

Group Procurement Strategy

Strategy

Applicable Company: The Calico Group

Owner: Executive Director of Finance

Version Number: 1

Signed Off By: Boards

Review Cycle: Tri-Annually

Revision Date: N/A

Next Review Date: 01/06/2029

Policy Checklist Completed? No



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1. Introduction

1.1. About the Calico Group

The Calico Group was established by Calico Homes in 2013, building on the earlier formation of Calico Enterprise as a charitable subsidiary in 2007.

To be effective in providing social housing, it became clear that meeting the complex needs of our customers required a broader, integrated approach that brought together housing with employment, health and wellbeing services.

The creation of the Group parent company enabled effective management of our expanding range of entities and services, underpinned by robust financial and governance arrangements. This structure has provided a platform for sustainable growth, ensuring that all activities remain aligned with our shared purpose and enabling us to deliver a wider range of integrated services that better meet the needs of our communities.

1.2. The Corporate Plan

The Group's Corporate Plan 2026-2030 sets out the Group's purpose – to make a real difference to people's lives.

The Plan sets out the Group's Values as:

- Going one step further with our customers
- Our wellbeing as individuals and teams
- Improving and strengthening ourselves and our organisation

The Plan includes our vision of a “One Calico” community which is central to fulfilling our purpose. By working side by side with customers, we create meaningful partnerships that drive sustainable change.

The Plan sets out the following objectives

- Customer - To be close to our customers, close to our communities – raising standards and creating opportunities so everyone can live their best life
- Community - To enable and sustain community-led models that drive local regeneration, inclusion and opportunity
- Our People - To be a place where people choose to work, stay and grow
- Digital - To have smart systems, strong data, and secure tools – simplifying the way we work and creating capacity to deliver what matters most for customers and communities.
- Business - To be a well-run, agile organisation that optimises resources, and embeds data-driven decision-making at all levels

1.3. The Current Procurement Strategy

The current Procurement Strategy was last updated in 2023 and covered the period to 2025. This refreshed strategy is aligned with the Group's Corporate Plan 2026–2030, ensuring that procurement activity supports delivery of the Group's updated objectives.

1.4. Procurement Context

Public procurement activity is now governed by the Procurement Act 2023, supported by the Procurement Regulations 2024 and associated Cabinet Office guidance, for procurements commenced on or after 24 February 2025. As a body governed by public law, the Group must ensure its procurement activity complies with this legislative framework, which requires procurement to deliver value for money, maximise public benefit, act with integrity and be transparent. Procurements commenced before 24 February 2025 may remain subject to the previous regime under the Public Contracts Regulations 2015 through transitional arrangements.

In delivering procurement activity, the Group will also have regard to the National Procurement Policy Statement and relevant national procurement policy expectations, including those relating to economic and social value, commercial capability, environmental sustainability and removing unnecessary barriers for small and medium-sized enterprises and voluntary, community and social enterprise organisations.

Over the life of this strategy, the Group will develop the governance, processes and systems needed to meet the transparency, reporting and assurance requirements of the Procurement Act 2023. This will include strengthening our approach to procurement notices, tender and contract record keeping, and the monitoring of payment, performance and contract management obligations, so that procurement activity is compliant, visible and well controlled.

In addition, procurement activity must consider the following legal and regulatory obligations:

- The Health and Safety at Work Act 1974
- The Bribery Act 2010
- The Equality Act 2010
- The Public Services (Social Value) Act 2012
- The Modern Slavery Act 2015
- Section 20 of the Landlord and Tenant Act 1985 (as amended)
- Building Safety Act 2022
- UK GDPR / Data Protection Act 2018

As a registered provider of social housing, Calico Homes must ensure that procurement activity supports compliance with the Regulator of Social Housing's standards, including the Value for Money Standard, Governance and Financial Viability Standard, and relevant consumer standards. Procurement should therefore support strong governance, protection of assets, and the delivery of safe, high-quality and accountable services to tenants.

Procurement activity will also support the Group's environmental and sustainability ambitions by having regard to relevant national procurement policy expectations and wider public procurement guidance. This includes embedding proportionate consideration of carbon reduction, waste minimisation, resource efficiency and wider environmental impacts within sourcing, tender evaluation and contract management, so that procurement decisions support value for money while also contributing to longer-term sustainability outcomes.

2. The Procurement Strategy

The aims of this Procurement Strategy are to:

- Provide strategic direction for procurement to support delivery of the Group's Corporate Plan 2026–2030.
- Maximise opportunities to deliver value for money and operational efficiencies across the Group.
- Embed procurement as a strategic function based on the following principles:
 - Capability
 - Governance and compliance
 - Openness and transparency
 - Accountability
 - Ethics and standards
 - Best practice
 - Management of risk
 - Fit for purpose, both now and in the future
- Improve and streamline our procurement processes by using the appropriate systems and technologies:
- Raise the profile, awareness and understanding of procurement across the Group
- Take a strategic approach to procurement activity and to plan requirements accurately and effectively both now and in the future
- Act as the catalyst to deliver Value for Money through collaborative procurement across Group businesses, while maximising the Social Value potential of our extensive supply chain to achieve outcomes that directly address customer needs and generate greater social impact in our communities

3. How will we Achieve our Aims?

The Group will achieve the Aims of this Procurement Strategy through the following Procurement Objectives:

3.1. Objective 1 – Strengthen Governance and Compliance

This objective will provide greater direction, stronger understanding and clearer decision-making for procurement activity across the Group. It will also ensure that procurement is undertaken in accordance with internal governance requirements and external statutory obligations.

