



Procurement Strategy

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DELTA ACADEMIES TRUST

Procurement Strategy

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1. ROLES AND RESPONSIBILITIES

The Delta Academies Trust (the Trust) procurement strategy covers core central services and all its academies. The Procurement Strategy reflects the Trust's initiative to remove unnecessary complexity from processes and procedures and to retain only those that add value to the services we deliver.

The Delta Board of Trustees has approved this strategy; however, the responsibility for ensuring implementation of this policy rests with the Principal/Head of Academy in academies and with Senior Leaders within the Core Team.

The Trust must ensure, through the implementation of this strategy, compliance with the Academy Trust Handbook. The Trust must ensure that:

- Spending has been for the purpose intended and there is probity in the use of all funding;
- Spending decisions represent value for money;
- Internal delegation levels exist and are applied within the Trust;
- A competitive tendering policy is in place and applied, and the UK government's Procurement Policy Note (PPN) procurement thresholds are observed;
- Relevant professional advice is obtained where appropriate.

2. PURPOSE OF THIS STRATEGY

This Strategy is intended to provide a high-level statement about the principles that we will follow when procuring. We aim to make buying simpler, quicker and ensure value for money by:

- Making procurement easier for the Trust and its suppliers;
- Giving more opportunity to local and small/medium suppliers (SMEs) to participate in procurement opportunities by increasing visibility of our procurement plans;
- Maximising innovation, sustainability and collaboration in our procurement activities.

Advice on relevant procurement thresholds is included with the Trust's Scheme of Delegation (see appendix 1). We would also recommend the use of Frameworks, if appropriate.

The Trust currently spends between £50m and £90M a year externally on procuring goods, works and services (including capital) and we always aim to achieve best value from this expenditure. National and local reductions in funding are likely to see a reduction in the amounts available for procurement spending, making value for money increasingly important.

This strategy identifies the actions that we will take and the principles we will follow to maximise value from our procurement spend.

3. WHAT IS PROCUREMENT?

Procurement is different to buying. Buying is done on a day-to-day basis as required, often from a contract put in place following a procurement process. Procurement is a strategic process that follows a clear pattern starting with identifying a need, right through to reviewing the delivery of the contract and learning any lessons for future procurements.

Where we need to acquire goods, services or works that cannot be provided in house we procure those from external providers, which may be a local commercial supplier, a contractor, third sector supplier or another public sector body. Responsibility for the majority of procurement resides in each academy/core central services. The core team can assist academies with procurement as required and where appropriate, to ensure value for money. In some

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circumstances, the core team will procure on behalf of the whole Trust. Please note where contracts or purchases exceed £50,000 this **must** be procured by Core team. If a contract period exceeds more than 1 year, the value of the procurement for these contracts is the annual amount times by the contract period. Any contract/purchase exceeding this value **must** be referred to Core Team and go out to tender. Where relevant, contracts that involve the processing of personal data **must** be reviewed for GDPR compliance and recorded on the Trust data processing register.

Competitive procurement remains the cornerstone of the Trust's procurement approach but there will be circumstances where a direct contract with a sole supplier will be appropriate, for example where there is only one supplier of a particular service. In these cases, these must be approved by the Core Finance Team in advance of the procurement. Any decisions must be recorded. Please refer to the Financial Regulations Handbook and Appendix 2 – Procurement Checklist.

4. VISION AND STRATEGIC PRIORITIES FOR DELTA

The Trust's vision is:

'Changing Lives.' Our mission statement is to improve educational outcomes for communities in the North of England, creating a sustainable organisation that improves our society and the wider environment.

There are seven strategies to help deliver the Trust vision. These are:

1. Ensure that all young people are confident, employable and have the knowledge, confidence and skills to challenge received wisdom through a wide range of experiences and broad curriculum.
2. **Monitor performance in Delta Academies and deploy resources to secure and maintain high educational outcomes.**
3. Enable all our pupils and students to share in the wealth of information available online, support their autodidactic learning and knowledge acquisition, and actively combat the growing digital divisions in our society.
4. **Operate a financially sustainable organisation, characterised by high value for money and a minimal environmental impact. To secure a high-quality learning environment using trust level condition information to inform capital investment and use of pooled resources.**
5. Develop the Education Exchange (EdEx) as the vehicle to transform educational outcomes across our region. Delta will fund the physical infrastructure. EdEx will lower barriers to access and collaboration through independent strategic leadership and identity.
6. To establish Exchange Teaching Hub based on high quality educational practice and leadership; enhancing capacity and driving improvement through highly effective and inclusive CPD.
7. Support regional recruitment and retention of teachers by establishing our own ITT offer.
8. Create a generation of young people who are socially and environmentally responsible. Leading by example at a board and organisational level.

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5. STRATEGIC PRIORITIES FOR PROCUREMENT

To meet the above strategies the Trust must ensure financial sustainability. The Trust must procure what it needs to deliver the outcomes for students/pupils but within the constraints of the funding available and ensuring compliance with Academies Financial Handbook and best value.

