about dismantling traditional ways of thinking about and managing procurement relationships. We are committed to exploring new ways of working with our partners and other organisations.

YHN has relationships with a number of organisations with whom collaboration can create efficiencies and unlock value for money, with selection based on the fit of the procured framework with our procurement requirements and if applicable the benchmarking of frameworks to establish which provides best value for money. Such organisations include:-

North Eastern Purchasing Organisation (NEPO)

We are part of a purchasing and contracting consortium, the North Eastern Purchasing Organisation (NEPO) which sets contracts for common purchases on behalf of its constituent authorities:-

- All 5 Tyne & Wear councils;
- Hartlepool;
- Stockton;
- Northumberland;
- Middlesbrough;
- Redcar and Cleveland;
- Durham County
- Darlington
- 13 other associate members

The contracts set by NEPO are fully compliant with the appropriate Financial Regulations and EU Legislation. Constituent authorities benefit by pooling the resources of a group of professional purchasing officers situated in the North East and from their general knowledge and expertise in purchasing matters. The Consortium is currently investigating potential savings that can be achieved within the wide variety of market places.

HouseMark

We are a member of HouseMark, which is a joint venture by the Chartered Institute of Housing (CIH) and the National Housing Federation (NHF). HouseMark provide a number of services to social landlords including:-

- Benchmarking;
- Performance improvement clubs; and
- Good practice.

Procurement for Housing (PFH)

We are a member of Procurement for Housing (PFH). PFH is a purchasing organisation for the social housing sector and is supported by The National

Housing Federation (NHF) and the Chartered Institute of Housing (CIH). All PFH deals are EU compliant and are awarded Agreements through the EU tendering process via the Official Journal of the European Union (OJEU).

NE Procurement

We are a member of NE Procurement Ltd which is a company limited by guarantee i.e. not for profit. It is a consortium of social housing providers with stock in the North East of England that was established through the National Change Agency Housing Programme. NE Procurement aims to deliver sustainable efficiencies, and enable the provision of social and community benefits to all of its member organisations through collaborative procurement and related strategies. As a consortium, NE Procurement will leverage their volume and expenditure in order to achieve this.

Members of North East Procurement include:-

- YHN
- Coast and Country (Redcar and Cleveland stock transfer RSL)
- Three Rivers Housing
- South Tyneside Homes
- Dale and Valley Housing (Wear Valley stock transfer RSL)
- Durham City Homes
- Homes for Northumberland
- Derwentside Homes
- Home Group
- Fabrick Housing Group
- Vela Group
- Leeds Federation Housing.

As part of the NE Procurement (NEP) Framework we are also represented on the NEP Community Investment Working Group. This ensures that YHN realise social benefits from procurement via NEP and that social clauses in NEP contracts guarantee work experience, training and job opportunities for social housing tenants across the membership, including YHN. Additionally, as part of this group, YHN has access to the NEP social fund which is generated through savings made from joint procurement activity. A proportion of these savings will contribute towards projects that help to improve the employability of YHN tenants.

Northern Housing Consortium

The Northern Housing Consortium is a non-profit making and non political membership organisation. Full membership is drawn from Local Authorities,

Arms Length Management Organisations, Registered Social Landlords, and other organisations involved in housing.

Northern Housing Consortium's primary role is to support and represent its members, who, between them, are responsible for 86% of social housing in the North. This is done through the provision of a range of products and services, including Official Journal of the European Union (OJEU) compliant collaborative framework agreements, let under the European Union Procurement Directive.

Office of Government Commerce (OGC)

OGC is an independent office of the Treasury. Together with its executive agency Buying Solutions, it works with public sector organisations to gain the best possible value for money from procurement.

It deploys expertise in support of the Government's efficiency gain targets, which includes the achievement of savings through efficient public procurement. It supports initiatives that encourage better supplier relations, sustainable procurement, the benefits of utilising smaller suppliers and the potential of eProcurement. It represents the UK at the European Union (EU), helping the public sector apply EU procurement rules here in Britain.

OGC also supports major programme and project management, which involves complex procurement.

YHN seeks to utilise pre-determined OGC contracts wherever they deliver value for money.

6. Delivery of our strategy

6.1 How we will deliver our Corporate Procurement Strategy

The Corporate Procurement Strategy will be delivered in the wider context of the Strategic Planning Framework outlined in section 6.2 below. The CPS is a key part of our commitment to ensure that we provide accessible and responsive services which are cost effective. We will ensure that each service obtains the goods and services it needs to operate effectively from the most appropriate and economically advantageous source.

