

PROCUREMENT STRATEGY

2025 - 2029

APPROVED BY HHP BOARD:
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March 2025



hebridean housing
partnership

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INTRODUCTION

- 1.1 The purpose of this strategy is to support the delivery of services and high-quality homes, with an effective procurement process that supports our strategic objectives, offers value for money, takes account of best practice and meets procurement legislation.
- 1.2 This strategy therefore sets out our approach to regulated procurement, lists strategic goals and objectives, and highlights challenges for the period 2025 to 2029.

AIMS

- 2.1 Our aim in this document, in keeping with the Scottish Model of Procurement, is to:
 - a) Set clear strategic objectives and to ensure compliance with statutory requirements;
 - b) Promote innovation and best practice in our procurement;
 - c) Improve supplier access to our procurement opportunities, including the involvement of small and medium enterprises, third sector bodies and supported businesses;
 - d) Embed Environmental, Social & Governance (ESG) considerations in our procurement activities;
 - e) Promote the adoption of Fair Work First (FWF) Principles; and
 - f) Deliver Value for Money (VFM) through procurement

PROCUREMENT VISION/MISSION STATEMENT

- 3.1 We have four strategic goals. These are:
 1. Tenants - Placing tenants at the heart of everything we do;
 2. Houses - Investing in a sustainable way in tenants' homes;
 3. Staff - Being an excellent employer that attracts and retains high quality staff; and
 4. Communities - Working with partners to help our communities thrive.

3.2 Our Procurement Vision is to:

"Procure goods, services and works, in an open, effective, sustainable, economic and efficient manner, and in so doing, meeting the needs of the business, our tenants, and our community."

3.3 Our Procurement Mission Statement is to:

"Provide clear and focused leadership and administration of the procurement process, with the aim of fostering innovation, improving efficiencies and delivering cost savings, with transparency and fairness for the supplier community."

STRATEGY RATIONALE/CONTEXT

- 4.1 Hebridean Housing Partnership is a charitable not-for-profit housing association governed by a Board of up to 15 members.
- 4.2 We became a Registered Social Landlord on 12 September 2006 following the transfer of the Local Authorities housing stock and subsequently merged with 5 smaller Housing Associations to form a single social housing provider covering the whole of the Outer Hebrides.
- 4.3 Over the last 19 years, we have planned and implemented a significant improvement program for the fabric of our homes and developed a new build program to meet housing demand, whilst at the same time balancing issues of affordability and access.
- 4.4 We now manage almost 2500 properties and factor 140 more across 12 islands in this 120-mile-long archipelago, with an aim of providing a high standard of home and service to all, irrespective of location or distance.
- 4.5 Procurement in this environment often raises difficulties in terms of a limited supplier base, high costs and transportation difficulties. In addition, we face significant challenges in the years ahead as a result of an aging population, economic decline, significant outward migration and depopulation, lack of existing infrastructure, climate change and fuel poverty.
- 4.6 We will therefore strive to work with tenants, communities, and stakeholders to address these issues, and attempt to use innovation to meet needs and create opportunity.
- 4.7 Our procurement of food and drink is minimal, however we will work to put in place affordable contracts, if appropriate, that meet nutritional requirements of all users who would benefit from the provision of food and drink.

STRATEGIC PROCUREMENT OBJECTIVES

5.1 There are five priority themes for action for the period 2025-29. These are:

a) Developing our Procurement function and team

- i) Our Procurement function sits with the Corporate Resources Team. This allows for a separation of duties within the organisation between procurement administration and the main procurement requesters. This reinforces and promotes equality and non-discriminatory treatment of contract processes and allows for greater transparency at all stages.
- ii) The tendering process has been developed consider procurement options from the outset. This will allow us to consider partnership procurement in the first instance, to expand the amount of procurement being tendered, and to consider sustainability issues, particularly where it might improve the economic, social and environmental wellbeing of the islands.
- iii) Appropriate training will be provided to the Procurement Team, and those who are involved in the procurement process.

b) Developing a strong supplier base (supporting local enterprise)

- i) Given our remote location, and the fragile nature of our economy, it is important for us to procure in a sustainable way, especially in relation to contracts that require a physical presence in the islands. We will look at how we can facilitate the involvement of small and medium enterprises, third sector bodies and supported businesses.
- ii) We will also consider how we can promote innovation to improve service and promote value for money.
- iii) We will develop and monitor local guidance on Community Benefit requirements to assist suppliers and will consult with users and suppliers on other matters to improve the procurement and contract management process.
- vi) Contractors and Sub-contractors will be required to comply with relevant H&S legislation and confirm that materials/services are ethically sourced.

c) Developing strong supplier relationships

- i) We view suppliers as partners, working together to improve performance, reduce costs and foster innovation.
- ii) We will look to improve contract management, and to consult and seek feedback on customer and supplier satisfaction throughout the duration of the contract. We will, in discussion with the contractor, also regularly review and assess the contract process to see whether administrative improvements on either side can increase efficiency or service delivery.

