



**Trust Housing Association Limited**

**Annual Procurement Report**

**April 2022 to March 2023**

**Published:**

**August 2023**

**Lead Officer:**

**Procurement Lead**

**Approved:**

**Director of Finance and People**

## Contents

<b>1. Introduction</b>	<b>Page 3</b>
<b>2. Procurement Strategy and Procurement Transformation Programme</b>	<b>Page 3</b>
<b>3. Summary of Regulated Procurements Completed</b>	<b>Page 4</b>
<b>4. Review of Regulated Procurement Compliance</b>	<b>Page 4</b>
<b>5. Non-Compliant Regulated Procurement</b>	<b>Page 4</b>
<b>6. Community Benefits Summary</b>	<b>Page 4</b>
<b>7. Supported Business Summary</b>	<b>Page 6</b>
<b>8. Future Regulated Procurements Summary</b>	<b>Page 7</b>
<b>9. Annual Procurement Report Responsible Officers</b>	<b>Page 7</b>
<b>10. Regulated Procurements April 2022 to March 2023</b>	<b>Page 8</b>
<b>11. Future Regulated Procurements April 2023 to March 2025</b>	<b>Page 9</b>

## **1 Introduction**

- 1.1 The Procurement Reform (Scotland) Act 2014 (PRA) requires any public organisation which has an estimated annual regulated spend of £5 million or more to develop a procurement strategy and then review it annually. This requirement took effect from 31 December 2016. Organisations (including RSL's) are required to develop and publish a procurement strategy and are also required to publish an Annual Procurement Report, reflecting on the relevant reporting period of the procurement strategy. This is the second Annual Procurement report for Trust Housing Association.
- 1.2 Trust Housing Association is a not-for-profit registered social landlord, regulated by the Scottish Housing Regulator, Care Inspectorate and Scottish Charities Regulator (OSCR). Trust is a national organisation and one of the largest housing, support and care providers in Scotland offering a range of housing and support services across the length and breadth of the country. Trust was established in 1973 and has now evolved and grown to over 3,600 social rented homes and delivering services to over 4,000 customers.
- 1.3 Our primary social rented offer includes general needs housing for households of all ages and specialist housing for older people (circa 3,700 units). In addition, we provide some mid-market homes (56 units) and shared ownership (circa 38 units). We also act as a property manager for homeowners and sharing owners in areas where we have an interest (circa 400 units).
- 1.4 Our wide range of services from landlord only to care and support are flexible and tailored to the needs of individuals. This allows customers to live independently with an enhanced quality of life, and for their families to have peace of mind.
- 1.5 This report covers the period 1 April 2022 to 31 March 2023 and demonstrates the effectiveness of processes and transparency in procurement activity, highlighting performance and achievements in delivering the organisational Procurement Strategy in compliance with the requirements of the Procurement Reform Act.

## **2 Procurement Strategy and Procurement Transformation Programme**

- 2.1 Procurement has historically been an internally devolved function for Trust. With changes to legislation in recent years, and with the acquisition of another Housing Association in late 2019, it became clear that a new approach to procurement should be explored. Development of the future procurement function for Trust was the result of consultation with internal and external stakeholders. In 2021 a dedicated Procurement Team was established within the Finance and People Directorate to centralise the procurement function across the organisation. The team now consists of a Procurement Lead and Procurement Assistant who, under the oversight of the Director of Finance and People, implement strategic and transformational change as well as undertake operational procurement activities.
- 2.2 In line with the Trust published Procurement Strategy 2021 to 2023, the newly formed Procurement Team set out its strategic aims, objectives, and key priorities to support a plan for implementing and enabling an effective centralised procurement function. The centralised procurement team is now delivering commercially effective and compliant processes across the organisation to support the purchasing of goods, services and works in a fair, transparent, and non-discriminatory manner, whilst complying within the regulatory environment from which Trust needs to operate.