We will deliver against our Corporate Procurement Strategy by using and developing the policies, processes and toolkits set out in Part 6.4 of this document. We will achieve our strategic aims for procurement by progressing the activities contained in the action plan in Part 7 of this document.

6.2 Our Strategic Planning Framework

YHN has a Strategic Planning framework to ensure that all of our activities are

aligned with our strategic priorities.

The diagram in Appendix 1 shows how the priorities of YHN feed into our Delivery Plan and service plans right down to the level of individual staff appraisals.

This strategy is aligned to our Delivery Plan and supports our strategic objectives.

6.3 Governance and Leadership

We have established governance arrangements to provide leadership and clear direction to all of our procurement activities. Please refer to Appendix 2 for a diagram showing reporting arrangements.

The key groups and individuals are outlined below:-

Finance and Resources Committee	<ul style="list-style-type: none">• Delegated authority for the development and implementation of this Strategy; and• Governance of major procurement projects.
Assistant Chief Executive /Director of Business	<ul style="list-style-type: none">• Responsible for delivery of YHN's Corporate Procurement Strategy
Development and Procurement Team	<ul style="list-style-type: none">• Central point of contact for all procurements; and• Identifying and delivering procurements, providing procurement and contract management support and advice: and• sign posting to the most appropriate source of expertise; and• Reporting progress against the Procurement Strategy Action Plan

6.4 Policies, processes and toolkits supporting this strategy

This section summarises our key policies, processes and toolkits that will be utilised in the delivery of the Corporate Procurement Strategy, with reference to the relevant Appendix (where applicable) containing the full document. These will be revised, added to and updated regularly. Please contact us if you need the most up to date information (see page 2 for contact details).

Title	Appendix reference
Procurement Policy	Appendix 7
Procurement Service Review Programme	Appendix 8
Corporate Procurement Process	Appendix 9
Options Appraisal Toolkit	Appendix 10
Framework Agreement Guidance	Appendix 11
Establishing Ethics Walls	Appendix 12
Setting Evaluation Criteria	Appendix 13
Soft Market Testing	Appendix 14
E-procurement Policy	Appendix 15
Risk Management Process	Appendix 16
Fair Employment Policy	Appendix 17
Fair Employment – Staff Engagement Policy	Appendix 18
Policy for User and Community Engagement	Appendix 19
Major Projects	Appendix 20
Failing Contracts	Appendix 21
Use of Consultants	Appendix 22
Anti Fraud and Corruption	Appendix 23
Managing Contract Performance and Learning Lessons	Appendix 24
Supporting Bidders – Allowing Adequate Time to Prepare and Submit Bids	Appendix 25
Targeted Recruitment and Training in Procurement Practices	Appendix 26
Supported Factories and Businesses	Appendix 27
Sustainable Procurement Statement	Appendix 28

6.5 Responsibility for the procurement strategy

Responsibility for the development and implementation of our procurement strategy lies with the Finance and Resources Committee, in conjunction with the Assistant Chief executive and Director of Business who has overall responsibility for ensuring delivering of our procurement strategy.

6.6 Monitoring and review

The Assistant Chief Executive and Director of Business will review progress against the action plan on a regular basis. and report to the YHN Programme Board, as part of the service improvement programme.

Reports will be submitted every six months to Finance and Resources Committee providing an update on progress The Committee is made up YHN Board members from all constituent groups.

The Procurement Strategy will undergo a full review in 2014, however as a living document it will be revised in the interim as necessary, including annual review of the action plan.

7. Action Plan

Our Action Plan has been developed to set out our overall direction of travel with actions cross referenced to our strategic aims.

We have established a Procurement Programme to ensure that all of our activities take place in a structured and co-ordinated programme management framework. The overview of this Programme can be found in Appendix 8.

