

A photograph of a modern building with a corrugated metal facade, featuring a large sign for Hjaltland Housing Association. The image is overlaid with a blue tint.

Annual Procurement Report 2025/2026 May 2026

Providing homes, supporting communities

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Introduction

Hjaltland Housing Association (HHA) was established in 1975 to support Shetland Islands Council in the provision of housing for communities across Shetland. The Association is a non-profit distributing organisation, registered with the Financial Conduct Authority (FCA) and recognised as a Scottish Charity.

Under the Procurement Reform (Scotland) Act 2014, public bodies with significant procurement expenditure are required to prepare and publish an annual Procurement Report. This applies where the total estimated value of regulated procurements undertaken in a financial year is equal to or exceeds £5 million.

A regulated procurement is defined as any procurement for goods and services with an estimated value of £50,000 or more, and any procurement for works with an estimated value of £2 million or more.

This report also includes a summary of non-regulated procurements undertaken during the reporting period. For HHA, this includes works contracts with an estimated value between £15,000 and £2 million, and service contracts between £15,000 and £50,000. All such procurements are carried out in accordance with HHA's internal tendering policy and procedures.

Procurement Strategy

HHA's first Procurement strategy was published in March 2020 and is subject to annual review to ensure it remains current and aligned with organisational properties. The most recent [version](#) was published in March 2026.

The strategy is considered proportionate to the scale and nature of HHA's procurement activity, which includes a relatively low level of regulated procurements. The majority of regulated procurement activity arises from HHA's development programme, primarily in relation to new build projects, including construction works and associated consultancy services.

In line with the Procurement Reform (Scotland) Act 2014, HHA gives due consideration to its Procurement Strategy and Procurement Policy at the outset of each regulated procurement exercise. All contracts are awarded following a transparent and competitive process, with contract award decisions based on the Most Economically Advantageous Tender (MEAT), considering an appropriate balance of quality, price and sustainability considerations.

HHA's Procurement Strategy supports the following key principles and objectives:

- Delivering value for money
- Ensuring equal and non-discriminatory treatment
- Promoting transparency and proportionality
- Embedding sustainability, innovation and community benefits
- Supporting consultation and stakeholder engagement

- Promoting fair work practices, including payment of Living Wage
- Maintaining high standards of health and safety
- Encouraging the use of fairly and ethically traded goods
- Ensuring prompt and fair and ethically traded goods
- Ensuring prompt and fair payment to contractors and subcontractors
- Driving continuous improvement in procurement practices

Summary of Procurement 2025/2026

Regulated Procurements

No regulated procurements were undertaken by Hjaltland Housing Association during the 2025/26 reporting period.

Non-Regulated Procurements

Five non-regulated procurements were awarded during the reporting period, comprising four works contracts and one service contract. The total value of these procurements was £1,281,782.05

Ref	Contract	Supplier	Award Date	Start Date	Completion Date	Value Ex VAT
Works	Stucca Blockwork Replacements	Bisset & White Builders Ltd	07/04/2025	04/05/2025	28/10/2025	
Service	Heating & Ventilation Servicing – Lot C	Robertson & Peterson Ltd	05/06/2025	05/06/2025	31/03/2028	
Works	Thistle Court – Energy Efficiency Upgrades	Sutherland Building Contractors Ltd	17/09/2025	06/10/2025	27/03/2026	
Works	16 Burnside – Refurbishment Works	GA Leask Builders Ltd	03/10/2025	26/10/2025	13/01/2026	
Works	Electrical Works & Testing	Robertson & Peterson Ltd	30/03/2026	01/04/2026	31/01/2031	
					Total	£1,281,782.05

Regulated Procurements and Compliance with Procurement Strategy

During 2025/26, the Association did not undertake any regulated procurements. However, the following sets out how regulated procurements are carried out in accordance with the principles and objectives of HHA's Procurement Strategy.

Value for Money

All regulated procurements are advertised through the Public Contracts Scotland portal to ensure open competition. Tenders are evaluated based on the Most Economically Advantageous Tender (Meat), with an appropriate balance of quality and price to ensure value for money.