- 2.3 The implementation plan is now being delivered, with regular review informing any adjustments to the future procurement strategy, and any further action planning that may be deemed necessary. The aim is to secure future performance improvements and to respond to the economic, political, and any financial influences on which Trust may need to make amendments to meet with its corporate strategic aims and objectives. Engagement with Stakeholders is also key to the continued development of the procurement strategy, as well as forming the foundation upon which Trust assess its regulatory compliance in its pursuit of best value for money.
- 2.4 Following the principles set out in the strategic objectives within the Procurement Strategy, a key focus for Trust is to deliver best value, whilst identifying opportunities to make significant cost savings. Introduction of centralised contract management will assist to obtain full optimisation of current and future supply contracts.
- 2.5 The newly formed procurement service has delivered revised governance along with revised policy and procedure that meets with strategic internal aims as well as meeting legal requirements for compliance under the Procurement Reform (Scotland) Act 2014.
- 2.6 A revised 3-year Procurement Strategy (2024-2027) is scheduled for development in the 2023/24 period. Until implemented, the existing strategy is deemed fit for purpose and applied for continuity across the business.

### 3 Summary of Regulated Procurements Completed

- 3.1 Where appropriate, Trust Housing Association has made use of collaborative contracts to deliver improved contract terms, to support contract and supplier management, and to meet with sustainable procurement outcomes and value for money. This has covered the best balance of resource, cost, quality, and sustainability.
- 3.2 In the period covered by this report, Trust provides details of its regulated procurements completed. These are set out in a list at the end of this report with details summarised in **Section 9**. This information, coupled with publication of the corporate Contracts Register provides visibility of Trusts procurement activity over the reporting period.
- 3.3 Between 1<sup>st</sup> April 2022 and 31<sup>st</sup> March 2023 Trust Housing Association spent approximately £25.9m incl. VAT in total as an organisation on the purchase of goods, services and works. The spend per supplier is reported on a monthly spend analysis sheet and periodically shared around the business.
- 3.4 During the period, Trust made use of national and sectoral framework agreements for both regulated and unregulated spend thresholds from the following bodies:

Crown Commercial Services  
Scottish Government  
Procurement for Housing  
Scotland Excel  
Scottish Procurement Alliance  
Northern Procurement Consortium

- 3.6 Over the course of the period covered by this report the following regulated procurement exercises have been undertaken;

**GPA Regulated Procurements**

i.e. Goods & Services worth over £189,330 and Works worth over £4,733,252

Total Value of Procurements **£3,258,214**

There were **6** such procurements completed

**PRA Regulated Procurements**

i.e. Goods & Services worth over £50,000 and Works worth over £2million

Total Value of Procurements **£213,301.00**

There were **2** such procurements completed

## 4 Review of Regulated Procurement Compliance

- 4.1 In undertaking its regulated procurements, every care has been taken to ensure that Trust awards its contracts to suppliers who are capable, reliable and who can demonstrate that they meet high ethical standards and values in the conduct of their business.
- 4.2 Our procurement policy and procedure documents align fully with the Scottish Government Procurement Journey which follows best practice procurement in a legally compliant manner, and in line with the general duties of the relevant legislative Acts. Feedback received from suppliers that participated in our revised formal tendering processes has been highly positive, and Trust received ZERO complaints or legal challenges during 2022/23.
- 4.3 The Procurement Strategy 2021 – 2023 set the strategic aims, objectives, and the key priorities Trust has set for itself to ensure the continued development and delivery of its revised internal governance.
- 4.4 High level key strategic objectives were set to support an action plan to enable and successfully deliver a new and effective centralised procurement function during a period of transformational change set between April 2021 and March 2023.
- 4.5 During the period covered by this report Trust made significant progress against the key strategic procurement objectives and action plan under the management of the centralised procurement function;
- Spend analysis and monitoring
  - Revision of the contracts register
  - Development of governance, policy, and procedure
  - Development of standardised operational procurement documents
  - Introduction of contract strategies
  - Formation of an internal digital information hub for procurement support
  - Development of contract and supplier management
  - Introduction of a Supply Chain Code of Conduct
  - Vendor Base Reduction
- 4.6 Successful delivery against the objectives of the procurement strategy provides commitment to the continual and on-going development of processes and procedures. This also assists to

identify any further incremental improvements to our outcomes that will ensure that our strategic, operational, and commercial objectives are met in line with internal and external drivers, to include all regulatory requirements and periodical legislative changes.

