



Procurement Strategy 2025-2030



Hillcrest

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Introduction

The purpose of this strategy is to set out the way Hillcrest directs its expenditure on goods, services and works. It provides a framework that ensures that the procurement of goods and services follows a consistent and transparent process whilst supporting Hillcrest's aims, objectives, and the overarching corporate strategy. It supports the Key Pillar; Financial Resilience, which focuses on the strengthening of long- and short-term financial stability of Hillcrest, which in turn is key to achieving our mission of helping people live better lives.

Whilst Hillcrest continues to operate in an increasingly complex and challenging environment it is important to consider the context and drivers for change that have informed the development of this strategy. It has been constructed to support Hillcrest's needs, align with Scotland's National Performance Framework and ensure that our working practices align with the relevant legislation.

Background

Procurement encompasses the full range of activities that lead to the purchase of goods, services or works. Effective and sustainable procurement ensures value for money, through both cost savings or avoidances and through added value. Hillcrest currently procures a broad range of goods, services and works, which can be broadly split into the following areas:

- Development (predominantly works contracts for new builds)
- Property and Hillcrest Maintenance (planned and reactive works)
- Housing/other direct expenditure
- Corporate Services (including Finance, IT, HR, Health and Safety, Organisational Development, Communications and Marketing)
- Social Care Services (mainly Hillcrest Futures)

Legal and Regulatory Framework

Hillcrest must comply with the requirements of the Procurement Reform (Scotland) Act 2014, Public Contracts (Scotland) Regulations 2015, Procurement (Scotland) Regulations 2016, Concessions Contracts (Scotland) Regulations 2016, Utilities Contracts (Scotland) Regulations 2016 and The Public Procurement etc. (EU Exit) (Scotland) (Amendment) Regulations 2020.

In addition, Hillcrest will adhere to all Scottish Housing Regulator, Care Inspectorate, First-tier Tribunal for Scotland and other applicable regulatory guidance.

Procurement Strategy Group

The Procurement Strategy Group aims to provide strategic direction, oversight and governance for Hillcrest's procurement activities. It ensures procurement aligns with corporate objectives, delivers value for money, complies with legislative requirements and supports sustainable and inclusive economic growth.

The remit of the Procurement Strategy Group is:

- Review processes and identify areas for potential improvement;
- Agree procurement planning schedules;
- Establish areas of efficiency for Hillcrest i.e. Aggregation Opportunities;
- Ensure collaborative work and engagement across Hillcrest in relation to our procurement journey;
- Monitor the procurement strategy and action plan progress;
- Discuss procurement key performance indicators.

Hillcrest Vision and Objectives

The procurement processes of Hillcrest will support sustainable public procurement to maximise the social, environmental and economic benefits through effective and efficient procurement activity. Procurement can play a key role in promoting jobs and growth, encouraging innovation, boosting training and apprenticeship opportunities and helping small and medium enterprises (SMEs), third sector organisations and supported businesses to compete effectively for contracts.

Our vision

We are a strong, effective Scottish organisation, providing sustainable homes and creating positive futures.

Our key objectives

- Build and maintain inclusive, sustainable and energy efficient homes at affordable rents.
- Work in partnership to create fairer communities.
- Deliver consistent, person-centred support that enables people to fulfil their potential.
- Transition to a Net Zero organisation.
- Have an engaged, empathetic and skilled workforce providing excellent customer service.

The aim of this strategy is to outline the way Hillcrest will lead and direct its external expenditure on goods, services and works. It provides a framework that ensures that the procurement of goods and services follows a consistent and transparent process whilst supporting the principles of being efficient, effective and socially responsible and achieves value for money in all we do.

This strategy will aim to support the risk management process for procured activity, drive continuous improvement and deliver robust contract management.

Procurement Objectives

Ethical procurement	We aim, in all our dealings, to preserve the highest standards of honesty, integrity, impartiality and objectivity.
Compliance	We will ensure that purchases are made in a transparent, open and fair manner, and comply with all relevant legislation.
Value for money	We aim to obtain value for money in terms of both cost and quality when procuring goods, services and works. This means adopting a Most Advantageous Tender (MAT) approach to tendering or using relevant and specialised frameworks whenever available and appropriate.
Sustainable procurement	We will take into consideration the requirements of sustainable procurement with each exercise we undertake, working closely with our Sustainability team to ensure that weighted and scored sustainable requirements are included where possible and that these are relevant and proportionate. Prior to commencing any procurement exercise we will first see if the requirement can be sought or innovated in-house.