Equal and Non-Discriminatory Treatment:

Procurement processes are designed to ensure fairness and equal treatment. All tender documentation is made freely available via Public Contracts Scotland, and all clarifications are managed through the portal to ensure that all bidders have access to the same information. Documentation is prepared in a clear and consistent manner to support equal understanding.

HHA recognises that its geographical location influences market participation and that it engages a significant number of local suppliers, the majority of which are Small and Medium Enterprises (SMEs), including micro-businesses

Transparency and Proportionality:

Transparency is achieved through the use of Public Contracts Scotland and clear procurement processes. A proportionate approach is applied to all procurements to ensure that requirements do not create unnecessary barriers to participation, particularly for SMEs, third sector organisations and supported businesses.

Sustainability, Innovation and Community Benefits:

Procurements take account of HHA's Sustainability Policy and incorporate community benefit requirements where appropriate. Community benefits are included within quality evaluation criteria and reflected in contract conditions. Specifications are developed to encourage sustainable solutions and innovation, informed by previous project experience.

Consultation and Engagement:

HHA engages regularly with the local construction sector, including through the joint [Future Housing](#) events with Shetland Islands Council. Feedback from these engagements informs the development of project specifications and procurement approaches.

The Association also provides feedback to both successful and unsuccessful bidders and actively seeks feedback from participants to support continuous improvement and reduce unnecessary barriers within procurement processes.

Fair Work Practices, including Living Wage:

Fair work practices, including the payment of the Living Wage, are assessed as part of the quality evaluation of tenders. HHA is committed to Fair Work First principles and has regard to statutory guidance in the selection and award of contracts. Further information is set out in the Association's Fair Works First Statement.

Health and Safety:

Health and Safety competence is assessed as part of the tender evaluation process. Appropriate and proportionate health and safety requirements are included within the tender documentation to ensure compliance with relevant legislation.

Fairly and Ethically Traded Goods:

Compliance with environmental, social and employment legislation is assessed through the Single Procurement Document (SPD). Where relevant, consideration is also given to lifecycle costing and the ethical performance of supply chains.

Payments to Contractors and Sub-Contractors:

HHA applies fair payment practices in line with standard forms of contract, including JCT, SBCC, NEC, RIAS and ICE. Payments are made within 30 days of receipt of a valid invoice. Contractors are also required to ensure that subcontractors are paid promptly in line with these terms.

Community Benefit, Expenditure and Local Supply Chains

HHA operates within a remote island community in Shetland, with a population of approximately 23,000. This geographic context significantly influences procurement activity, and the Association places a strong emphasis on delivering community benefits and supporting local supply chains through its procurement practices.

Community Benefit

In line with the Procurement Reform (Scotland) Act 2014, HHA includes community benefit requirements in all regulated procurements with an estimated value of £4 million or more. Where appropriate, community benefit clauses are also incorporated into procurements below this threshold to maximise social, economic and environmental outcomes.

Community benefits are considered at the planning stage of procurements and, where included, form part of the contract requirements and, where relevant, the quality evaluation of tenders.

Community benefit requirements that were fulfilled during the year 2025/26 include:

Staneyhill Infrastructure Contract – Garriock Bros Ltd

Community Benefit Requirement	Activities Fulfilled
Employment – New Starts	- Advertising of available positions via local media, social media and LinkedIn - Five new staff members.
Employment - Apprenticeships	Five new Apprentices including; Graduate Apprenticeship in Civil Engineering, Modern Apprentice Plant Engineering, Modern Apprentice Site Manager (Over 21) and Modern Apprentice Site Works.
Skills & Training – Work Placements	Four summer work placements. Two in Engineering department and two support staff.
Skills & Training – Development of Workforce & Supply Chain	- Supported HSQE advisors to upskill from groundworkers to plant operators. - HSQE advisors both undertaken & passed NPORS exams. - Supported current staff to upskill on plant and achieve additional qualifications. - Mental Health First Aider training

