



Annual Procurement Report 2024

Introduction

The purpose of this report is to enable Loreburn Housing Association (LHA) to comply with its obligations under the Procurement Reform (Scotland) Act 2014, Section 18(1) to prepare and publish an annual procurement report on its regulated procurement activities.

The Procurement Reform (Scotland) Act 2014 requires any public organisation which has an estimated annual regulated spend of £5 million or more (excluding VAT) to develop and review a procurement strategy annually before the start of the financial year. In addition to the mandatory procurement strategy, to meet regulatory requirements, the organisation must also prepare and publish an annual procurement report disclosing how its procurement activity has complied with its published procurement strategy.

Regulated procurement is the procurement of public goods/supplies or services, with a value of over £50,000 or any procurement for works with a value of over £2million. The guidance and template issued by the Scottish Government to report on our performance has been used.

The report covers LHA 2023/24 financial year which ended on the 31 March 2024.

In compliance with Section 18(2) of the Act, this report will include:

- Summary of Regulated Procurements Completed
- Review of Regulated Procurement Compliance
- Community Benefit Summary
- Supported Businesses
- Future Regulated Procurements Summary

Between 1 April 2023 and 31 March 2024, 17 regulated procurements contracts were completed.

Section 1 – Summary of Regulated Procurements Completed

Compliant procurement is a key part to LHA's strategic plan written to ensure achievement of the strategic the delivery of value for money and the application of the general duties of fair and equal treatment.

In total there were 45 live contracts used throughout 2023/24 as listed in LHA's regulated contract register; of these 17 contracts were awarded in the year 2023/24.

The 17 contracts awarded in 2023/24 are as follows:

Contractor	Works/Good/Services	Procurement Method
idverde	Grounds Maintenance - Lot 1 (1 Year+1)	Public Contract Scotland
idverde	Grounds Maintenance - Lot 2 (1 Year+1)	Public Contract Scotland
Nithsdale Plumbing & Heating LTD	Aids & Adaptations (2 year + 1 year)	PFH DPS
Nithsdale Plumbing & Heating LTD	Renewable energy equipment servicing (2 year + 2 + 1)	PFH DPS
Magnus Electrical Services	Solar panel cleaning & repairs (2 year + 2 + 1)	PFH DPS
Bell Group	Cyclical Decoration 2023-2024 Batch 1, 2 & 3	LHA DPS via PFH
GGE Ltd	Development - Woodlands, Lochmaben	Section 75 of planning permission agreement
Ashleigh (Scotland) Ltd	Development - Garrick Site	Single Contractor Framework
Wolseley	IHR Materials - Call off agreement	Public Contract Scotland
City Plumbing	IHR Materials - Call off agreement	Public Contract Scotland
Holland House	IHR Materials - Call off agreement	Public Contract Scotland
SEFE Ltd	Landlord Gas Supply	Framework
SSE Energy Supply Ltd	Landlord Electrical Supply	Framework
SSE Energy Supply Ltd	Landlord Electrical Supply	Framework
Sidey	Windows & Doors	Direct Award (PFH)
Procast	Windows & Doors	Direct Award (PFH)
Procast	Retrofit Pilot Project	Direct Award (PFH)

During the reporting period, Loreburn Housing Association ('LHA') used different procurement routes to ensure it could obtain the goods/services/works required. It also worked to derive value for money from its activities and where possible work with suppliers and services providers in a sustainable and energy efficient manner. All regulated procurement methods are checked to ensure alignment with these principles.

A full list of regulated procurement contracts entered into by LHA throughout 23/24 can be found in Appendix 1. This includes contracts that have been issued prior to 23/24 financial year, those issued within 23/24 and agreements signed early into 24/25.