As part of our sustainability efforts, we will also consider:

- How can the opportunity improve the social, environmental and economic wellbeing of the areas in which we operate?
- Does this opportunity allow for involvement from SMEs, 3rd sector bodies and supported businesses?
- Are there any 'barriers' that can be removed to make the opportunity more accessible to these sectors?
- Can this opportunity promote innovation?

Community Benefits	Hillcrest consider whether to include a community benefit clause for all procurement exercises, where relevant and proportionate to any agreement. Currently a community benefit requirement, in the form of an annual monetary donation to the Hillcrest Foundation, is included within all regulated exercises as the minimum social value consideration. Such clauses are included within non-regulated exercises also where it is deemed appropriate and proportionate.
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Fair Working Practices

Hillcrest has adopted the 'Fair Work First' guidance which is designed to encourage and support employers to develop fair work practices within their own organisation.

Analysis

Hillcrest aim to review spend analysis data to ensure organisational compliance and to identify any potential collaboration/aggregation opportunities. We continue to work on the quality and efficiency of our data collection and reporting functions, ensuring required improvements are identified and actioned as appropriate.

Routine audits are carried out internally (including a planned internal audit from our auditors as part of our 3-year audit plans) to ensure compliance with strategy and regulatory requirements.

Procurement Planning

In our drive to ensure we are obtaining value for money, as well as meeting legislative requirements, we will, through spend analysis and monitoring of existing contracts, maintain a plan of proposed future procurement activity.

We maintain a procurement policy and action plan, which is discussed 6-monthly and reviewed by the Procurement Strategy Group.

Financial Summary

All procurement activities must have an approved budget, set prior to beginning any procurement activity.

Delegated authority and financial regulations are adhered to in all procurement routes and when determining the correct route, whole-life costing must be considered. High level spend analysis will be completed annually to assist in strategic-decision making, budgetary planning, identification of cost saving opportunities and to gain valuable category insights.

Contract and Supplier Management

The following objectives outline the approach of Hillcrest to effective contract and supplier management, ensuring accountability, value for money and the delivery of high-quality public services.

- Ensure contracts deliver value for money throughout their lifecycle.
- Monitor contract performance against agreed KPIs and milestones.
- Mitigate risks through consistent compliance and governance.
- Maintain up-to-date records to support transparency and audit readiness.
- Enable early identification and resolution of issues.
- Support continuous improvement through contract reviews and lessons learned.
- Drive supplier performance through regular review and feedback.
- Build and maintain effective relationships.
- Promote innovation and efficiency in supplier engagements.
- Monitor supplier risk and ensure continuity of critical services.

Monitoring and Evaluation

This strategy and its action plan will be monitored on an annual basis by the Procurement Strategy Group. The procurement action plan and progress related to this will be monitored on a quarterly basis.

The progress of this strategy will be reported to the Audit and General Purposes Sub-Committee and reported on externally as part of the annual procurement report. Should there be any significant changes to the strategy out with the annual report, this will be reported to committee as required.

Procurement Commercial and Improvement Programme (PCIP)

Hillcrest is subject to the Procurement Commercial and Improvement Programme (PCIP) assessment carried out by Scotland Excel, on behalf of the Scottish Government.

This focuses on the policies, procedures and strategy driving procurement performance, ongoing monitoring and improvement and the outcomes and impacts of procurement activities.

The PCIP assessment provides a means of measuring and reporting on the procurement and commercial capability of organisations through the provision of evidence. The key points of the process are:

- Organisations are assessed every two - three years.
- There is a national question set used by all assessors.
- National scoring and performance bandings are used to support consistency and reporting.

Hillcrest PCIP assessment was last completed in 2025 and is expected to be completed again in 2027.

Conclusion

This strategy sets out a robust framework for managing contracts and suppliers in a way that supports Hillcrest's core mission of helping people live better lives.

By ensuring transparency, value for money, and strong supplier relationships, we are better positioned to meet the needs of the people we support and the communities we operate in. By aligning procurement practices with strategic objectives, regulatory requirements and public sector values, we can aim to drive continuous improvement, foster innovation, and deliver sustainable value. Through effective contact oversight, ethical procurement practices, and ongoing performance monitoring, we will drive continuous improvement, support social value and maintain the long-term sustainability of Hillcrest service.