The procurement strategies we apply are as follows:

Strategic Theme 1

Straightforward: To make procurement as straightforward as possible for the Trust and potential suppliers, in particular to improve access for local suppliers and SMEs and to eliminate anything that does not add value to the procurement process.

Strategic Theme 2

Professional: To continue to embed professional procurement and develop further contract management skills across the Trust, including providing training where necessary.

Strategic Theme 3

Maximise local opportunities: To support and encourage an effective local supplier market, thus supporting the local communities of our academies. Ensuring local suppliers have opportunities, as appropriate to participate in tender exercises.

Strategic Theme 4

Value for Money: To use sound procurement practices and innovative solutions to promote sustainability and value for money, making use of frameworks, collaboration and partnership opportunities where applicable.

6. PROCUREMENT PRINCIPLES

Fundamental to this strategy are our Procurement Principles. These are the principles that will guide how we conduct our procurement and how we develop procurement activity as a central resource.

Throughout any procurement the Trust will be clear about the outcomes and objectives it wants to achieve and the steps that it will take to achieve them. The Trust's requirements identified at each stage of a procurement will be critically assessed in relation to the Trusts strategic priorities, other statutory requirements and affordability. All procurement will follow the Trust's 'Schemes of Delegation'.

Wherever possible the procurement requirements will be expressed in terms of outcome and performance to provide scope for innovation.

Value for Money

The Trust will aim to achieve value for money defined, for the purposes of this Strategy, as the best combination of whole-life cost and quality to fulfil the requirements of the users of the service (internal or external as appropriate) or works (e.g. a building) or commodity.

The Trust will take a long-term strategic view of the procurement of its requirements, including the potential for innovative funding and the opportunity for working with other authorities, especially for goods and services, which can be procured more cost-effectively in a collaborative group or through a framework.

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Ethical and Sustainable

Any procurement decision will aim to minimise harm to the environment and to promote conservation of natural resources. Tenders for the supply of services and or goods will include a requirement for the supplier to report on their ethical trading including ensuring that suppliers also comply with the Modern Slavery Act 2015.

The Local Supply Base

The Trust will support businesses local to our operations through a range of initiatives including:

- Making it simpler to do business with us;
- Having regard to the impact on small/local firms of the way in which a procurement is structured;
- Providing clear information about selling to the Trust on our website;
- Advertising contract opportunities with particular attention to local media;
- Providing information where it can about potential sub-contract opportunities arising from major Delta procurements.

Relationships with Suppliers

In longer-term contracts, the Trust will incorporate provisions for continuous improvement both within the contracted service and to the benefit of the community it is serving.

In higher value contracts the Trust will challenge contractors to identify ways in which they can contribute to improving the economic, social and environmental well-being of our local operations.

Equality

Procurement processes and documentation will reflect Delta's Equality and Diversity Policy.

Equality issues must be considered as a **key** requirement in any contract or where the contractor is acting on Delta's behalf in a public environment.

Our Conduct

In all our dealings in the procurement process, the Trust will preserve the highest standards of honesty, integrity, impartiality and objectivity and shall comply with Delta's Codes of Conduct at all times.

In selecting contractors the Trust will generally evaluate offers received on the basis of the most economically advantageous tender and will take into account, where appropriate, whole life costing seeking an appropriate balance between cost and quality.

In any procurement the Trust will ensure that its approach to the market is consistent with these principles.

7. REVIEW

The procurement Strategy will be reviewed every 3 years or as required.

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Appendix 1 – Financial Scheme of Delegation

| Delegated Duty | Value | Delegated Authority | Method |
|--|------------------------------------|---|--|
| Ordering goods and services (raising requisitions) | Up to £1,000 | Budget Holder/ Finance Officer | Selection from current supplier list unless agreed otherwise with Core Finance |
| | £1,001 to £5,000 | As above plus /Head of Academy/Principal | Minimum of three quotes |
| | £5,001 to £10,000 | As above plus Core Finance | Minimum of three quotes |
| | £1,000 - £10,000 | As above plus Assistant Finance Director (AFD) | For all Specialist supplies where 3 quotes is not possible or where 3 quotes have not been obtained |
| | <i>Core Only Up to £10,000</i> | <i>AFD</i> | <i>Up to £1,000 as above £1,000 to £10,000 – 3 quotes</i> |
| | <i>Core Only £1,000 to £10,000</i> | <i>AFD plus CFOO</i> | For all Specialist supplies where 3 quotes is not possible or where 3 quotes have not been obtained |
| | £10,001 - £50,000 | As above plus CFOO | Minimum of three quotes |
| | £50,001 to £100,000 | As above plus Chief Executive Officer | Formal tendering process, including advertising in the Public Sector Procurement online service, 'Find a Tender Service' (FTS) (if over the FTS thresholds) Note: if a contract is for a number of years the full cost of the contract over its full period must be considered. |
| | £100,001 - £500,000 | As above plus ELT | |
| | Over £500,000 | As above plus Board of Trustees | |
| Operating leases or contracts | Any | All contracts and leases must be approved in line with the above and signed centrally by the CEO or CFOO. | If any element of the agreement / contract includes data processing or sharing, documentation of Data Protection checks must be completed in advance of a contract/agreement signature. |