The Regulated Contract Register is updated quarterly and publicised on the Association's website under the Reports & Corporate Information Section of the following link:

<https://loreburn.org.uk/resource-library/>

Section 2 – Review of Regulated Procurement Compliance

The overall objective of LHA's procurement strategy is to support the Association's Corporate plan by delivering best-in-class procurement through thorough and careful application of the principles of modern procurement and practice. The outcomes focus on customers by striving to generate value for money, innovation and the delivery of sustainable social values.

In order to achieve this, we considered the following key priorities in delivering the strategy;

Priority	We will do this by:	Compliance
Rent affordability	Ensure we get the best deal, quality, and value	To ensure we get the best possible deal in any procurement our policy includes guidance 60%/40% Quality/Price split to ensure our customers get value out of contract and not just a race to the bottom on price. Any deviation to the above guidance is included as part of the project plans which are approved with justification for the alternative approach taken.
Supporting Scotland's Economic Strategy	Investment in suppliers in the communities we serve. Work with suppliers that create new opportunities for employment in D&G.	Of the 16 regulated contracts tendered, 13 were awarded to different suppliers. Where multiple contracts have been awarded to the same supplier these were of a similar nature. Working with existing suppliers to join national frameworks which open opportunities with both Loreburn and the wider sector.
	Innovation – work with suppliers that strive to innovate in product and service delivery	Actively worked within the year with the Disruptive Innovators Network to explore emerging technologies that be used across our properties and have explored further pilot programs following success in the previous year –

		these specifically being around emergency light testing.
	Inclusive Growth – work with suppliers that provide training and employment opportunities, drive fair work practices, promote equality and tackle inequality and seek low carbon solutions	Loreburn has secured Living Wage Accreditation again this year and as part of our internal process for regulated procurement a contractor/supplier must commit to pay the living wage. As part of the community benefits associated to the two Passivhaus frameworks awarded in 21/22 will result directly in recruitment with some of the opportunities being offered to Loreburn customers in the first instance. The contract for £40m to Ashleigh also has tiered requirements in terms of Modern Apprentice recruitment levels as the cumulative spend on this framework progresses. Training and work experience placements are also included in both of these.
	Involving SME in delivery of our goods/service/works	Of the 17 regulated contracts we tendered in 2022/23, 9 of these went to SME's.

LHA strives towards a robust and efficient procurement process that helps to achieve the organisation's objectives. Its strategy reflects the Scottish Government's movement towards net zero. LHA strives to support this strategy through its procurement activities.

In order to ensure measurable progress, the strategy includes five ambitions. These, if achieved, will move LHA towards its aims in this regard and improve its business across a number of measures.

- All spend through procurement activity has a corresponding contract.
- All procurement activities comply with statutory and regulatory requirements and are supported by robust detailed technical specifications of its purchasing requirements.
- All appropriate contracts are let to include, where possible, sustainable activities by the supplier.
- All appropriate contracts are let to include community benefits. LHA endeavours to use these benefits wherever possible.
- All staff are trained to be able to carry out a regulated procurement activity.

The key areas of progression and improvements achieved throughout 2023/24 include:

- Made use of existing Supplier Frameworks to deliver planned maintenance works
- Engaged with trusted local suppliers to join existing national frameworks as a method of delivering services for both Loreburn and other buyers within the sector
- Continued to use of our contractor portal which has improved communication regarding works completed and it has improved speed of invoicing and payment
- Tendered for a material supply framework for our responsive repair service with the use of several local contractors
- Set up a Dynamic Purchase System for Cyclical Decoration works

Key priorities for the next year are to include:

- Continue to review supplier spends and maintaining a contract register to optimise purchasing method
- Continue to develop our understanding of property investment needs for planned and net zero works using our existing data, stock condition information & feasibility studies to enable us to form a long-term procurement plan and to be able to build a partnership with suppliers/contractors.
- Seek to combine multiple strands of investment activity into larger programmes and explore options for combining Planned Investment and Development works packages
- Explore funding opportunities for major investment works to sit alongside our existing investment plans to maximise the works that can be delivered for our properties
- Further training to be explored for the Asset Management and Investment team for them to further reduce reliance on consultants
- Explore opportunities for joint procurement to maximise potential savings based on economies of scale
- Review Procurement Strategy alongside the organisations 5-Year Corporate Plan for 2024-29
- Engagement with customers via a consultation process for regulated tenders that directly impact the customer for grounds maintenance
- Introduce a new software platform for compliance certification which validates the certification meets regulatory and legislative requirements

