



**Affordable homes.
Exceptional care.**

**Trust Housing Association Limited
Procurement Strategy 2024-27**

This Version:	May 2024
Next Review Due:	Mar 2027
Lead Officer:	Procurement Manager

Trust Housing Association Limited

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1 Introduction & Context

Public Sector Procurement is a highly regulated environment and is considered by the Scottish Government as a significant contributor to achieving its broad aims to realise value for money, as well as providing opportunity to deliver change to social, economic, and environmental factors.

This strategy aims to demonstrate a clear and well-structured approach to Trust Housing Association's procurement activities, including a summary of strategic activity delivered under the previous strategy and key objectives and planned activity during the period April 2024 to 2027.

The procurement strategy is designed to support Trust's business strategy the 'Time is Now' which outlines plans to redefine corporate standards and improve service and performance, whilst considering impact upon our customers, communities, and the environment.

1.2 External Context

Scottish Public Sector Procurement

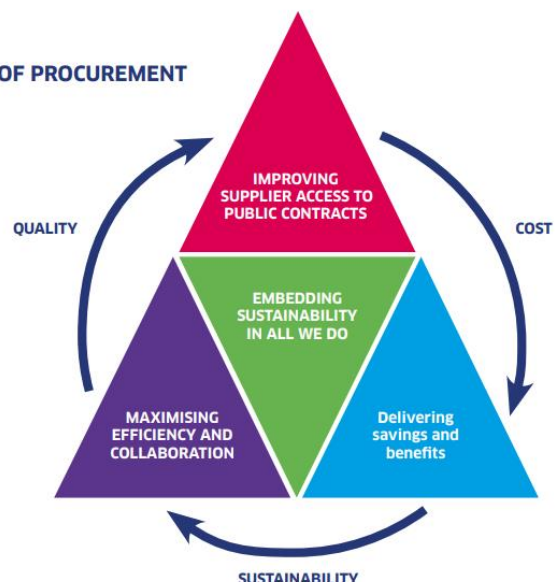
Trust's procurement strategy has been prepared in the context of observing the Scottish Model of Procurement and Section 15 of the Procurement Reform (Scotland) Act 2014. The aims and objectives reflect regulatory obligations, internal policies, and local and national priorities.

Trust will comply with all legislative requirements including:

- Public Contracts (Scotland) Regulations 2015
- Procurement Reform (Scotland) Act 2014
- The Procurement (Scotland) Regulations 2016
- The Bribery Act 2010

Scottish Model of Procurement

SCOTTISH MODEL OF PROCUREMENT



Although led by the Scottish Government, the Scottish Model of Procurement is owned by all the Scottish Public Sector with the rationale of promoting the power of public spending to deliver genuine public value beyond simply cost and quality in procurement.

The model not only incorporates the Quality/Cost/Sustainability cycle but includes the adoption of processes and tools to deliver improvements to systems, strategies, and promotion of best practice.

Incorporating the model, Trust will aim to implement improvements within its supply chain by:

- Being more transparent and improving accountability by publishing a contract register, procurement strategy and annual procurement report.
- Providing SMEs with greater access to contract opportunities through fair and open competition.
- Applying a consistent approach to all procurement activity.
- Taking consideration of collaborative Framework Agreements to maximise efficiency and effectiveness and seek local collaboration where appropriate.
- Incorporating sustainable procurement duty, where appropriate.
- Promoting equality, respecting diversity and embedding inclusion within the procurement processes in line with the Trust EDI Strategy 2020-2024
- Promoting fair work practices including the real Living Wage into its supply chain.
- Promoting the use of community benefit requirements into contracts, where appropriate and proportionate.
- Promoting procurement activity that contributes to the circular economy and Scottish Government climate change targets.
- Owning the addition of new suppliers and conducting necessary risk assessments.
- Consolidating suppliers where necessary to reduce Trust's administrative burden and promote consistency.
- Actively seeking opportunities to reduce costs and challenging price increases.

1.2 Internal Context

Who are we?

Trust Housing Association Limited (Trust) is a Registered Social Landlord (RSL), and is regulated by the Scottish Housing Regulator, Care Inspectorate and Scottish Charities Regulator (OSCR). Trust is one of the largest housing, support and care providers in Scotland offering a range of housing and support services across the mainland and islands. Trust was established in 1973 and has now evolved and grown to almost 4,000 social rented homes and delivering services to over 4,000 customers.

Our wide range of services, from landlord only to care and support, are flexible and tailored to the needs of individuals. This allows our customers to live independently with an enhanced quality of life and their families to have peace of mind.

The mid-market homes are managed by Trust's fully owned trading subsidiary, Trust Enterprises Limited (TEL), with profits gift aided to Trust to re-invest in charitable activities.

Trusts Business Strategy – The Time Is Now

Trust Housing Association's Business Strategy 'Time is Now' 2024-28 sets its vision for "a bold new Trust" with its investment in a sustainable future built around three summarised key strategic aims:

Time to be Bold

Outlining a new corporate operating model to empower frontline teams to use their judgement and expertise, to deliver exceptional value, and be as efficient as possible.

Time to Grow

Seeking out and welcoming new partnerships that align with our corporate values. To invest in our existing homes and explore smart technology. Investing in learning and development for individuals and teams.

