



Procurement Strategy

2025-2026

March 2025

Date Approved: March 2025

Review Date: March 2026

Regulatory Standard: 3 & 5

CONTENTS

- Introduction
- Vision
- Context
- Procurement Objectives
- Monitoring, Reviewing and Reporting
- Regulated Contracts Register

INTRODUCTION

Hjaltland Housing Association Ltd is a Registered Social Landlord (RSL) and 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, a registered Scottish Charity and is considered as an SME with less than 50 employees.

This strategy is considered proportionate for the size of the Association with a minimal annual spend on regulated procurements. The majority of regulated procurement activity relates to the Associations development programme for new build housing including Construction Work and Consultant Services.

This Strategy is aimed at promoting an effective and well-structured approach to regulated procurement and will support Hjaltland Housing Associations strategic objectives as set out in its Business Plan which are:

- To provide good quality, affordable homes that offer value for money.
- To assist people in need through a range of services
- To provide opportunities for people to participate and influence decisions
- To achieve positive outcomes for our customers
- To maintain financial strength and grow the business sustainably

It is also acknowledged that in delivering new housing for the communities of Shetland the Association is assisting the Scottish Government in meeting its national targets for [Housing to 2040](#), [Fuel Poverty](#), [Net Zero](#) and various other outcomes within the [National Performance Framework](#).

The Association will also be contributing to the following local strategic plans through its procurement of new build housing:

- [Local Housing Strategy](#)
- [Shetland Partnership Plan](#)
- [The Shetland Corporate Plan Our Ambition](#)

VISION

The Association aims to ensure its regulated procurement processes provide best value for the organisation and its customers as well as supporting the delivery of its strategic aims and objectives. It recognises the role it can play in supporting the wider community and will consider the opportunities for social, economic, and environmental benefits through its procurement processes.

CONTEXT

Procurement is the process of obtaining goods, services and works for the best possible value. This strategy is aimed at improving procurement within the Association to support it in meeting its strategic targets and adding value where possible. The key drivers influencing the Associations procurement are:

Legislation

Under [The Procurement Reform \(Scotland\) Act 2014](#) the Association has a duty to prepare and publish a procurement strategy when it has an estimated 'regulated' spend in excess of £5 million (excluding vat) in a financial year.

The [Scottish Model of Procurement](#) will be considered in the implementation of this strategy.

Viability

The main influence on regulated procurement is legislative but the Association must remain viable and provide services which are affordable, cost effective and time driven to its customers.

This procurement strategy should be read in conjunction with the following documents:

- Business Plan
- Asset Management Strategy
- Standing Orders
- Sustainability Policy
- Value for money Policy

PROCUREMENT OBJECTIVES

The Association will consider this strategy and its procurement policy and procedures at the beginning of each regulated procurement exercise. Contracts will be awarded following a competitive process which will be shaped around best value with an assessment of quality balanced against price and sustainability.

All staff will follow the Associations Procurement policy and procedures in order to meet the following principals and objectives so far as reasonably practicable:

Value for Money:

Value for money is about obtaining the maximum benefit from goods, works and services acquired and provided, within available resources. In the context of procurement, obtaining value for money means choosing the goods/service which offers the optimum combination of whole life cost and benefits to achieve the Associations aims and objectives and it may not necessarily be the lowest price option. The Association has procurement policies and procedures in place which aim to deliver value for money on all procurements. All of the Associations new build development projects will be submitted to the Scottish Housing Network for assessment using their 'Development Value for Money Tool' which provides detailed analysis of cost, time and tenant satisfaction for benchmarking across the Scottish Housing Sector.

Equal and non-discriminatory treatment:

The Association is committed to treating all economic operators equally and without discrimination. All procurement documentation is drafted in clear and precise language to allow all tenderers to interpret the documentation in the same way.

Contracts may be split into smaller lots if it is appropriate to do so in order to increase competition. It is recognised that the geographical location the Association operates in will impact on its procurement and that it currently utilises a significant number of local suppliers which are all Small & Medium sized Enterprises (SME's) or Micro SME's. Where possible the Association will facilitate the use of Supported Businesses in its regulated procurements.

Transparency & Proportionality:

For all regulated procurements the Association will use the Public Contracts Scotland website to ensure transparency of its processes. It will take a proportionate approach to the specified requirements and objectives contained within its procurements to safeguard against barriers to participation for SME's, Micro SME's third sector bodies and supported businesses.