Section 3 – Community Benefit Summary

Lha's procurement policy and procedure require the inclusion of community benefit clauses for major contracts. During the reporting period for these contracts community benefits have been included with the exception the contracts below.

A centralised community benefit register continues to be updated throughout the year to ensure to allow us to match identified needs with the offerings available.

The key deliverables as part of the community benefit clauses included in regulated contracts are as follows:

- Low energy lightbulbs provided to LHA customers within the properties that received kitchen and bathroom replacements
- Financial support for community projects being re-couped and aligned to events or requirements identified
- Attendance at meet the buyer events and school STEM events
- Nithsdale Plumbing appointed 2 x apprentices to work across Loreburn contracts to expand their portfolio
- Ashleigh (Scotland) has delivered the below under the new build contracts:
 - o Subcontracting opportunities for 4 local organisations operating within D&G
 - o New employment opportunities created in direct relation to Loreburn sites
 - o Donation of surplus wood/timber to local group Men's Shed Initiative
 - o Engagement with local primary and secondary schools which included site visits/activities/presentations/competitions and also attended at careers event with a STEM activity delivered in local area

Section 4 – Supported Businesses Summary

The Act includes a new classification for supported business: “an economic operator whose main aim is the social and professional integration of disabled or disadvantaged persons and where at least 30% of the employees of the economic operator are disabled or disadvantaged”.

LHA regulated contract activity for the last financial year, while endeavouring to use supported business in the Dumfries and Galloway area, for the type of procurement we required has proved challenging. LHA continuous to strive to use supported business.

Section 5 – Future Regulated Procurements Summary

The Act States that all estimated regulated procurement over the next two years should be disclosed by the Association. Appendix 2 provides this summary and there are 18 contracts due to be tendered.

There are 9 potential extensions to current contracts, 4 known relets (replacement tender process) and 5 new tender due over the next two years.

Section 6 – Summary

Loreburn Housing Association is currently reviewing and writing a new Procurement Strategy. This will be published along with Policy and Process in early 2025.

Tenants will continue to be consulted, where applicable, on the tendering outcomes to ensure LHA is procuring the goods and services appropriate to their needs.

LHA will tender according to its needs and engage with supplier through the legislative process where appropriate. This includes taking time at the outset of each tender to consider not just the financial impact but also the added value that the contract can deliver, including the economic, social and environmental benefits.