Corporate Procurement Strategy - Action Plan

Strategic Aim	Action(s)	Responsibility	Due Date
Priority 1- Ensuring efficiency and effectiveness			
Efficiency and Value for Money	Produce a methodology regarding the use of whole life costing for major capital procurements.	Procurement Manager	31 st Dec 2011
	Implementation of whole life costing methodology	Procurement Manager	31 st Mar 2012
	Deliver annual procurement savings that, as a minimum, cover the cost of the procurement team (£191k per annum)	Procurement Manager	30 th Apr 2012
Doing Business Electronically	Evaluate the use of alternative electronic procurement methods as means of delivering increased efficiency and value for money.	Procurement Manager	31 st Mar 2013
Effective Governance and Democratic Accountability	Report progress against the Corporate Procurement Action plan six monthly to Finance and Resources Committee.	Procurement Manager	31 st Mar 2013
Standards and Controls	Create new procurement intranet page.	Procurement Manager	30 th Oct 2011
	Attend Senior Management Team meetings annually to remind managers of their obligations relating to procurement Financial Regulations for cascading to their members of staff.	Procurement Manager	30 th Apr 2013
Risk Management	Establishment of focus group to identify implications of Bribery Act 2010	Finance Manager – Financial Business Support	30 th Jun 2011
	Identify and agree actions required to mitigate risk of corporate offence of failing to prevent bribery	Finance Manager – Financial Business Support Procurement Manager	31 st Dec 2011
	Implement procurement actions to mitigate risk of failing to prevent bribery	Procurement Manager	31 st Mar 2012
	Implement annual review and update of procurement risk register	Procurement Manager	30 th Jun 2012

Strategic Aim	Action(s)	Responsibility	Due Date
Performance Management	Deliver 90% of externally provided procurements as approved by management team during 2011/12.	Procurement Manager	31 st Mar 2012
Priority 2- Social responsibility			
Training and Development	Online Financial Regulations (Procurement) training to be completed by 95% of key mangers.	Procurement Manager Training and Development Officer – Business Development	30 th Sep 2012
	All central procurement team staff to undertake a professional CIPS training qualification	Procurement Manager	31 st Dec 2011
Sustainability	Identify appropriate tool with which to benchmark YHN procurement sustainability score	Environmental Sustainability Co-ordinator Procurement Manager	31 st Dec 2011
	Carry out procurement sustainability benchmark scoring	Procurement Manager	30 th Jun 2012
	Produce a “Sustainable Suppliers Charter”.	Environmental Sustainability Co-ordinator	31 st Mar 2012
	Establish procedures for monitoring and publicising successes in Green and Sustainable procurements and driving continuous improvement.	Environmental Sustainability Co-ordinator	31 st Jan 2013
Equality and Diversity	Complete Equality Impact Needs assessment on the revised Procurement Strategy action plan	Diversity Manager – Chief Execs Office Finance Officer – Procurement and Payments	30 th Sep 2011

Strategic Aim	Action(s)	Responsibility	Due Date
	Identify procurement actions required to achieve Social Housing Equality Framework excellence level.	Diversity Manager – Chief Execs Office Procurement Manager	30 th Jul 2011
	Complete required procurement actions to achieve Social Housing Equality Framework excellence level.	Diversity Manager – Chief Execs Office Procurement Manager	31 st Dec 2011
Fair Employment	Identify and seek management team approval of at least one new contract to be procured under Article 19 of the public sector procurement Directive – Supported Factories and Businesses.	Procurement Manager	31 st Mar 2012
Priority 3- Community focused procurement			
Focus on Service Needs	Identify annually future procurements that require service user/staff engagement	Procurement Manager Lead Customer Involvement Officer	31 st Mar 2012
	Undertake consultation arising from the identification of procurements that require service user/staff engagement	Procurement Manager Lead Customer Involvement Officer	31 st Mar 2013
Community & Customer Engagement	Conduct four tenant involvement forums per annum, to monitor and report customer satisfaction and North East Procurement contractor performance , to help inform future procurement requirements and work allocations	Head of Investment Delivery – Business Development	31 st Mar 2013
Regeneration	Complete option appraisal relating to the inclusion of targeted recruitment and training in procurements	Procurement Manager	31 st Oct 2011

Strategic Aim	Action(s)	Responsibility	Due Date
	Implement agreed targeted recruitment and training criteria within procurements that are likely to produce training and employment outcomes	Procurement Manager	31 st Jan 2012
	Complete position statement on the current supplier base in terms of turnover and number of employees.	Procurement Manager	31 st Mar 2012
	Consult with representative bodies to promote enhanced engagement of SME's	Procurement Manager	31 st Dec 2012
	Develop an " action plan" to promote the engagement of SME with YHN	Procurement Manager	31 st Mar 2013
Priority 4- Partnering and collaboration			
Innovative collaboration	Develop opportunities to enable delivery of at least one new collaborative procurement.	Procurement Manager	30 th Jun 2012

The plan will be refreshed on an annual basis.