To achieve Objective 1, the Group will strengthen and modernise its procurement governance arrangements. This will be delivered through the following key actions:

- Implement the Group Procurement Strategy and delivery plan to support the Group's Corporate Plan and Customer Strategy 2026–2030.
- Embed the In-Tend contract register to improve contract visibility, reporting and risk management.
- Strengthen contract award and variation controls to support compliance with Group financial regulations and improve visibility of decisions.
- Introduce procurement gateway reviews to strengthen accountability and decision making across the Group.
- Improve oversight of procurement and contracting activity to support compliance with the Procurement Act 2023, including notice publication and transparency reporting.

3.2. Objective 2 – Improve Procurement Processes and Systems

This objective will deliver greater standardisation and oversight of procurement and contract management activity across the Group. It will also support compliance with internal governance requirements and external statutory obligations.

To achieve Objective 2, the Group will develop a more cohesive and consistent set of procurement processes across the Group. This will be delivered through the following key actions:

- Refresh the Procurement Policy to reflect the new procurement team, updated strategy and revised governance arrangements.
- Develop and implement a consistent suite of procurement templates, guidance and standard documentation.

- Develop procurement reporting to improve visibility of performance, compliance and risk, including:
 - In-contract spend
 - Contract performance
 - Supplier due diligence
 - Paid on time reporting
- Improve visibility of contractual commitments, liabilities, risks and opportunities across the Group.
- Use data and insight to support stronger decision making, prioritisation and forward planning.

3.3. Objective 3 – Build Procurement Capability and Capacity across the Group

To achieve Objective 3, the Group will build procurement capability and capacity across the Group by establishing a dedicated procurement resource. This will be delivered through the following key actions:

- Establish a dedicated procurement team to provide advice, guidance and specialist support across the Group.
- Build understanding of procurement legislation and clarify where and when it applies.
- Assess and improve understanding of procurement roles and responsibilities across the Group.
- Strengthen planning, coordination and collaboration of procurement activity across the Group.
- Support a more consistent approach to contract and supplier performance management.
- Develop contract management training to build confidence and capability across relevant teams.
- Provide a procurement oversight structure that supports assurance and informed decision making by senior leaders.

3.4. Objective 4 – Embed Procurement as a Group Strategic Function

Embedding procurement as a Group strategic function will enable category management activity to focus on opportunities for consolidation and efficiency across the full procurement lifecycle, from initial planning through to award, contract management and review.

To achieve Objective 4, the Group will embed procurement as a strategic function across the Group. This will be delivered through the following key actions:

- Develop risk and performance reporting that supports strategic oversight of procurement activity.
- Strengthen spend management reporting, including year-on-year trends, budget performance, business plan alignment and category insight.
- Engage senior leaders to embed procurement reporting and strengthen strategic ownership.
- Identify and prioritise opportunities for efficiency, consolidation and improved commercial outcomes.

3.5. Objective 5 – Maximise Social Value, Environmental Sustainability and Added Value through the Supply Chain

The Group's supply chain provides significant opportunities to maximise contract value, strengthen local economic impact, and deliver wider social value and environmental sustainability outcomes.

To achieve Objective 5, the Group will maximise social value, environmental sustainability and wider added value through its procurement activity and supply chain. This will be delivered through the following key actions:

- Review significant areas of expenditure to identify opportunities for social value, environmental benefit and wider added value.
- Develop a clear approach to embedding social value and environmental sustainability within new procurements and contracts.
- Review the support available for social value delivery, including tools and partnerships that strengthen community outcomes.
- Develop a stronger understanding of the Group's supply chain profile, including local presence, supplier diversity, SME participation and wider market opportunities.

3.6. Three-Year Delivery Timeline

To support delivery of this strategy, a three-year delivery timeline is set out below, with detailed actions captured in a service-specific delivery plan that will be regularly reviewed and reported on.

Objective	Year 1 Foundations	Year 2 Development	Year 3 Embedding
Team Capability & Capacity	Recruitment plan Refresh procurement procedures	Training plans, CPD programme and competency framework	High-performing team with succession planning in place
Contract Management	Contract register, contract management framework, governance controls, alerts and reporting	Lifecycle training, supplier relationship management and contract record audit	Standardised contract terms and a fully embedded contract management culture
Systems & Processes	Process mapping, policy review and template review	P2P improvements, system automation and stakeholder engagement	A streamlined, digital-first strategic procurement service
Data & Analytics	Contract data, framework analysis and spend reporting	Category plans, dashboard development and spend analysis	Predictive analytics, proactive category strategy and market intelligence
Savings Programme	Identify savings opportunities	5% target plan and benchmarking	Contract & supplier consolidation
Social Value & Local Sourcing	Establish social value baseline and local sourcing position	Social value policy and embedded consideration in tender planning	Measurable community impact and clear supply chain standards

4. How Success Will Be Measured

Progress against this strategy will be monitored through a set of outcome and performance measures that demonstrate whether procurement activity is becoming more compliant, visible, efficient and value-led. These measures will include, where appropriate, contract register coverage, compliant procurement activity, in-contract spend, savings and cost avoidance, supplier performance, paid-on-time performance, social value delivery, local and SME engagement, and completion of key actions within the delivery plan.

5. Governance, Monitoring and Review

This strategy will be overseen through the Group's governance arrangements, with progress against the delivery plan and key performance measures reviewed on a regular basis. The strategy will be supported by the Group Procurement Policy and related procedures, and will be refreshed as required to reflect changes in legislation, regulation, organisational priorities and procurement maturity.