Time to go Green

On a journey to net zero by 2045, investing, designing, and delivering a greener future for Trust.

Our procurement strategy will contribute to all three business strategic aims through growth and continuous development of the procurement service and action of the following principal objectives.

These principles will ensure:

- Procurement processes are clear and structured in a way as to achieve best value for money for goods, services and works.
- Procurement exercises are properly researched to consider alternatives and market forces which may impact upon the exercise.
- All procurement activity conducted is relevant and proportionate.
- Existing specifications are challenged, and to seek out emerging sources of supply and optimised methods of delivery.
- Consideration is applied to whole lifecycle costs for any goods, services or works procured.
- Contracts are managed appropriately during the life cycle of the contract to ensure that agreed deliverables are met.
- Recognition and delivery of contractual obligations and requirement to pay suppliers on time.
- Procurement practices across the business are performed in a fair, transparent, and cost-effective manner.
- Procurement activities are carried out by appropriately trained officers.
- Procurement activities are carried out in a compliant manner to meet with statutory procurement regulations.
- Procurement activities are carried out in such a way to promote equality, respect diversity and embed inclusion in full support of the Trust EDI strategy.
- Incorporation of sustainable procurement duty into the supply chain, where appropriate and compliant with regulations, to improve the economic, social, and environmental wellbeing of the areas in which we operate, to promote innovation, and to facilitate involvement of SME's, third sector bodies and supported business.
- Fair work first principles and mandatory requirements to pay the real living wage are considered for all procurement exercises.

2 Trust's Procurement Vision

“Trust centralised Procurement function is designed to provide specialist skills, knowledge and expertise to ensure Trust’s full procurement life cycle is well-managed and compliant, while delivering value for money and meeting Customers expectations.”

3 Delivery of the 2021-23 strategy

The key strategic aim of the previous Procurement Strategy 2021-2023 was the introduction of an effective centralised procurement function which was achieved and has delivered transformational change within delivery of Trust’s Procurement Activities across the organisation. The team, now comprising a Procurement Manager and Procurement Assistant, takes ownership of all complex, high-value, high-risk purchases, as well as leading on strategy improvements and organisational performance enhancements.

The following progress has made against the 10 key strategy priorities identified under the 2021-2023 Strategy;

2021-23 Priority	2021-23 Key Activity	Status
<p>1. Corporate Spend Analysis</p>	<ul style="list-style-type: none"> - Introduced corporate spend reporting, providing visibility of current contract spend against budget allocation by financial year. - Includes historical financial years spend for comparison. - Includes supplier risk profiling, underpinned by live CreditSafe monitoring flagging key changes. - In-depth spend analysis conducted for new contract strategies, contract extensions and supplier negotiations, including commodity spend mapping, benchmarking, identifying cost saving opportunities. <p>Spend analysis provides valuable key information such as:</p> <ul style="list-style-type: none"> • Monitoring of regulated spend • Identification of non-compliant spend • Identification of budget variance • Understanding of spend by commodity • Identification of maverick spend • Identification of key suppliers - strategic, leverage etc • Identification of cost saving opportunities • Estimated spend for budgeting and forecasting <p>The procurement team will continue to maintain and update supplier spend and risk reporting data; sharing the information with the wider business.</p>	<p>Completed and embedded at business as usual</p>
<p>2. Contracts Register</p>	<ul style="list-style-type: none"> - Redeveloped a full, centralised Contracts Register. - Tracks all contracts including owner, value, dates and route to market. Includes historic contracts also. - Regularly updated with full version shared internally and a redacted version published on the Trust website in line with Public Procurement legislation. - Includes savings and benefits tracker. - Includes a “wave plan” detailing all on-going and future procurement activities to allow a pro-active approach to procurement business partnering. 	<p>Completed and embedded at business as usual</p>

	<ul style="list-style-type: none"> - A centralised contract library has been created to store all contract and tendering related information. All elements of the contract register will continue to be updated and maintained with appropriate sharing with the wider organisation and supply chain. 	
<p>3. Review Governance and Policy</p>	<ul style="list-style-type: none"> - Issued new Procurement Policy, Procurement Procedure, Delegated purchasing Authority & Standing Orders and Supplier Code of Conduct. - Updated to reflect the transformation to a centralised procurement operating model and legislative updates such as Fair Work First. - All documents align with the requirements of public procurement legislation. - New mandatory procurement training (e-learning on LearnPro) has been developed and rolled out to all colleagues with a delegated authority to approve PO's over £1k. As at March 2024 completion rate of the mandatory training sits at 88%. <p>All governance and policy documents will be updated at least every 3 years or more regularly as required.</p>	<p>Completed and embedded at business as usual</p>
<p>4. Standardised Operational Procurement Documents</p>	<p>The following new operational documents have been developed;</p> <ul style="list-style-type: none"> - Project Plan & Procurement Timeline - Contract Strategy template - Quick Quote Guidance and Checklist - Technical Specification Writing Guidance - Key Performance Indicator Template - Request for Quotation (various value thresholds) - Open and Restricted Tenders - Direct Call-Offs and Mini-Competitions from Framework Agreements - Tender Evaluation Documents - Recommendation Report - Contract Award Letter - Terms & Conditions of Contract <p>These documents support a consistent, compliant, and auditable approach to procurement activity. They align with Trust Procurement Policy and the Procurement Journey (Scot Gov't standard guidance for public sector tendering).</p> <p>On-the-job training has been provided to relevant colleagues across the business at every opportunity. Buy in and genuine interest from across the business has been extremely positive.</p>	<p>Completed and embedded as business as usual</p>