## 5 Community Benefits Summary

5.1 The Public Contracts (Scotland) Regulations state for every procurement over £4m, Trust must consider how we can improve the economic, social, or environmental wellbeing of the local area through inclusion of community benefit clauses. This is to assist with achieving sustainability in contracts activity, including targeted recruitment and training, small business and social enterprise development and community engagement. Where possible, relevant, and proportionate, and where they are considered not to have a negative impact on the delivery of value for money, such clauses may also be included in regulated procurements valued at below £4m.

5.2 Trust's approach to identifying community benefits is carried out on an individual project basis through engagement and consultation with stakeholders. As part of the tendering process, tenderers will be asked to describe their approach to delivery of community benefits noted within the tender specification. Tenderers will also be encouraged to identify additional benefits or opportunities that will deliver social value throughout the performance of the contract. Community Benefits will always be considered on a proportionate basis.

5.3 In early 2023 Trust developed a Community Benefits Statement to be included in procurement exercises and appended to contract agreements of sufficient value. The statement details Trust's approach to Community Benefits including the preferred types of activities and priority groups. A minimum requirements table has been developed for both construction works and goods / service contracts listing the mandatory activities to be undertaken based on value band thresholds.

5.4 Trust is committed to applying Community Benefits, where relevant and proportionate to do so, to the contract value thresholds noted below:

<b>Contract Type</b>	<b>Contract Value</b>	<b>Community Benefit Requirement</b>
Framework	>£500k	Retrospective Based on Spend
Goods / Services	>£500k	Mandatory or Evaluated
Works Contract	>£2m	Mandatory or Evaluated

5.5 Due to the late development of the Community Benefits Statement in the 2022/23 period, it was not applied to any procurement activities. However, Community Benefits were achieved from 1 contract implemented in the 2022/23:

Provision of Ambient & Frozen Food	Framework Call-Off
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5.6 Community Benefits are scheduled to be included in the following contracts during the 2023/24 and 2024/25 periods:

Agency Staff Care & Support (Multiple Agreements)	Framework Call-Off
Domestic Gas Servicing & Reactive Maintenance	Framework Call-Off
Grounds Maintenance Services	Open Tender
Cleaning Chemicals & Washroom Solutions	Framework Call-Off
Commercial Gas Servicing & Reactive Maintenance	Framework Call-Off

## 6 Supported Business Summary

- 6.1 Regulation 21 of the Public Contracts (Scotland) Regulations 2015 allows public bodies the ability to reserve public contracts for supported businesses. Supported businesses provide essential job opportunities for disabled and disadvantaged people within our communities, enabling such employees to become more independent, while also delivering a range of excellent supplies and services.
- 6.2 Trust does not have any contracts which are currently delivered through a supported business and no contracts were awarded to supported businesses during this period.
- 6.3 In future periods, Trust is committed to seek out opportunity to award contracts to supported businesses where this is possible to do so, and Framework Agreements will be actively explored.

## 7 Future Regulated Procurements Summary

- 7.1 Increased collaboration is important to drive efficiency in the procurement process. The Procurement Strategy specifies that opportunities for external collaborative procurement require to be maximised to enable delivery of lasting savings and benefits through procurement activity.
- 7.2 As part of the procurement transformation process and in line with review of regulatory procurement compliance, spend analysis and supplier profiling activities are underway to identify supply commodities for future planned procurements.
- 7.3 When identifying procurement activities, Trust explore and access available collaborative contract types. This may be through contract award against national and regional Framework Agreements, or through collaboration and subsequent tendering of local contracts alongside other Housing Associations. An options summary is developed and discussed at the outset of each project.
- 7.4 It is acknowledged that collaboration through the aggregation of supply may favour larger suppliers that are better placed to compete for higher value contracts, therefore, Trust intends to consider the needs of SME's and locally or regionally based contractors to maximise benefits to local economic operators.
- 7.5 A summary of the planned regulated procurements for the period April 2023 to March 2025 is provided for view in Section 10.