Appendix 1 - Regulated Procurement Register – 2022/23

Date of Award	Contractor	Works/Good/Services	Estimated Value (including VAT where)	Start Date	End Date
01/03/2024	Girbau UK	Laundry Equipment	£92,707	01/04/2024	31/03/2030
28/03/2019	BTO Solicitors	Legal Services Framework Agreement 2019-2022 (Lot 1-3) - 3 years + 1 (further 6 months)	£105,000	01/04/2019	30/09/2024
28/03/2019	TC Young Solicitors	Legal Services Framework Agreement 2019-2022 (Lot 4&5) - 3 years + 1 (further 6 months)	£75,000	01/04/2019	30/09/2024
20/03/2024	Environtec Ltd	Asbestos - Management and Re-Inspection Surveys	£120,000	01/04/2024	31/03/2029
30/10/2020	Caledonian Cleaning Services	Communal Cleaning - Lot 2 (2.5years + 1 + 1)	£135,281	01/12/2020	01/05/2025
25/11/2020	Caledonian Cleaning Services	Communal Cleaning - Lot 1 (2.5years + 1 + 1)	£182,202	11/01/2021	11/06/2025
08/09/2021	Arjo UK Ltd	Patient Equipment Maintenance & Repairs Contract (2 year plus 2+1)	£57,228	01/08/2021	31/07/2025
12/11/2021	Designer Software Ltd	ICT Maintenance Contract (4 Years)	£168,000	30/11/2021	30/11/2025
08/03/2022	ECD Architects	Principal Designer - New Build House (3 years + 1 optional)	£1,000,000	01/04/2022	31/03/2025
12/04/2022	Furniture Resource Centre	Communal later living lounge furnishing and upgrades x 3 schemes	£120,000	01/04/2022	31/03/2026
12/04/2022	Nithsdale Plumbing	Gas Servicing - 2 years + 2 & further 1 year optional	£375,253	01/05/2022	30/04/2027
06/04/2022	M- Four	Stock Condition surveys - 4 Years	£425,000	01/04/2022	31/03/2026
29/05/2022	Arthur J Gallagher	Insurance - 3 Years + 2 Optional	£924,400	29/05/2022	28/05/2025
23/07/2024	Claretech Group	Water Quality - 2 years + 2 + 1 optional	£175,000	01/09/2024	31/08/2026
15/11/2022	Churches Fire Security	Cyclical Maintenance & Repairs: Maintenance, servicing and repairs of Fire Panels	£240,000	01/12/2022	30/11/2026
15/11/2022	Churches Fire Security	Cyclical Maintenance & Repairs: Maintenance, servicing and repairs of CCTV and	£242,000	01/12/2022	30/11/2026
28/03/2023	idverde	Grounds Maintenance - Lot 1 (1 Year+1)	£121,314	01/04/2023	31/03/2025
28/03/2023	idverde	Grounds Maintenance - Lot 2 (1 Year+1)	£134,776	01/04/2023	31/03/2025
17/07/2023	Nithsdale Plumbing & Heating LTD	Aids & Adaptations (2 year + 1 year)	£400,000	01/08/2023	31/07/2025
29/08/2023	Nithsdale Plumbing & Heating LTD	Renewable energy equipment servicing (2 year + 2 + 1)	£186,000	01/09/2023	31/08/2025
29/08/2023	Magnus Electrical Services	Solar panel cleaning & repairs (2 year + 2 + 1)	£225,000	01/09/2023	31/08/2025
29/08/2023	Bell Group	Cyclical Decoration 2023-2024 Batch 1, 2 & 3	£332,000	01/09/2023	31/03/2025
12/10/2020	Dasco	Automatic Door Servicing and Maintenance (2+3)	£100,000	02/11/2020	01/11/2025
23/05/2022	Plexus Innovation	Remote Water Quality Monitoring and Devices - 3 year subscription	£54,406	23/05/2022	22/05/2026
11/10/2023	GGE Ltd	Development - Woodlands, Lochmaben	£1,288,000	30/10/2023	30/10/2024
17/10/2023	Ashleigh (Scotland) Ltd	Development - Garrick Site	£3,334,062	13/11/2023	08/11/2024
01/04/2023	Wolseley	IHR Materials - Call off agreement	£200,000	01/04/2023	31/03/2026
01/04/2023	City Plumbing	IHR Materials - Call off agreement	£200,000	01/04/2023	31/03/2026
01/04/2023	Holland House	IHR Materials - Call off agreement	£200,000	01/04/2023	31/03/2026
01/11/2022	SEFE Ltd	Landlord Gas Supply	£100,000	01/11/2023	30/09/2025
01/03/2022	SSE Energy Supply Ltd	Landlord Electrical Supply	£100,000	01/04/2023	30/09/2026
01/03/2022	SSE Energy Supply Ltd	Landlord Electrical Supply	£100,000	01/04/2023	30/09/2026
19/04/2021	Ashleigh (Scotland) Ltd	LHA Passivhaus Framework (3 years + 1 year optional)	£40,000,000	19/04/2021	19/04/2024
01/10/2020	Wolseley	Plumbing and Heating Materials (2 year + 1)	£172,000	01/07/2020	30/06/2023
28/09/2022	Easy Heat	Detectors	£72,000	17/10/2022	01/08/2023
28/09/2022	Scotec Lift Ltd	Lift Replacement	£80,000	09/01/2023	31/07/2023
08/12/2020	Ashleigh (Scotland) Ltd	Development - Longmeadow	£4,836,078	18/01/2021	30/09/2022
13/12/2018	Stewart & Shields	Development - Garrick Site	£5,317,640	20/01/2019	30/09/2023
31/01/2022	Ashleigh (Scotland) Ltd	Development - Academy Street Castle Douglas	£4,809,000	07/02/2022	30/09/2023
01/03/2019	OPUS Energy	Landlord Gas and Electrical Supply	£209,124	01/04/2020	30/09/2024
16/11/2023	Sidey	Windows & Doors	£416,622	19/02/2024	19/03/2024
02/02/2024	Procast	Windows & Doors	£187,332	26/02/2024	07/03/2024
30/08/2019	Environmental Essentials	Asbestos - Management and Re-Inspection Surveys	£120,000	01/10/2019	31/03/2024
17/01/2024	Procast	Retrofit Pilot Project	£729,625	17/01/2024	26/04/2024
25/08/2022	Solway Water Management	Water Quality - 2 years + 2 + 1 optional	£75,000	01/09/2022	31/08/2024