d) Developing Environmental and Social Governance

- i) Where applicable, we will use procurement to contribute to the goals detailed in our Environmental, Social and Governance (ESG) Strategy.
- ii) We endeavour to dispose of unwanted or excess assets, materials, or goods in an ethical way, prioritizing methods that minimize environmental impact, and maximise societal benefit.

e) Developing Fair Work First (FWF) Principles

- i) We adopt the 'Fair Work First' principles in relation to our regulated procurement, and in other procurement where appropriate and practical. We will require our tenderers to commit to these principles and will evaluate the tenders on this basis. These principles are:
 - a) Appropriate channels for effective workers' voice, such as trade union recognition;
 - b) Investment in workforce development;
 - c) No inappropriate use of zero hours contracts;
 - d) Action to tackle the gender pay gap and create a more diverse and inclusive workplace;
 - e) Payment of the real Living Wage.
 - f) Flexible and family friendly working practices for all workers from day one of employment; and,
 - g) Opposing the use of fire and rehire practice.

5.2 To help assess performance, a number of indicators have been developed and reported on (These are listed at Appendix A).

MONITORING/REVIEWING AND REPORTING ON OBJECTIVES

- 6.1 Any issues that arise with respect to procurement will be reported back to our Executive Team for appropriate action, helping to ensure ongoing alignment with legislation and our goals and priorities.
- 6.2 Our procurement process, in relation to tendered contracts, and progress on implementing the procurement action plan, will be reported to and monitored by the Board.
- 6.3 An Annual Procurement Report will be produced, listing all tendered procurements, their outcomes, and whether the procurements complied with the Procurement Strategy.
- 6.4 A Contract Register of all regulated procurement is published on our website, together with a Community Benefit Register.
- 6.5 The purchasing levels of each member of staff is reviewed regularly and listed in our Financial Authorities.

STRATEGY OWNERSHIP AND CONTACT DETAILS

- 7.1 Procurement administration will be undertaken by our Corporate Resources Team, overseen by:

Director of Finance & Corporate Services
Hebridean Housing Partnership
Creed Court
Willowglen Road
Stornoway
Isle of Lewis
HS1 2QP

POLICIES, TOOLS AND PROCEDURES

- 8.1 Our Procurement Policy, and its related procedures, governs the administration of all procurement in relation to works, the supply of goods and the provision of services.
- 8.2 The policy is subject to the provisions of United Kingdom and Scottish legislation and is maintained and updated subject to guidance periodically issued by the UK or Scottish Governments.
- 8.3 Procurement will also comply with our 'Entitlements, Payments and Benefits' policy and refer to our Risk Register.
- 8.4 The Scottish Government Procurement Journey framework will be the key tool to ensuring best practice in procurement processes, and all procurement over £10,000 will generally be managed through the Public Contracts Scotland Website. Where possible, purchasing below this level will use the Public Contracts Scotland 'Quick Quotes' facility.

APPENDIX A – KEY PERFORMANCE INDICATORS

These indicators will be reported to Board Annually as part of the Annual Procurement Strategy and will be used to manage progress:

No	Key Performance Area/Measure	Target	Strategic Goal	Procurement Objective
1	Contract compliance (of suppliers successful completing contract.)	100%	2,3	b,c
2	Customer Satisfaction with contractor performance (Repairs Surveys)	90%	1,2,4	a, c
3	Number of electronic invoices as a % of total invoices processed	95%	4	b,c
4	Percentage of HHP spend being tendered (above the £10K threshold level)	90%	1,2,3,4	b,c
5	Percentage of Suppliers paid within 7 days (Following Delivery of good or services)	95%	2,3	b
6	Percentage of spend with local suppliers (Company defined as local if based in the Outer Hebrides or operates and employs staff from an island location)	90%	4	b,c,d,e
7	Compliance with procurement legislation (best practice) [No successful challenges regarding procurement process]	100%	4	a
8	Percentage of contracts where a local supplier submits a tender	90%	4	b
9	The number of renewal contracts which have seen savings negotiated, or improvements have been agreed and implemented	25%	1	d,e
10	Tenderers Notified within the target timescales	100%	3	a

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

WORD	INTERPRETATION
HHP or Partnership	Hebridean Housing Partnership
Board	Means the Board of the Hebridean Housing Partnership
Board Members	All Members of the Board including co-opted Members
FWF	Fair Work First – 7 principles that all tenderers for public works will have to commit to in order to be considered for contracts.
ESG	Environmental and Social Governance
Procurement	This will generally refer to Regulated Procurement, although the same principles will be applied to smaller procurements where possible.
Regulated Procurement	Public sector contracts for goods, services, or works that exceed a certain value, currently set at £50,000 excluding VAT for goods and services; or £2 million for works contracts, and which must be advertised on Public Contracts Scotland.
All references to the masculine gender in this policy shall read as equally applicable to the feminine gender	



HHP is a registered society under the Co-operative and Community Benefit Societies Act 2014, Registered Number: 2644R(S), Registered Office: Creed Court, Gleann Seileach Business Park, Willowglen Road, Stornoway, Isle of Lewis HS1 2QP. It is a charity registered in Scotland, Charity Number: SCO35767, registered as Registered Social Landlord with the Scottish Housing Regulator, Registration Number: 359 and registered as a Property Factor, Registration Number PF000183