## 8 Annual Procurement Report Responsible Officers

- 8.1 Procurement and its governance is led and influenced by the following responsible officers:

The Procurement Lead &  
The Director of Finance & People

Head Office  
Trust Housing Association  
12 New Mart Road  
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EH14 1RL

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## 9 Regulated Procurements April 2022 to March 2023

Contract Reference	Contract Title	Supplier Name	Estimated Total Contract Value	Contract Start Date	Contract End Date
BD-21-010	Housing Management System	Rubixx Solutions Ltd	£389,520	13/06/2022	12/06/2032
FP-21-028	HR Software Solution (SaaS)	Access UK Ltd	£467,242	30/07/2022	29/07/2030
AS-22-068	Energy Performance Certificates	Momentum 4 Ltd (M-Four)	£111,849	01/08/2022	31/03/2027
CE-21-030	Floor Covering Services	Crown Flooring Ltd	£700,000	01/08/2022	31/07/2207
CE-21-031	Provision of Furniture & Furnishings	Furniture Resource Centre	£500,000	01/08/2022	31/07/2027
CE-21-033	Provision of Ambient & Frozen Food	William Yule & Sons Ltd	£1,100,000	01/10/2022	30/09/2026
AS-21-034	Annual Lift Servicing & Maintenance	Classic Lifts (Scotland) Ltd	£300,000	01/11/2022	31/10/2027
AS-22-086	Clerk of Works at Langlands Road & Reema Road	Smart Inspections Ltd	£101,452	09/11/2022	08/05/2025

**Regulated Procurements Completed & Estimated Total Contract Value 2022/23 - £3,670,063.**

## 10 Future Regulated Procurements April 2023 to March 2025

Financial Year	Contract Title	Expected Route to Market	Estimated Total Contract Value	Expected Contract Start Date	Expected Contract End Date
2023/24	Agency Staff Care & Support Framework	Scotland Excel Framework	£1,800,000	01/05/2023	30/04/2026
2023/24	Agency Staff Care & Support	Negotiated Procedure	£556,000	01/07/2023	31/05/2025
2023/24	Warden Call Smoke Alarm & Doors Contract	Open Tender	£1,200,000	01/05/2023	30/04/2027
2023/24	Domestic Gas Servicing & Reactive Maintenance	Scotland Excel Framework	£1,248,000	01/08/2023	31/07/2027
2023/24	Grounds Maintenance Services	Open Tender	£1,200,000	01/10/2023	31/03/2027
2023/24	Responsive Repairs, Void Property Works, Out of Hours Works	Open Tender	£9,000,000	01/12/2023	30/11/2027
2023/24	Cleaning Chemicals & Washroom Solutions	Scotland Excel Framework	£600,000	01/02/2024	31/01/2028
2023/24	Commercial Gas and Water Hygiene Servicing & Reactive Maintenance	Fusion 21 Framework	£1,100,000	01/02/2024	31/01/2028

### Planned Regulated Procurements & Estimated Total Contract Value 2023/24 - £16,704,000.

Financial Year	Contract Title	Expected Route to Market	Estimated Total Contract Value	Expected Contract Start Date	Expected Contract End Date
2024/25	Window Cleaning Services	Open Tender	£200,000	TBA	TBA
2024/25	Commercial Laundry Equipment Servicing & Reactive Maintenance	Open Tender	£450,000	TBA	TBA
2024/25	Provision of Catering Equipment	Framework Award	£240,000	TBA	TBA
2024/25	Fire Systems Servicing and Maintenance	Restricted Tender	£200,000	TBA	TBA
2024/25	Out of Hours Call Management Service – Alarm Receiving Centre	Open Tender	£550,000	TBA	TBA
2024/25	Provision of Personal Protective Equipment PPE	Framework Award	£400,000	TBA	TBA
2024/25	Legal Services	Open Tender	£450,000	TBA	TBA

### Planned Regulated Procurements & Estimated Total Contract Value 2024/25 - £2,490,000.

published by  
Procurement Service, Directorate of Finance & People  
August 2023

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