

## Procurement & Due Diligence Policy

### 1. PURPOSE & SCOPE

- 1.1. East Kent Colleges Group (“the Group”) is expected to comply with various regulations and legislation to ensure that funds are spent in a way that guarantees value for money, is open and transparent and fully compliant with associated legislation.
- 1.2. This document sets out the Group’s Policy regarding the purchasing of goods and services (including consultancy and professional services) and how the Group will engage with new suppliers. It also outlines the formal purchasing Strategy that aims to benefit all areas of the Group in the procurement of all equipment, consumables, services and capital items.
- 1.3. The Group aims to obtain best value by utilising purchasing consortia (frameworks) where possible and ensuring compliance with legislation and reducing commercial risk through having a fair and transparent process of evaluating and selecting suppliers. Procedures relating to open tenders are available in the Tendering Procedure.
- 1.4. The Group believes that goods and services should be acquired by competition and that purchasing should be based on good practice and in accordance with the following objectives;
  - to supply the Group with the right goods and services, at the right time, at the most advantageous cost
  - to promote the delivery of value for money (VfM) through good procurement practice, utilising the most cost efficient and effective methods for procuring goods and services throughout the organisation
  - to facilitate the development of an effective and co-ordinated purchasing effort within the Group
  - to identify opportunities for working with others, in order to widen the scope for maximising purchasing power and identifying innovation
  - to develop lasting relationships with contractors and suppliers, whilst ensuring VfM and continuing high performance can be demonstrated
  - to give due consideration to good corporate governance, and to ensure transparency of arrangements
  - to give consideration to sustainable, ethical, social and environmental issues.
  - to comply with all relevant UK legislation
  - to develop appropriate management information in order to measure the performance and VfM achieved in purchasing by the Group
  - if, after assessment of quality, service and cost; the Group will favour a local supplier, if comparable

- to mitigate risk and to identify sustainable and professional external relationships, avoiding any negative impact on the Groups reputation and/or financial health
  - to support the Group's risk management strategy when forming relationships with suppliers
- 1.5. Further guidance on the use or interpretation of this Policy may be obtained from the Group Head of Finance.

## **2. BUY LOCAL**

The Group is committed to proactively supporting and enabling local benefits through adopting a strategy to buy local.

## **3. LEGAL REQUIREMENTS & DUE DILIGENCE**

3.1. The Group observes current directives regarding procurement regulations and understands that failure to comply with this legislation carries penalties which the Group will be held accountable.

### **3.1.1. IR35 Rules**

Any staff engaging with suppliers that are either a Partnership, Limited Company or Personal Service Company are expected to follow the IR35 rules and processes, as outlined in the Procurement Procedure.

### **3.1.2. Procurements Meeting the Thresholds**

These must be advertised on 'Find A Tender'(FTS), and must follow the regulations of the Procurement Act 2023). Please refer to the Tendering procedure for further details.

When sourcing goods/services above these thresholds a consortium should be used to eliminate the necessity for the Group to have to go through the FTS process. The threshold rate is reviewed every two years (and with effect from 01.01.26) is as follows:

- The Public Contracts Regulations 2015 –
  - Social & Other Services £663,540 (incl VAT)
  - Supply, services & design contracts £207,720 (incl VAT)
  - Works Contracts £5,193,000 (incl VAT)

### **3.1.3. Anti-bribery and fraud**

In accordance with anti-bribery legislation, a Declaration of Interests form must be completed by all budget holders annually.

3.2. For all business relationships being considered, a due diligence check must be made prior to commencement. For property matters (including transactions) this request should be made as soon as possible after the project plan disposal or acquisition is known. Staff must aim to use existing suppliers as far as is possible.

### 3.3. Levels of Due Diligence Check

Level of Group annual spend	Responsibility	Checks required
<b>under £10,000:</b>	Joint responsibility between both the Finance Team and the requestor	Finance will carry out the due diligence checks (Companies House, Insurance, Press Research and in-date industry certificates/licences)
<b>over £10,000:</b>	Finance will carry out the due diligence checks	(Companies House, Insurance, Press Research, in-date industry certificates/licences), request two customer references and perform financial checks.

In exceptional circumstances the Group Chief Executive Officer (CEO) or Deputy CEO may authorise deviation from the above. Confirmation of this should be in writing, via email and will be held on file by the Finance Team.

### 3.4. Excepted Suppliers

The following types of supply will not require references providing all other checks are satisfactory.

Type of Supply	Level of Check:
Travel (e.g. bus, rail, airline)	<b>Check membership of Trade Association and Industry Licences. review T&amp;Cs (for refund policy in the event of not being able to travel for example)</b>
Events (e.g. conference, tickets)	<b>review T&amp;Cs</b>
National Retailers (e.g. Tesco, Debenhams)	<b>review T&amp;Cs</b>
Hotel/Accommodation (e.g. Travelodge)	<b>review T&amp;Cs</b>
Not for Profit Organisations (e.g. schools, colleges, charities)	<b>review T&amp;Cs</b>
Legal advisors	<b>Professional Indemnity Insurance details</b>
Currently on a Procurement Framework (e.g. purchasing consortium)	<b>Finance to check the framework</b>

#### **4. RECORD KEEPING**

- 4.1. Completed declaration forms and due diligence paperwork will be retained for a period of 3 years for audit purposes, in line with the relevant data protection policies.

#### **5. RELATED POLICIES & PROCEDURES**

- Procurement procedure
- Corporate & Social Responsibility Policy
- Anti-Bribery and Fraud Policy
- Sustainability Strategy
- Human Trafficking Statement
- Sub-contracting Procedure
- Contracts and Agreements procedure
- Data Protection Policy & Procedures
- Financial Regulations
- Code of Conduct Policy (staff)

If, following completion of the IR35 checks, suppliers are deemed to be self-employed, they will need to be sent and complete a 'self-employed contract' which can be found [here](#).