

A photograph of a modern building with a corrugated metal facade, overlaid with a blue tint. The building has a sign that reads "Hjaltland Housing Association" with a graphic of three houses above it. The text "Annual Procurement Report 2024-25 May 2025" is overlaid in white on the left side of the image.

Annual Procurement Report 2024-25 May 2025

Providing homes, supporting communities

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Introduction

Hjaltland Housing Association Ltd (HHA) was formed in 1975 to aid the Shetland Islands Council in providing housing for the communities of Shetland. The Association is a non-profit-distributing company registered under the FCA and is registered as a Scottish Charity.

The Procurement Reform (Scotland) Act 2014 requires public bodies to publish a Procurement Strategy when it has significant procurement expenditure in a year, specifically, when the sum of the estimated values of the contracts to which its regulated procurements in that year relate is equal to or greater than £5m. A regulated procurement is any procurement for public goods or service over £50,000 and for public works over £2m.

This report also covers all non-regulated procurements completed in the period. This includes any works valued between £15,000 – £2m and services valued between £15,000 - £50,000. HHA's tendering policy and procedures are followed for all non-regulated procurements.

Procurement Strategy

HHA's first Procurement Strategy was published in March 2020 and is reviewed annually. The latest Procurement Strategy was published March 2025 .

HHA's strategy is considered proportionate for the size of the Association with a minimal spend on regulated procurements. Most regulated procurement activity relates to HHA's development programme for new build housing including construction work and consultant services.

HHA considers its Procurement Strategy and Procurement Policy at the beginning of each regulated procurement exercise. Contracts are awarded following a competitive process which will be shaped around best value with an assessment of quality balanced against price and sustainability.

The main principles and objectives supported by the strategy are:

- Value for money
- Equal and non-discriminatory treatment
- Transparency & proportionality
- Sustainability, innovation, and community benefits
- Consultation and engagement
- Living wage and fair work practices
- Health and safety
- Fairly and ethically traded goods
- Payments to contractors and subcontractors
- Continuous improvement

Summary of Procurement 2024/2025

Regulated Procurements

There were no regulated procurements carried out by Hjaltland Housing Association in 2024/25.

Non-Regulated Procurements

Over the period a total of five non-regulated procurements were awarded. The procurements outlined equate a total value of £346,636

Contract	Supplier	Award Date	Contract Start Date	Contract Completion Date	Value Ex VAT
19 Grostane Renovations	Sutherland Building Contractors	27/06/2024	15/07/2024	10/10/2024	
Energy Efficiency Works – Thistle Court	Shetland Renovations Ltd	20/08/2024	16/09/2024	31/03/2025	
Heating & Ventilation Maintenance	AJ Pottinger Ltd	20/03/2025	01/04/2025	31/03/2028	
Heating & Ventilation Maintenance	DITT Construction Ltd	20/03/2025	01/04/2025	31/03/2028	
Heating & Ventilation Maintenance	AJ Pottinger Ltd	20/03/2025	01/04/2025	31/03/2028	
				Total	£346,636

Regulated Procurements and Compliance with Procurement Strategy

During 2024/25, the Association did not carry out any regulated procurements. However, the following is a summary of how any regulated procurements that are carried out will comply with the main principles and objectives of the Association's Procurement Strategy

Value for Money

Regulated procurements are advertised using the Public Contracts Scotland portal to ensure a competitive tender process. All submissions are assessed based on both quality & price to deliver the most economically advantageous tender and ensure value for money.

Equal and Non-Discriminatory Treatment:

Regulated procurements are conducted using the Public Contracts Scotland portal where all documents are made freely available. All questions and queries are dealt with through the portal providing all bidders with the same information. All procurement documentation is drafted in clear and precise language to allow tenderers to interpret the documentation in the same way.

It is recognised that the geographical location that HHA operates impacts on its procurement and that it utilises a significant number of local suppliers which the majority are Small & Medium sized Enterprises (SMEs or Micro SMEs).

Transparency and Proportionality:

Regulated procurements are conducted using the Public Contracts Scotland website to ensure transparency. Proportionate approaches to the specified requirements and objectives contained within the procurement are used to safeguard against barriers to participation for SMEs, Micro SMEs, third sector body and supported businesses.