Sustainability, Innovation and community benefits:

The Association aims to deliver value for money through sustainable procurement on a whole life basis, which generates benefits for the wider community whilst enabling it to be innovative and meet its needs for goods, services and works. The Associations Sustainability Policy provides further detail.

Innovation continues to be part of the Associations procurement aims and has resulted in innovative ideas becoming essential parts of its current design specifications.

Community benefit clauses will be incorporated into all regulated contracts where appropriate and in line with the £4m threshold set out in the Procurement Reform (Scotland) Act. Such clauses must be directly related to the 'core purpose' of the contract and may include requirements for the provision of work experience, training, and recruitment opportunities with a view to improving the economic, social, and environmental wellbeing for the communities of Shetland.

Consultation and Engagement

The Association has a Tenant Participation Strategy in place which enables it to consider the views of its service users on a regular basis. This helps design and shape service delivery that meets the needs of its customers. The Association also has a tenant scrutiny panel in place which assesses various policies and procedures including those associated with procurement. Consultation with other stakeholders varies depending on the type and size of individual contracts and includes interacting with the local authority and community groups to understand the needs or issues that the community experiences.

Living Wage and Fair Work Practices

The Association is committed to fair work first practices and will always have regard to the statutory guidance on the selection of bidders and award of contracts addressing fair work practices, including the living wage, in its procurement activity.

Health & Safety

The Association will include relevant and proportionate criteria promoting compliance with Health & Safety at Work Regulations in its tender documentation. This will vary according to the type of procurement and be considered on a case-by-case basis.

Fairly and ethically traded goods

Where relevant the Association will consider within its procurement processes the performance of economic operators in relation to environmental, social and employment law. Other considerations will be lifecycle costing and ethical performance of supply chain members where appropriate.

Payments to contractors and sub-contractors

In so far as reasonably practicable the Association is committed to paying its directly appointed contractors in line with their conditions of contract and within 30 days from receipt of an approved invoice. The Association will remind its contractors of their obligation to pay sub-contractors within the 30 days of receiving an approved invoice.

Continuous Improvement

The Association is committed to improving its procurement processes and as such is participating in the Continuous Improvement Programme for Procurement (CIPP) delivered by Scotland Excel. The CIPP assessment will build on the Associations previous Procurement & Commercial Improvement Plan (PCIP) and forms part of the conditions of grant for the Associations new build housing programme.

MONITORING, REVIEWING & REPORTING

This procurement strategy forms part of the Associations Business Plan and as such will be reviewed and approved by the Management Committee on an annual basis in line with the financial reporting year.

Following its approval this strategy will be forwarded to the Scottish Government at ProcurementStrategies@gov.scot, in line with current legislation.

An annual report on the Associations regulated procurements will be prepared and published on its website as soon as reasonably practicable after the end of the financial reporting year (31st March).

Regulated Procurements Activity 2025/26

Ref	Spend Category	Contract Title	Contract Awarded	Date of Award	Completion Date	Procurement Route	Value (ex vat)
Services	Development	Architect - Staneyhill - WS 1	Yes	25/10/2019	Contract ongoing	PCS	£75,553.58
Services	Development	Engineer - Staneyhill - WS 1	Yes	25/10/2019	Contract ongoing	PCS	£534,555.98
Services	Development	Architect - Staneyhill - WS 2	Yes	25/10/2019	Contract ongoing	PCS	£248,683.75
Services	Development	Engineer - Staneyhill - WS 2	Yes	25/10/2019	Contract ongoing	PCS	£132,300.00
Services	Development	Quantity Surveyor - Staneyhill WS - 2	Yes	25/10/2019	Contract ongoing	PCS	£45,500.00
Services	Maintenance	Long Term Grass cutting contract 2024- 2029	Yes	01/04/2024	31/03/2029	PCS	£138,600
Works	Development	Infrastructure contract - Staneyhill	Yes	21/07/2023	04/01/2027	PCS / FTS	£19,998m
Works	Development	Phases 1 & 2 Housing - Staneyhill Terrace (60 units)	No	July-25 estimate	July-29 estimate	PCS / FTS	£8m estimate
Services	Maintenance	Long Term Electric Installation Condition Reporting (EICR)	No	Apr-26 estimate	Mar-31 estimate	PCS	£200,000 estimate

PCS - Scotland e-notification - Public Contracts Scotland (PCS)

FTS - UK e-notification - Find a Tender Service (FTS) which replaces the requirement to publish notices in the Official Journal of the European Union