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| Delegated Duty | Value | Delegated Authority | Method |
|--|-------------------|---|---|
| Operating Leases on Land and Buildings (Taking up a lease or granting a sub-lease) | Any | All contracts and leases must be approved in line with the above and signed centrally by the CEO or CFOO. ESFA approval will be needed if entering a lease for more than 7 years. All sub leases will need approval by CEO and CFOO together with ESFA approval | |
| Finance leases | Any | All finance leases must be referred to Core Finance as ESFA approval is required. | |
| Authorisation of BACS payments and other bank transfers | Any | Must be authorised by two signatories At Trust: Core Finance Manager and CFOO At Academies: Head of Academy/Principal Vice Principal or Assistant Principal or Core Finance Manager Individual Payments Over £50,000 by the AFD/CFOO prior to BACs payments being authorised | |
| Signatories for cheques | Any | Two signatories from: CFOO, Head of Academy/Principal Vice Principal or Assistant Principal Over £50,000 Three signatures required, of which one must be CFOO. | Cheques should only be used if payments cannot be made by BACs |
| Petty Cash | Under £25 | Approval by Principal/Head of Academy | Please ensure Purchase Requisitions are raised and approvals are in place for expenditure |
| | Over- £25 to £100 | As above plus approval by Core Finance Manager | |
| | Over £100 | As above plus approval of AFD | |
| Signatories for ESFA grant claims and ESFA returns | Any | Two signatories CEO and CFOO (or as required by ESFA) | |

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| Delegated Duty | Value | Delegated Authority | Method |
|---|--|--|---|
| Virement of budget provision between budget headings | Up to £10,000 on any one nominal ledger code | Academy Finance Officer in conjunction with Head of Academy/Principal and Core Finance Manager, with reporting to the Finance, Capital and Resources Committee and AFD | |
| | Over £10,000 on any one nominal ledger code | Head of Academy/Principal, ELT Education Lead /Executive Principal plus AFD or CFOO | |
| Changes to Budget from previous year carry forward / in year surplus | Any | Head of Academy/Principal, ELT Education Lead/ CFOO and CEO | |
| Purchase or sale of any freehold property | Any | Please notify the CFOO in the first instance. ESFA approval required (All discussions with ESFA will be carried out by Core Team) | |
| Disposal of other assets – Fixtures and Fittings/Computers etc | Up to £5,000 | Head of Academy/Principal | |
| | £5,000 to £10,000 | As above plus AFD | |
| | Above £10,000 | As above plus CFOO | |
| Write off of bad debts | Below £100 per transaction | Core Finance Manager | |
| | Above £100 per transaction | As above plus AFD or CFOO | |
| | £45,000 per transaction or 5% of total income subject to a maximum of £250,000 | As above plus ESFA | Approval required in advance of write off |
| Granting or take- up of any leasehold or tenancy agreement exceeding three years (Refer above for operating leases over 1 year) | Any | Please notify the CFOO in the first instance. ESFA approval required (All discussions held with ESFA will be carried out by Core Finance) | |

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| Delegated Duty | Value | Delegated Authority | Method |
|------------------------------------|---------------------|---|---------------|
| Raising invoices to collect income | Up to £5000 | Finance Officer within Academy | |
| | £5,001 to £10,000 | As above plus Head of Academy/Principal | |
| | £10,001 to £100,000 | As above plus AFD or CFOO | |
| | Over £100,000 | As above plus CFOO and ELT | |

Note: Novel, Contentious or Repercussive transactions Delta does not authorise any activity that would fall into this category of transaction.

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Appendix 2:

Procurement checklist

1. Prepare and research before buying things for your academy to help you get the best deal and save money.
2. Find the right way to buy, ensuring compliance with the Delta Financial Schemes of Delegation. When should you buy from a deal or framework and when do you get quotes or go to tender?
3. Write a specification of the procurement needs – explain to suppliers what you want to buy. (Remember: The Core Team will deal with any tenders with a value over £50,000.)
4. Are you able to procure from a government framework? Make sure you understand the framework you are looking to use. Can you select a supplier direct from a framework agreement, or do you have to run a mini-competition from the suppliers listed on the framework?
5. Procurement > £999 and < than £50,000 obtain 3 quotes, research suppliers, contact core for suppliers that have been used in other academies.

Procurement > £50,000, a tender process will be undertaken through core team. The core team will also ensure compliance with the Governments procurement process for Publicly funded bodies through the Public Sector Procurement online service 'Find a Tender' (FTS), if over the FTS Thresholds). All purchasing will be dealt with through an open and transparent process.

6. All contracts/Service Level Agreements entered into by the Trust and its academies must be reviewed and signed centrally by the CEO or Director of Finance and, where relevant, contracts that involve the processing of personal data **must** be reviewed for GDPR compliance and recorded on the Trust data processing register.
7. All persons responsible for procurement must have full understanding of the Delta Academies Trust Anti - Fraud Policy and Procedures, which includes detail relating to the Bribery Act 2010. A copy of this policy can be found on the VLE.