<p>5. Contract Strategies</p>	<ul style="list-style-type: none"> - Contract strategies have been introduced for all procurement requirements with contracts values of over £25k for supplies and services and £50k for works. - Contract strategies are prepared by the procurement team in conjunction with the operational project team, they are approved by the budget holder or Head of Service prior to commencing tendering or other means of procurement. <p>Contract strategies consider:</p> <ul style="list-style-type: none"> • Past, current and forecasted spend • Market research • Supplier profiling • Route to market • Opportunities for local collaboration • Use of Framework Agreements • Potential savings opportunities • Legislative and legal requirements • Opportunities for community benefits • Fair work first considerations • Sustainability • Risk management of the contract, including BCP • Defines team roles and responsibilities in the procurement process. 	<p>Completed and embedded at business as usual</p>
<p>6. Digital Hub & Procurement Service Support</p>	<ul style="list-style-type: none"> - Procurement MS Teams channel established with relevant access for all colleagues with delegated authority to approve PO's over £1k allowing them to access all necessary project and contract info. - sub-channel for each directorate with project folders for ongoing exercises and key contract information. - Procurement user group sub-channel to provide a central point of information for the organisation including; <ul style="list-style-type: none"> • Updated Contract Register, Spend Analysis and Active Supplier List shared on a regular basis, • Details of community benefit work • Training opportunities. • Useful template documents. as well as • Governance and legislative updates • Link to The Procurement Journey and accessible Framework Agreements. <p>The Procurement User Group channel is a key factor in supporting empowerment of Trust colleagues and delegation of low-value, low-risk procurement activities. It will be used to improve users' understanding of ethical values, mandatory requirements, and Trust's spend and contract profile, as well</p>	<p>Completed and embedded at business as usual</p>

	as provide templates and guidance to support them when making purchases. This in-turn increases the confidence in allowing them to conduct their own procurement exercises.	
7. Centralised Contract & Supplier Management	Work has commenced in this area including planning work and research for a new centralised and consistent contract and supplier management policy and toolbox, external training has been identified and the relevant colleagues involved in supplier and contract management identified. Completion of this work is a key priority for 2024.	In progress <i>Carried forward to 2024</i>
8. Supply Chain Code of Conduct	<ul style="list-style-type: none"> - Supply Chain Code of Conduct developed and launched reflecting the standards that Trust expect of its suppliers and its supply chain. - Written in consideration of Trust’s Sustainability Policy AMP020, Trust’s EDI Strategy, Scottish Government Fair Work First and Business Continuity requirements, together with the mandatory requirements of Section 15 of the Procurement Reform (Scotland) Act 2014. 	Completed and embedded at business as usual
9. Public Contracts Scotland	<ul style="list-style-type: none"> - In line with best practice, Trust is fully utilising Public Contracts Scotland (PCS) to conduct procurement quick quotes and regulated tendering exercises. - The portal is utilised to carry out the following core activities: <ul style="list-style-type: none"> • Request information and conduct market research through prior information notices. • Publish advertised contract notices and opportunities to the supply chain. • Upload tender documentation. • Receive tender responses and questions from contractors. • Submit contract award notices in line with regulated threshold requirements. • Publish a contract register of all awarded notices to the public domain. - Use of the portal standardises processes and provides a robust audit trail, ensuring compliance with legislative requirements of transparency, openness and free access to information and opportunities. - All notice publishing activity on PCS is owned and controlled by the procurement team. 	Completed and embedded at business as usual
10. Vendor Base Reduction	<ul style="list-style-type: none"> - A live Active Supplier List has been created of all Trust suppliers used since April 2021 (800+ suppliers), including key contact information, annual spend, description of supply including geographical cover and contract owner. 	Completed and embedded at business as usual

	<ul style="list-style-type: none">- This information provides a full understanding of spend by directorate and business team.- Any supplier not used since April 2021 has been marked as “inactive”.- New supplier approval process introduced.- Visibility has allowed pro-active commodity management and opportunity to remove duplicate supply and ensure compliant procurement and contracting.- Vender rationalisation is a key consideration in every new procurement project.	
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4 2024-2027 Strategic Aims and Key Priorities

The 2024-2027 Procurement Strategy further develops Trust's procurement service provision by improving upon and embedding the key priorities previously implemented, while identifying new activities to further enhance delivery of procurement and supplier and contract management within the organisation.

4.1 Strategic Aims

Appropriate Empowerment and Delegation of Procurement Activity

The overarching aim of the previous strategy was to embed a centralised procurement function which required the central team to understand all procurement activity across the business and introduce control and consistency. We are now in a position to re-empower and encourage colleagues to own and manage their own low-value, low risk procurement activities within the parameters of the Trust Procurement framework and with the support of the central procurement team as required.