	and Mental Health Awareness training undertaken by staff. • First Aid course attended by staff. • Attended Career and Opportunities Fair in February 2026. • Attended the Industrial Advisory Board (IAB) – GA Civil Engineering UHI Inverness. • Attended the “Looking to the Future: Apprenticeships and Business Development” Seminar by Shetland Local Employability Partnership. • IOSH Leading Safety Course for one staff member. • Carbon Footprinting and Reporting Training Course attended by one staff member. • SPA Safety Passport course attended by four staff members.
Environmental – Recycled Waste	• 131,900t of rock crushed on site since beginning of project. • Green corridor Amphitheatre walls constructed using site stone in lieu of in-situ concrete.
SME & 3 rd Sector Sub-Contracting Opportunities	• Value of subcontract works: £460,165.01
Community Involvement	• Met with RSPB & Council Children’s Services staff to discuss community involvement through 2025. Discussed RSPB information on wildlife around area. • Defibrillators purchased for site & all Garriock Bros. depots. Entered on community defibrillator website. • Continued liaison with Shetland Islands Council Environmental Health Department. • Local donations including; Sound Primary School activities day, Cooke Aquaculture Christmas fundraiser for Shetland SANDS funds, Brae ‘Mens night’ local fundraiser, Up Helly Aa’s, staff awareness drive for CLAN support services, staff awareness drive for mental health support services from lighthouse charity, 2-

	year sponsor agreement with Shetland U-18s girls rugby team, Lerwick Amateur Swimming Club, Voe Show, Bixter Hall Fundraiser. • Supported the Outdoor Clothing Swap Shop with promotion, funds, facilities, and refreshments. • National donations including The Lighthouse Charity UK 1149488 (Construction Mental Health & Wellbeing Charity) & Inclusive Orkney SC051274.
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Staneyhill Design Team WS1 & WS2 – Engineer Appointment – Mott MacDonald

Community Benefit Requirement	Activities Fulfilled
Work Experience Placements	• Local summer student who just finished 2nd year at Nottingham University employed during the summer of 2025. • 6th Year student from Anderson High School had 1-week work experience during November 2025.
Liaise with Shetland Islands Council and Developing the Young Workforce – Support Local Curriculum	• Attended the Shetland Careers and Opportunities Fair on 24th February 2026. • Attended the Anderson High School Languages event in February 2026 to talk about Mott MacDonald's global reach and opportunities in Engineering & potential advantages for students with language skills and interest in travelling and working in other countries.
Miscellaneous Activities	• Lerwick Up Helly Aa donation.

Staneyhill Design Team WS1 & WS2 – Architect Appointment – PJP Architects LLP

Community Benefit Requirement	Activities Fulfilled
Work Experience Placements	• Provided two day's work experience for Anderson High School pupil interested in career in architecture. • Provided two day's work experience for Brae High School pupil interested in career in architecture.

Liaise with Shetland Islands Council and Developing the Young Workforce – Support Local Curriculum	Spend day at North Roe Primary School working with pupils on their school project, 'Houses and Homes'. The day was organised in collaboration with the school headteacher.
Miscellaneous Activities	Cash donation to Lerwick Up-Helly-Aa

Summary of HHA Expenditure 2025-2026

The table below summarises HHA's expenditure during the period 1 April 2025 to 31 March 2026.

	2025/26
Total Number of Suppliers	163
Total Number of Local Suppliers (Shetland)	80
Total number of Local SMEs	71
Local SMEs as a Percentage of Local Suppliers	89.75%
Total Spend	£9,628,863.43
Total Local Suppliers Spend	£9,095,297.30
Percentage of Spend with Local Suppliers	94.46%

The Association's expenditure continues to make a significant contribution to the local economy within Shetland. During 2025/26, 94.46% of total expenditure was attributed to local suppliers, demonstrating HHA's ongoing commitment to supporting local businesses and sustaining local supply chains.

In addition, 89.75% of local suppliers engaged during the reporting period were Small and Medium-sized Enterprises (SMEs), reflecting the importance of SMEs within the local economy and HHA's commitment to ensuring procurement activity remains accessible and proportionate.

Through its procurement activity, HHA seeks to operate in a sustainable manner that supports economic resilience, community wellbeing and long-term sustainability within the islands.

Supported Business Summary

A supported business is an organisation that must have the social and professional integration of disabled and disadvantaged persons as its main aim and at least 30% of the employees are disabled or disadvantaged.

The Association takes a proportionate approach to the specified requirements and objectives contained within its procurements to safeguard against barriers to participation

for SMEs, Micro SMEs, third sector bodies and supported business. Unfortunately, due to the geographical location of the Association, it is difficult for supported businesses to bid on our procurements, and no regulated procurements were awarded to supported businesses during the period of this report.