Sustainability, Innovation and Community Benefits:

Consideration of the Association's Sustainability Policy and the need for community benefit clauses are considered. Community Benefit is assessed as part of the scored quality submissions and specific Community Benefit requirements are added into contract requirements. Design specifications for procurements include innovation from years of experience which in turn promote sustainability.

Consultation and Engagement:

The Association engages with the local construction industry on a regular basis through Future Housing events in partnership with the Shetland Islands Council. Feedback from contractors at these events are taken into design considerations for future projects. Prior to going out to tender the Association may also consult with contractors with specific expertise relating to an upcoming procurement. Any feedback from these direct consultations is invaluable when preparing a design / procurement documents for a project.

The Association provides feedback to successful and unsuccessful bidders to ensure transparency, and the Association also requests bidders to provide feedback to the

Association with suggestions on how the Association can improve its processes to remove any unnecessary burdens on bidders.

Living Wage and Fair Work Practices:

Bidders' performance in relation to paying the living wage and fair work practices are assessed as part of the procurement process as part of the quality assessment with a weighted score.

HHA is committed to fair work first practices and always has regard to statutory guidance on the selection of tenders and award of contracts addressing fair work practices in its procurement activity. Our Fair Works First Statement can be found on our website.

Health and Safety:

Bidders' performance in relation to Health & Safety is assessed as part of the quality assessments with a weighted score. HHA also includes relevant and proportionate criteria promoting compliance with Health & Safety at Works Regulations in tender documentation.

Fairly and Ethically Traded Goods:

Bidders' performance in relation to environmental, social, and employment law are assessed as part of the procurement process through the Single Procurement Document (SPD) assessment. Other considerations are lifecycle costing and ethical performance of supply chain members where appropriate.

Payments to Contractors and Sub-Contractors:

Fair terms of payment in line with relevant contracts are considered i.e., JCT, NEC, RIAS and ICE. All procurements under the Hjaltland Housing Association Conditions of Contracts are paid within 30 days from receipt of an approved invoice. HHA also reminds contractors of their obligation to pay sub-contractors within the 30 days of receiving an approved invoice.

Community Benefit, Expenditure and Local Supply Chains

HHA is located on a small remote island in the North Sea that only has a population of circa 23,000. Therefore, community benefit and the use of local supply chains is at the forefront of everything we do.

Community Benefit

In line with the Procurement Reform (Scotland) Act 2014, community benefit clauses are added into all procurements valued over £4m. Where appropriate, the Association also adds community benefit clauses into procurements below the threshold.

Community benefit requirements that were fulfilled during the year 2024/25 include:

Staneyhill Infrastructure Contract – Garriock Bros Ltd

Community Benefit Requirement	Activities Fulfilled
Employment – New Starts	<ul style="list-style-type: none"> Advertising of available positions via local media, social media and LinkedIn Three new staff members including new HSQE Advisor.
Employment - Apprenticeships	<ul style="list-style-type: none"> Supported Developing the Young Workforce around work in construction industry with pupil engagement and school visits (Sandwick Junior High School, Mid Yell Junior High School, Brae High School). Existing Plant Operator apprentice has completed their logbook hours and practical skills test. New Plant Maintenance apprentice started.
Skills & Training – Work Placements	<ul style="list-style-type: none"> Temporary employment for university student during summer holidays for to assist project administration. Short term employment for individual recovering from substance abuse. Attendance at the Annual General Meeting of Shetland Construction Training Group – Discussion on high school pupils work placements.
Skills & Training – Development of Workforce & Supply Chain	<ul style="list-style-type: none"> Additional training to upskill workforce to enable them to take on additional duties on site: NPORS, SMSTS, DOMS, CPC, First Aid, EFAW, SWQR, Abrasive wheels 16hrs Attended Career and Opportunities Fair in February 2025.
Environmental – Recycled Waste	<ul style="list-style-type: none"> Provision of second solar powered generator for site accommodations.