The central procurement team will continue to manage higher-value, higher-risk projects, including oversight of all regulated procurement projects.

Empowerment underpins many of the key priorities detailed in Section 4.2, which aim to provide business teams with information and support to improve procurement related activity, contract and supplier management and value for money.

The continued provision of training, guidance documents and templates, as well as on-the-job training within the scope of contract exercises, will be vital to the execution of this strategy.

Time is Now Strategy

Empowering colleagues to deliver low-value, low risk procurement activity works towards "*Time to Grow*" within the overarching "*Time is Now*" business strategy, investing in the learning and development of employees.

Colleagues will continue to be provided the opportunity to better understand the key elements and legislative requirements of purchasing through operational procurement activities and guidance from the procurement team. They will be encouraged to prioritise value for money, ensuring the best quality goods and services are obtained for the lowest possible price. Managers are encouraged to pass lessons learned and guidance materials onto their teams.

Enhancing the procurement related skills of colleagues works towards more efficient operational contracting exercises while freeing up time and resource for the procurement team to work on strategic tendering and service improvements.

4.2 Key Strategic Priorities 2024-2027

The following 8 strategic priorities have been identified as opportunities to further enhance the operation of the procurement function;

2024-27 Priority	Rationale and key activity
<p>1. Centralised Contract and Supplier Management Framework</p>	<p>A formal framework for effective contract and supplier management activities is currently in development and due to be rolled out to the organisation. Supplier performance will be proportionately managed throughout the lifecycle of the contract to ensure that goods, services, and works are delivered in line with the agreed cost/price, quality, performance, or service level expectation integrated with the original quotation and terms of contract awarded.</p> <p>An investigation into Trust’s existing supplier management identified that regular contract meetings and performance reviews are taking place for key strategic contracts. However, there is an inconsistent approach across the organisation with a lack of structure to the content and regularity of meetings and the performance data provided.</p> <p>The contract management framework will aim to provide a standardised approach and guidance to supplier management, defining clear ownership for operational day to day management throughout the lifecycle of the contract. The benefits of effective contract and supplier management include improved operational efficiency and cost saving opportunities, pro-active risk management, stronger supplier relationships and provides a route to the optimisation and re-development of contracts when these are scheduled for renewal or extension.</p> <p>Third party contract and supplier management training will be provided.</p>
<p>2. Savings Opportunities and Regulated Spend Review</p>	<p>The procurement team has identified potential savings opportunities from high spend suppliers. An assessment of the top 50 spend suppliers was conducted and presented to the wider finance management team.</p> <p>The intention is to work in conjunction with contract managers to further quantify potential opportunities. The Procurement team will then lead in supplier negotiation with the aim of delivering reduced costs, improve the service provision or deliver other benefits, e.g. community benefits, supplier rationalisation etc. Given Trust are a not-for-profit organisation the hope is that key suppliers will be willing to work with us to find saving and improvement opportunities for the benefit of our customers and communities. Any improvements will be recorded on the savings and benefits tracker.</p>
<p>3. Community Benefits Strategy</p>	<p>Community Benefits are a contractual requirement for suppliers to commit to undertaking some form of social benefit as part of the delivery of the contract. Clauses are aimed at tackling issues to support training, employment, economic regeneration activity, and considerations to the environment through investment in local communities.</p> <p>Trust developed a Community Benefits Statement in early 2023 which describes our approach and expectation, including minimum requirements for various value thresholds. Since its development, it has been appended to all tender opportunities and built into framework</p>

	<p>agreement call-offs for contracts with a total value exceeding £500,000. There are also a number of call-off contracts put in place pre-2023 which include community benefits and include points scoring systems, with points accumulated depending on contract value for use on various weighted community benefit activities.</p> <p>The procurement team will create a central overview of all existing and future contracts which obligate suppliers to provide community benefits. This will form the basis for a structured approach towards improving social value and realising benefits which can specifically support the organisation, our customers and the wider community. Community benefits will be managed and monitored within directorates.</p> <p>Once potential activities have been discussed internally, they will be proposed to the various suppliers with a view to agreeing clear outcomes and timescales. The suppliers will then have to report upon their activity on a quarterly or bi-annual basis or at contract management meetings. There is an opportunity to work with customers to identify tailored activities which would directly benefit them. Completed activities and achievements will be shared around the business and wider community.</p>
<p>4. Procurement Requirements Form and Training</p>	<p>An opportunity to standardise the approach to the commencement of new procurement projects has been identified. In order for the procurement team to develop a strategy and provide an adequate overview and recommendation of the route to market options, general information on the contract requirement is necessary.</p> <p>The minimum required information includes:</p> <ul style="list-style-type: none"> • a description of the goods, services or works • mandatory supplier requirements • estimated contract value and historic spend data • start and end dates • expected outcomes • the project team to be involved <p>A Procurement Requirement Form will be developed requesting all necessary information to be completed by the budget holder or proposed contract manager for the requirement. The form will be rolled out to key stakeholders to explain the need for the information, describe the benefits and make clear the obligations of all parties within the procurement process.</p>
<p>5. Quantity Surveying and Consultancy Spend Review</p>	<p>Trust has historically relied on quantity surveyors and external consultants to provide technical expertise in relation to contract documents, terms and conditions, technical specifications, value for money assessments, etc. for a range of procurement projects within various business teams. Historically consultants have also been used to run tender exercises through to evaluation, recommendation and final award.</p>