Future Regulated Procurements

HHA have the below regulated procurements programmed in the next two financial years (2026/27 & 2027/28).

Ref	Details	Estimated Award Date	Estimated Completion Date	Estimated Value
Works	Staneyhill Terrace Phase 1	April 2026	August 2028	£9.7m
Works	Staneyhill Terrace Phase 2A	September 2026	November 2027	£2.2m

Annual Procurement Report template, for Submission to the Scottish Government

[NOTE: reference to contract is also to be construed as meaning a framework agreement]

1. Organisation and report details

a) Contracting Authority Name

Hjaltland Housing
Association

b) Period of the annual procurement report

2025/26

c) Required by s18 Procurement Reform (Scotland) Act 2014 to prepare an annual procurement report? (Yes / No)

Yes

2. Summary of Regulated Procurements Completed

a) Total number of regulated contracts awarded within the report period

0

b) Total value of regulated contracts awarded within the report period

£0

c) Total number of unique suppliers awarded a place on a regulated contract awarded during the period

0

i) how many of these unique suppliers are SMEs

0

ii) how many of these unique suppliers are Third sector bodies

0

3. Review of Regulated Procurements Compliance

a) Number of regulated contracts awarded within the period that complied with your Procurement Strategy

0

b) Number of regulated contracts awarded within the period that did not comply with your Procurement Strategy

0

4. Community Benefit Requirements Summary

Use of Community Benefit Requirements in Procurement:

a) Total Number of regulated contracts awarded with a value of £4 million or greater.

0

b) Total Number of regulated contracts awarded with a value of £4 million or greater that contain Community Benefit Requirements.

0

c) Total Number of regulated contracts awarded with a value of less than £4 million that contain Community Benefit Requirements

0

Key Contract Information on community benefit requirements imposed as part of a regulated procurement that were fulfilled during the period:

d) Number of Jobs Filled by Priority Groups (Each contracting authority sets its own priority groups)	5
e) Number of Apprenticeships Filled by Priority Groups	5
f) Number of Work Placements for Priority Groups	8
g) Number of Qualifications Achieved Through Training by Priority Groups	2
h) Total Value of contracts sub-contracted to SMEs	£460,165
i) Total Value of contracts sub-contracted to Social Enterprises	0
j) Total Value of contracts sub-contracted to Supported Businesses	0
k) Other community benefit(s) fulfilled	7

5. Fair Work and the real Living Wage

a) Number of regulated contracts awarded during the period that included a Fair Work First criterion.	0
b) Number of unique suppliers who have committed to pay the real Living Wage in the delivery of a regulated contract awarded during the period.	0
c) Number of unique suppliers who are accredited Living Wage employers and were awarded a regulated contract during the period.	0

6. Payment performance

a) Number of valid invoices received during the reporting period.	48
b) Percentage of invoices paid on time during the period ("On time" means within the time period set out in the contract terms.)	100
c) Number of regulated contracts awarded during the period containing a contract term requiring the prompt payment of invoices in public contract supply chains.	0
d) Number of concerns raised by sub-contractors about the timely payment of invoices within the supply chain of public contracts.	0

7. Supported Businesses Summary

- a) Total number of regulated contracts awarded to supported businesses during the period
- b) Total spend with supported businesses during the period covered by the report, including:
- i) spend within the reporting year on regulated contracts
- ii) spend within the reporting year on non-regulated contracts

0
0
0
0

8. Spend and Savings Summary

- a) Total procurement spend for the period covered by the annual procurement report.
- b) Total procurement spend with SMEs during the period covered by the annual procurement report.
- c) Total procurement spend with third sector bodies during the period covered by the report.
- d) Percentage of total procurement spend through collaborative contracts.

£6,964,641.55
£6,856,752.35
0
0

- e) Total delivered cash savings for the period covered by the annual procurement report

0

- f) Total non-cash savings value for the period covered by the annual procurement report

0

9. Future regulated procurements

- a) Total number of regulated procurements expected to commence in the next two financial years
- b) Total estimated value of regulated procurements expected to commence in the next two financial years

2
£11,900,000