Appendix 2 - Future Regulated Procurement Summary 2024/25 & 2025/26

<u>Contract Title</u>	<u>Contract Description</u>	<u>New, Ext or Re-Let</u>	<u>Estimated Value</u>	<u>Est Publication Date</u>	<u>Est Start Date</u>	<u>Contract Duration</u>
Legal Tender	Legal Services Framework Agreement	Re-let	£400,000	Published	Oct-24	3 Years
Insurance	Coporate Insurance	Ext	£400,000	Ext	May-25	1 Year
ICT Maintenance	ICT Maintenance	Re-let	£200,000	May-25	Nov-25	4 Years
Lift	Lift Replacement	New	£80,000	Mar-25	Jul-25	3 Months
Kitchens & Bathrooms	Supply & Fit	New	£1,800,000	Published	Apr-24	2 Years
Retrofit Wotks	Retrofit Works idl windows and heating replacement	New	£1,500,000	Published	Apr-24	2 Years
Grounds Maintenance	Lot 1 - Dumfriesshire Region	Re-let	£407,000	Dec-24	Apr-25	3 Years
Grounds Maintenance	Lot 2 - Galloway Region	Re-let	£445,500	Dec-24	Apr-25	3 Years
Communal Cleaning	Lot 1 - Dumfriesshire Region	Ext	£54,112	Ext	May-24	12 Months
Communal Cleaning	Lot 2 - Galloway Region	Ext	£72,881	Ext	Jun-24	12 Months
Communal Cleaning	Lot 1 - Dumfriesshire Region	Ext	£270,562	Jan-25	May-25	5 years
Communal Cleaning	Lot 2 - Galloway Region	Ext	£364,405	Jan-25	Jun-25	5 Years
Assistive Equipment	Patient Equipment Maintenance & Repairs Contract	Ext	£57,228	Ext	Jul-25	1 Year
Aids & Adaptations	Aids & Adaptations	Ext	£200,000	Ext	Aug-25	1 Year
Renewable	Renewable energy equipment servicing	Ext	£186,000	Ext	Sep-25	2 Years
Solar Panels	Solar Panels cleaning & repairs	Ext	£110,000	Ext	Sep-25	2 Years
Automatic Door	Automatic Door Servicing and Maintenance	New	£150,000	Jul-25	Nov-25	5 Years
Gutter Cleaning	Gutter Cleaning	New	£400,000	Aug-25	Sep-25	5 Years