	<p>The establishment of a centralised procurement function has decreased the need for these services and the team have made a conscious effort to reduce and negate spend where possible. Tender exercises being managed externally have been completely eradicated. Negotiations were held with consultants over reduced costs and scope of services, with agreements made to provide limited support with certain tender documentation only. It is appreciated that external consultants will always be required to provide technical expertise and potentially for resource support for projects requiring quick a turnaround.</p> <p>Trust’s existing internal multi-lot framework for various consultancy services comes to an end in May 2024. The decision has been made not to extend the contract on the basis of numerous external frameworks being available which provide routes to market with a sufficient spread of consultants and areas of expertise. Early discussions have taken place for the development of an internal framework, comprising long term framework call-off contracts with 2 or 3 suppliers in each key discipline: quantity surveying, principle design services and architectural services.</p> <p>A review of total quantity surveying and consultancy spend will provide clarity on Trust’s usage to date and allow for a strategic approach to be developed. Consolidation of consultants will create opportunities for cost savings, improved service offerings and enhanced working relationships as well as work towards vendor base reduction benefits. Also, the potential to bring certain areas of expertise in-house and train existing staff to fulfil services currently provided by consultants.</p>
<p>6. Improvements to New Supplier Process</p>	<p>The ownership of the new supplier process has been transferred to procurement from finance. This was with a view to improving governance and control by having separate personnel carrying out the addition of suppliers and the payment of suppliers, thus reducing opportunities for theft and fraud.</p> <p>The procurement team conducts necessary risk assessments and credit checks on all new supplier requests to ensure their addition is necessary, they have been procured in a compliant manner and to limit risk to the organisation.</p> <p>A more detailed process has been developed whereby requesters must complete a form to provide information on estimated spend, how the supplier was appointed and why existing suppliers on the Active Supplier List cannot fulfil the requirement. The information will be sent to the relevant budget holder for approval before coming to the procurement team for final governance checks.</p> <p>The process will ensure an auditable trail and approval process for new supplier additions which will minimise risk and prevent unnecessary additions.</p>

<p>7. Tendering for Capital Works Projects</p>	<p>In recent years Trust has used direct awards from external frameworks as a compliant route to market for high-value capital works projects such as kitchen and bathroom installations, boiler replacement programmes and ECO retrofit works. There are numerous benefits in doing so, namely the time and resource saving compared to a tender exercise, as well as support in the production of key contract documents from the framework provider.</p> <p>However, direct awarding generally means accepting the costs proposed from a single contractor without competition. In recent times, cost validations have proved difficult to obtain, and there is a limited number of contractors on the given frameworks from which to choose. In addition, Procurement for Housing and the Scottish Procurement Alliance, the two framework agencies generally used by Trust for these works, charge a 2.5% and 5% levy respectively for the services. The levy is paid by the contractor, but generally they will add this percentage onto their fee proposal thus passing the costs onto Trust.</p> <p>It has been identified that tendering for these types of works could yield significant benefits and savings. Smaller companies not on frameworks, who have worked for Trust in the past to a high standard, would have an opportunity to win the business. Bidders would be forced to submit fair and reasonable offers on the basis they are competing for works.</p> <p>Quick Quote exercises can be compliantly conducted for any “works” below the £2m regulated procurement threshold, in which Trust can select the bidders to be involved and evaluate on a price only basis. A full report and cost analysis based on similar past works would be produced to assess the benefits and determine any cost savings.</p> <p>It is appreciated that significant time and resource would need to be allocated to producing tender documentation, conducting the evaluation, awarding the contract, etc. However, this would work towards other strategic benefits; namely learning and development of all project team members and efforts to bring specialisms and expertise in-house. Future exercises would be expected to be carried out more efficiently and effectively though lessons learned and updating of existing documents rather than starting from scratch.</p>
<p>8. Business Continuity Planning</p>	<p>As our supply chain is integral to the service we provide, it is essential that our suppliers have robust business continuity plans in place to protect their operations as far as possible should any disruption to their business occur (for example natural disasters, terrorism, cyber attacks, illness, and infectious diseases).</p> <p>Trust will conduct business continuity planning by way of identifying critical suppliers for key strategic operations, enquiring about their business continuity capabilities, devising a plan to deal with example emergency situations, and recording all efforts and communications in a central folder to be accessed as and when an emergency arises. Key suppliers will be listed in the BCP appendix and updated periodically.</p>

5 Mandatory Objectives

Section 15 of the Procurement Reform (Scotland) Act 2014 provides that contracting authorities demonstrate how they intend to carry out procurement activities, and how they will deliver value for money whilst contributing to meeting the general duties of the Act.