	<ul style="list-style-type: none"> • Identification and formation of storage areas for topsoil and peat in project location. • Skip on site for recycling of metals as removed/dug up: redundant electrical cables, metal gates, fencing. • Approx 10,700 tonnes of stone crushed onsite for re-using as materials for roads construction within project. • Domestic waste put to Waste Energy Plant.
SME & 3 rd Sector Sub-Contracting Opportunities	<ul style="list-style-type: none"> • Local sub-contractors carried out site fencing, installation of water services, plant operations and installation of pre-cast Redi-Rock retaining walls. • Engineering services sub-contracted to local consultants.
Community Involvement	<ul style="list-style-type: none"> • Communication with Anderson High School and Halls of Residence after Summer holidays regarding progress of project and future planning. • Leaflet drops to residence regarding future disturbances. • Facilitated site visits from local authority, SEPA, SIC Heritage, Federation of Master Builders and Scottish Ministers. • Met with Community Involvement & Development Officer for Lerwick & Bressay to discuss options for improved involvement. Discussed level of support already given to many local organisations. • Local donations to Sound Primary School activities day, Scalloway Primary School outdoor play area, Shetland Flock Book Trust, Cooke Aquaculture Christmas fundraiser, Peerie Makkers, Ability Shetland for the Ability games held on the mainland. • National donations to Brain Tumour Research SC046840, The Lighthouse Charity UK 1149488. • Met with RSPB & Council Children's Services staff to discuss options for community involvement through 2025. • Donations made to Shetland Aid Trust of forklift & Walls Show fundraiser.

Staneyhill Design Team WS1 & WS2 – Engineer Appointment – Mott MacDonald

Community Benefit Requirement	Activities Fulfilled
Work Experience Placements	<ul style="list-style-type: none"> Mott MacDonald Work Experience Programme offered to all secondary schools in Shetland. Unfortunately, no applications received from Shetland students for 2025 but will be contacting local schools again this year to promote the scheme more and encourage uptake for 2026.
Liaise with Shetland Islands Council and Developing the Young Workforce – Support Local Curriculum	<ul style="list-style-type: none"> Powering Futures classroom volunteer 2024/25 Powering Futures: Jon Moncrieff volunteered at Brae High School during Powering Futures Challenge SCQF Level 6 course – helping students prepare their final presentations for the showcase event in April 2025.
Miscellaneous Activities	<ul style="list-style-type: none"> Aith Junior High School – New Secondary netball kit. Purchased by Mott MacDonald (October 2024). Lerwick Up Helly Aa - £300 donation (November 2024).

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

Community Benefit Requirement	Activities Fulfilled
Work Experience Placements	<ul style="list-style-type: none"> Practical days at Schools to help pupils connect with their education to the architecture industry. Work experience placements offered to all secondary schools. Unfortunately, no applicants for 2024/2025.
Liaise with Shetland Islands Council and Developing the Young Workforce – Support Local Curriculum	<ul style="list-style-type: none"> Engagement with Mid Yell Junior High School S3 & S4 via Developing the Young Workforce. Provided pupils with insights into the architectural profession and highlight career paths.
Miscellaneous Activities	<ul style="list-style-type: none"> Cash donation to Lerwick Up-Helly-Aa Committee and to the Shetland Athletics Team. Raffle prize donation to Sound Primary School.

Summary of HHA Expenditure 2023-2024

The below table summarises HHA's expenditure between 1st April 2024 and 31st March 2025.

	2024/25
Total Number of Suppliers	174
Total Number of Local Suppliers (Shetland)	88
Total number of Local SMEs	79
Local SMEs %	89.8%
Total Spend	£8,756,808.07
Total Local Suppliers Spend	£8,188,033.37
Total Spend % Attributed to Local Suppliers	93.5%

HHA's expenditure primarily contributes to the local economy of Shetland and enhances sustainability within the isles as 93.5% of 2024/25 expenditure was attributed to local suppliers and 89.8% of the local suppliers used were SMEs. HHA is committed to operating in a sustainable way that promotes the wellbeing of the local community.

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 (2025/26 & 2026/27).

Ref	Details	Estimated Award Date	Estimated Completion Date	Estimated Value
Works	Staneyhill Terrace Phase 1	July 2025	August 2027	£4.9m
Service	Provision of Insurance Related Services	July 2025	July 2028	£350,000
Service	Long term Electrical Inspections Contract	March 2026	March 2031	£175,000
Works	Staneyhill Terrace Phase 2	March 2027	April 2029	£4.9m

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

2024/25

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)	0
e) Number of Apprenticeships Filled by Priority Groups	0
f) Number of Work Placements for Priority Groups	0
g) Number of Qualifications Achieved Through Training by Priority Groups	0
h) Total Value of contracts sub-contracted to SMEs	0
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	13

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.	47
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.

£6,000,655.59
£5,900,258.40
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

4
£10,325,000