Trust demonstrates the following activities when carrying out regulated procurements to meet with the general duties of the Act:

- Value for Money
- Fair & Equal Treatment of Economic Operators
- Consultation & Engagement
- Fair Work Practices & Living Wage
- Health & Safety
- Fair & Ethical Trade
- Food Procurement
- Payments to Contractors

5.1 Value for Money

Best practice procurement can significantly improve the quality of services delivered. It is recognised that value for money is not just about cost and quality, but about the best balance of cost, quality, and sustainability in line with the Scottish Model of Procurement. The balance of criteria that determines value for money in each procurement exercise varies on a case-by-case basis. The rationale behind the criteria and associated weightings to be used is considered at the outset of each procurement exercise through completion of a contract strategy.

Trust's internal policy for delivering Value for Money is also considered in our strategic objectives. Requesting improvements on tender proposals, challenging cost increases, and identifying saving opportunities and other benefits, all work towards ensuring Value for Money for Trust and our customers.

5.2 Fair & Equal Treatment of Economic Operators

Equal treatment and non-discrimination are fundamental procurement principles which Trust follows in all regulated procurement activities. By treating relevant economic operators equally and without discrimination, Trust aims to achieve greater competition, promote innovation, and encourage a wider range of economic operators to become involved in our contract opportunities. This is attained by ensuring that its procurement procedures are conducted transparently, equally and without discrimination.

Trust takes consideration of the contract size, including the option to divide requirements into smaller Lots to facilitate access to the opportunity to all types of economic operator. Trust will place the minimum possible qualification requirements to opportunities without compromising on the required minimum quality output, to maximise the scope of the available operators to bid for contract opportunities. The procurement team also actively supports SME's who are unfamiliar with the tendering process and certain contract documents to help with their submission.

5.3 Consultation & Engagement

The Procurement Service will continually develop strong working relationships with each business area to understand their business requirements whilst considering all market offerings from contractors to determine the most appropriate approach to contract strategy and route to market.

As part of individual commodity and contract strategies, each procurement lead officer identifies all key stakeholders and gives due consideration to the extent of their involvement. This includes utilising subject matter expertise to help inform and design technical specifications and/or to be involved in technical and commercial evaluation panels. The greatest way to ensure that contracts are fit for purpose is to involve all relevant stakeholders in the contract design and associated evaluation criteria models. Activity is carried out in a proportionate manner and considered appropriately on each project basis.

The aim is for clear project outcomes and fit for purpose innovative solutions with potential financial savings, community benefits and other benefits, whilst guiding and empowering stakeholders.

5.4 Fair and Inclusive Work Practices

Through regulated procurement activity, Trust does everything within the legislative framework to encourage all contractors, to evidence commitment to delivering fair and inclusive work practices and payment of the living wage. A specific fair work first question is included in all regulated tender exercises and weighted accordingly depending on scope ensuring contractors provide a statement to support their activities within a tender return.

Public bodies cannot mandate contractors, including social care providers, to pay their employees the Scottish Living Wage as a condition of participating in a tendering exercise, or via a contract performance clause. However, Trust will always encourage its contractors to pay their employees the Scottish Living Wage.

Procurement shall also, as far as is possible and in a proportionate manner where relevant to do so, encourage and promote contractors to demonstrate fair, positive and inclusive work practices for its employees and sub-contractors.

5.5 Health & Safety

Trust will do its utmost to ensure the health and safety of all those involved in the provision of goods, services and works by promoting compliance of contractors and sub-contractors with the Health and Safety at Work Act 1974, and any provision made under that Act and all subordinate legislation. Trust will assess the potential health and safety risks arising from each contract, in partnership with the Health, Safety & Business Continuity Manager (or other technical subject matter expert as appropriate).

Where appropriate, contracts will be monitored to ensure current compliance with health and safety requirements and regulations. A contract strategy must consider Health and Safety at the onset of any regulated procurement exercise in a manner which takes account of relevant factors, whilst ensuring an appropriate balance between cost and quality.

Where necessary, mandatory requirements are included in tender documentation and subsequent contracts. Quality questions such as methodology to demonstrate compliance may be used as part of the award criteria if deemed appropriate. The approach taken will ensure proportionality, based on the nature, scope, size and place of the performance of the contract. Where there are specific health and safety concerns relating to a particular procurement, Trust will require tenderers to detail, as part of their tender submission, the measures they will implement to respond to identified risks.

5.6 Fair & Ethical Trade

Trust considers the relevant and proportionate application of fair and ethical trading principles in its procurement activities. In all regulated procurements, Trust considers sustainable aspects in line with the Sustainable Procurement Duty, including fair and ethical trading where relevant and proportionate to do so. Individual procurement strategies for specific regulated procurements will identify such matters and will define the approach taken in a relevant and proportionate manner. Trust works to embed applicable sustainability requirements in the development of specifications and subsequent contracts. Trust also endeavours to ensure that procurement requirements relating to fairly and ethically traded goods and services are applied in a relevant, proportionate, and legally compliant manner to promote ethical practices in its supply chain.

5.7 Food Procurement

It is recognised that expenditure on food has the potential to unlock benefits for the health and wellbeing of our customers through access to good nutrition, including access to fresh and seasonal produce. Trust's food procurement focuses on providing nutritionally balanced, quality food to suit the needs and demands of our client groups.

Trust will apply the appropriate animal welfare standards requirements into tender specifications to meet with any legislative requirements. Procurement requirements relating to food aim to reduce the environmental impact where possible, focussing on sustainable and ethical sourcing and minimising food waste in our care homes.

5.8 Payments to Contractors

Our policy in relation to payments to contractors and sub-contractors is to aim to ensure as far as practicable within our terms of contract or agreement, and within our control, that payments will be made within 30 days from the presentation of invoices or claims submitted.

Trust continues to improve its payment times to assist with cash flow. It is understood that prompt payments to contractors once goods have been delivered or a service has been met is important to avoid detrimental effects to SMEs, whilst also avoiding potential supply stops through credit accounts being placed on hold.

Late payment legislation places a statutory duty on all public bodies to pay commercial debt within 30 days. Legislation also allows businesses to claim interest and recovery costs if goods and services are not paid for on time.

6 Spend & Finance

It is forecasted that during the financial periods 2024/25, 2025/26 and 2026/27 there will be on average £27.4 million of anticipated influenceable spend for the procurement of goods, services and works per annum.

Our anticipated spend during the period covered by this procurement strategy for influenceable procurement activity is set out in the forecasted table below.

Forecasted Spend by financial year:

Cost	Details	2024/25 £k	2025/26 £k	2026/27 £k
Revenue Spend:				
Employee related costs	Learning & development and recruitment costs	249	256	262
Supplies & Services	Includes stationery, printing, office equipment, computer costs, telephony, professional fees etc	1,946	2,000	2,046
Insurances	All business insurances	845	1,014	1,037
Catering and hygiene	Food, cleaning, and catering supplies	1,336	1,373	1,405
Property Costs	Responsive repairs, maintenance, servicing, and security	8,011	8,251	8,441
Energy Costs	Electricity, gas, and oil	3,979	3,488	3,290
Capital Spend:				
Property Component Replacement	Cyclical replacement of individual property components e.g., bathrooms, kitchens etc	4,207	4,279	3,990
Existing Property Re-Modelling & Net Zero Works	Property and energy efficiency costs	2,269	514	526
New Build Projects	New housing projects	3,871	4,646	6,777
ICT Costs	ICT equipment and systems	386	257	263
Furniture	Development furniture and carpets	160	165	168
Medical Adaptations	Property adaptations	200	200	200
Total anticipated revenue and capital spend		27,459	26,443	28,405

7 Recommendations & Other Content for Consideration

7.1 Collaborative Procurement

Collaborative procurement is an important consideration within current and future contract strategies and compliant routes to market. We will always consider how best to procure goods and services from national or regional collaborative contracts and Framework Agreements from organisations such as Scotland Excel, Crown Commercial Services, Scottish Procurement, Procurement for Housing (p fH), Scottish Procurement Alliance (SPA), LINK, The City of Edinburgh Council and other available outlets where Registered Social Landlords are able to access and participate.

Using established collaborative contracts allows Trust the opportunity to benefit from consortia agreed pricing which is often competitive through potential discounts, savings, and benefits from pre-appointed suppliers.

Other advantages of using collaborative contracts include a reduction in the timeline and resource capacity that would otherwise be considered by undertaking a full in-house tendering project by perhaps making a direct contract award to a contractor or by conducting a mini competition between ranked suppliers on an established agreement.

There are opportunities to maximise efficiencies, reduce administrative tasks, share innovations with other authorities, and to participate in the development of a regional or national specification through participation in Framework User Intelligence Groups to shape the output of the need.

Use of collaborative contracts and Framework Agreements will always be considered where relevant and proportionate to Trust, and in some cases, these may not be considered where they would provide restrictions to new suppliers that may offer innovative new solutions, or where coverage of supply is challenging or not fully available to all regions of our customer base.

Trust currently has procurement alliances with other housing associations such as Bield Housing and Care and Hanover Housing Association. In future, Trust will consider other joint contracts with neighbouring organisations, where appropriate.

7.2 Continuous Improvement Procurement Programme (CIPP) – Scotland Excel

The Continuous Improvement Procurement Programme (CIPP) is a tool developed by Scotland Excel, the procurement centre of expertise for Local Government Authorities, Housing Associations, and other associated public bodies. It is used to help public sector organisations determine and implement relevant actions that will embed good procurement practice and realise intended sustainable outcomes. An assessment is conducted to determine the procurement capability of the organisation and identify opportunities for improvement. RSL's are required to participate in the programme as a condition of grant funding.

Initial discussions have taken place with Scotland Excel to review the assessment process, which we have agreed will be conducted in 2024. The procurement manager will manage and coordinate the process, gathering evidence from various directorates related to each area of assessment.

7.3 External Support

External guidance and support are available from Scotland Excel's Academy which provides learning and development courses, many of which have already been attended by both members of the procurement team, as well as advice for calling off from their framework agreements.

Support is also available from the Scottish Procurement Alliance (SPA), via Trust's membership of the SFHA. Networking with other Housing Associations is available through the SHFA Procurement Forum. The Chartered Institute of Procurement and Supply (CIPS) is a source of support for any employees holding or training for a chartered membership.

Procurement consultancy services are also used as required on an ad-hoc basis for guidance and advice on specific operational and strategic projects and training as appropriate.

7.4 Procurement Excellence

Through strategic change and improvements to procurement practices, we may consider putting ourselves forward for consideration for excellence awards for procurement, such as Go Awards Scotland, which is officially supported by the Scottish Government and celebrates the very best of procurement achievements from across Scotland's public, private and third sector organisations.

7.5 Collaboration in the Community

Customers in our local communities have expressed an interest to understand the way that services are procured that directly affect their everyday lives. Through consultation with and subsequent direction from our Leadership Team, some consideration will be given to selected procurement projects to allow some external consultation from customers and where appropriate the wider community to inform the specification of requirement, input to potential supplier community benefits, and possible supplier evaluation.

8 Implementation, Monitoring, Reviewing & Reporting

In accordance with the Procurement Reform (Scotland) Act 2014, Trust's procurement strategy is published and implemented and is available for the period April 2024 to 2027.

This version is approved by Trust's Board dated 29th May 2024.

8.1 Monitoring

The Director of Finance & People and the Procurement Manager are responsible for monitoring the effectiveness of the procurement function across Trust to ensure that procurement activities are compliant with relevant legislation, Trust policies and procedures and align with this Strategy.

8.2 Procurement Strategy Review

The strategy will be continually reviewed to ensure that it meets with the strategic focus of its procurement activities, and that it continues to underpin Trust's corporate strategic plan. It will ensure it continues to set the context in which the procurement service will work to confirm that it delivers value for money whilst directly contributing to the achievement of its broader aims and objectives.

The next required review date is March 2027.

8.3 KPI Review

The KPI review will be conducted by the Director of Finance & People and reported to the Board annual, based on the following key performance indicators in each financial year:

- Percentage of non-compliant spend that is regulated
- Value of new annualised savings achieved through procurement activity
- Number of collaborative contracts awarded as a percentage of all contracts implemented (split between regulated and non-regulated)

8.4 Annual Procurement Report

Trust will prepare and publish an Annual Procurement Report following close of each financial year. The report will include a summary of:

- Regulated procurements completed that year.
- Compliance with Trust's procurement strategy.
- Any non-compliant regulated procurements, along with a statement of how we intend to ensure that future regulated procurements do comply.
- Community benefit requirements imposed as part of a regulated procurement.
- Steps taken to facilitate the involvement of supported businesses in regulated procurements.
- Regulated procurements the authority expects to commence in the next two financial years.

9 Strategy Ownership & Contact Details

The Procurement Manager is the owner of this strategy and can be contacted as follows:

info@trust.org.uk

0131 444 1200

Trust Housing Association
12 New Mart Road
Edinburgh
EH14 1RL

10 Policies, Tools & Procedures

The following corporate policy and procedure documents associated with this strategy are:

- Procurement Policy PR01
- Procurement Procedure PR02
- Sustainability Policy AMP020
- EDI Policy 2023
- Anti-Fraud, Anti-Money Laundering and Anti-Bribery Policy FP25
- Delegated Authority FR06

The following tools, strategies, policies, and regulations linked to this strategy are:

- The Procurement Journey
- Public Contracts Scotland Tendering Web Portal
- Scottish Model of Procurement
- Guidance under the Procurement Reform (Scotland) Act 2014
- Procurement Reform (Scotland) Act 2014

10 Glossary of Terms

Economic Operator	Organisation participating in (or potentially participating in) a tender exercise and/or contractual arrangement, otherwise termed 'supplier', 'contractor', 'tenderer', 'operator' etc
Framework Agreement	A collaborative contract or agreement or other arrangement between one or more contracting authorities and one or more economic operators which establishes the terms (the terms as to price, and where appropriate, quantity) under which the economic operator will enter into one or more contracts with a contracting authority in the period during which the framework agreement applies.
Key Performance Indicator (KPI)	Targets, statistics on performance related criteria
Procurement Journey	Scottish Government's tool containing guidance for public sector procurement in compliance with statutory regulations.
Public Contracts Scotland (PCS)	The advertising portal provided by the Scottish Government for the advertising of public contract opportunities using a Contract Notice/PIN (Prior Information Notice); obtaining quotations via Quick Quote; and for the award of contracts via a Contract Award Notice.
Regulated Procurement	As defined in the Procurement Reform (Scotland) Act 2014: 'Any procedure carried out by a contracting authority in relation to the award of a proposed regulated contract including the seeking of offers in relation to the contract, and the selection of economic operators and the award of a regulated contract by a contracting authority. A contract is regulated if it is: (a) it is a public contract, (b) the estimated value of the contract is equal to or greater than the contract threshold*, and (c) the contract is not an excluded contract. *as of January 2020, thresholds are as follows: Goods/Services - £50,000 Works - £2,000,000
Sustainable Procurement	the meeting of business needs for the procurement of materials, goods, utilities and services and works in an environmentally friendly, responsible, and ethical way.
Trust	Trust Housing Association Limited
User Intelligence Groups (UIG)	A User Intelligence Group is a cross-functional team working collaboratively to develop commodity/service strategies, assist with tender evaluation and ongoing activities of contract/supplier management, monitoring, implementation, compliance, and benefits tracking. The group should have representation from key stakeholders from relevant organisations/ business areas including procurement and business/technical/customer representatives.

published by
Procurement Service, Directorate of Finance & People
May 2024

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Registered Scottish Charity No. SC009086