



Hillcrest Annual Procurement Report 2024-25

This document can be produced in different formats, for example, in larger print or audio format, and in other languages, as appropriate. We promote equality through seeking to eliminate unlawful and unfair forms of discrimination, as appropriate.

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Organisational Overview

Hillcrest is a diverse Scottish organisation providing affordable housing, support, maintenance services and training and employment opportunities. Within Hillcrest there are four companies which provide different services to our communities:

Hillcrest Enterprises provides quality homes for both open market and mid-market rent and is also the vehicle through which profit-making activities are channelled for the organisation.

Hillcrest Futures has a diverse portfolio of services to improve the lives of people who have a range of needs including learning disabilities, mental health issues, people who have experienced or are at risk of being homeless, those impacted by the consequences of addictions, individuals who require support in relation to their autism spectrum disorder or support required due to age-related issues.

Hillcrest Homes has over 8000 properties for social rent throughout the east of Scotland and is also the parent company of the organisation providing all corporate core services to each of the other companies.

Hillcrest Maintenance is a customer-focussed maintenance contractor who carries out a variety of responsive, void, cyclical, planned and property upgrade works for the organisation and a small number of external companies.

Our Mission is to help people live better lives.

Our Vision, Key Aims and Values

Our vision

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

Our key aims

- Provide good quality, well maintained housing at affordable rents;
- Contribute to building sustainable communities where people want to live and are able to thrive;
- Assist in the relief of homelessness and contribute to achieving the Scottish Government targets;
- Provide quality, creative, responsive care and support services to people with a range of varying needs;
- Contribute to wider, social, economic and environmental well-being.

Our key values



We listen to others points of view, learn from best practice and engage with our customers and communities as we recognise we are stronger and can contribute more if we have shared goals and collective efforts.



We value our staff and customers and empower them in a positive way to participate, to adapt and to be inspired to take ownership and make positive change.



We are ambitious for what our organisation and customers can achieve and strive to deliver the highest quality and value possible.



We look for new ways of solving problems, strive for continuous reflection and improvement and promote others to do the same.

Introduction

Hillcrest published its first Procurement Strategy in 2015 to provide a framework to ensure the procurement of goods, services and works were consistent and transparent across the organisation whilst supporting the overarching principles of being efficient, effective and socially responsible.

Since implementation, we have continued to work consistently whilst navigating a challenging and complex environment. Our Procurement Strategy has been further developed since its implementation, to ensure an informed balance between cost, quality and sustainability throughout Hillcrest, and the Strategy is expected to be further updated this year.

The purpose of this report is to publish a summary of Hillcrest's procurement performance and achievements over the previous 12 months and detail any planned procurement over the next 2 years. A full copy of our current procurement strategy can be found on our website.

Procurement Strategy

The following section briefly details some of the key objectives within the current Procurement Strategy which has been refined and revised at last review in line with organisational priorities.

Ethical Procurement - Hillcrest intend to preserve the highest standards of honesty, integrity, impartiality and objectivity in all procurement activities.

Compliance - Hillcrest will ensure that purchases are made in a transparent, open and fair manner, and comply with all relevant public sector legislation and internal instruction.

Value for Money - Hillcrest aim to obtain Value for Money (VfM) in all regulated procurement exercises, ensuring that contracts are not awarded only based on lowest price, but on a variety of relevant, weighted criteria. This mean adopting a Most Economically Advantageous Tender (MEAT) approach when evaluating and awarding Tender submissions, in line with Scottish Government policy.

Sustainable Procurement - Hillcrest take into consideration the requirements of sustainable Procurement for each exercise undertaken and work closely with our Sustainability Team to ensure appropriate and relevant outcomes. Before purchasing or planning to purchase anything, we consider:

- How can this opportunity improve 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 be used to promote innovation?

Procurement Strategy cont.

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

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

Analysis - Procurement staff regularly review spend analysis data to ensure organisational compliance, this aids in identifying 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.

Community Benefits: Social Value

Hillcrest is committed to investing in our local communities and procurement plays its part in this by including a Community Benefits clause within our contractual agreements.

Although this is only mandatory for regulated opportunities, Hillcrest are striving to achieve community benefits from non-regulated opportunities, wherever relevant and proportionate. We consider the importance of supporting SMEs, 3rd Sector and Supported Businesses in the delivery of Community Benefits, ensuring the contribution included within the agreement is fair and doesn't limit opportunities for such organisations.

In the period covered by this report, **19 agreements have commenced which included a monetary Community Benefit donation** clause and existing agreements have generated **24 donations with a value of £50,297.45 within the last 12 months**. This goes directly to the Hillcrest Foundation and is used to support the communities in which we operate and improve the lives of those we serve, as well as wider initiatives as determined by the Foundation.

Hillcrest has an established Community Benefit Statement which is provided with all contractual documentation, this details the different contribution levels and how such funds will be managed. Contributors to the Foundation receive annual updates in relation to the distribution of the funds so they can see the added value their donation brings.

The Foundation aims increase access to social and economic opportunities for the wider community. It will support community development programmes, educational activities, advice services and much more. The Foundation has a set of pre-determined criteria, around which donations will be managed and bid for. External bidders from the areas in which Hillcrest operate, not just those which work in partnership with Hillcrest, can make requests for funds from the Foundation.

Supported Businesses, SMEs, 3rd Sector & Local

Hillcrest is committed to utilising contractors who would be considered Supported Businesses (organisations whose primary aim is to promote the social and professional integration of disabled or disadvantaged individuals) as well as suppliers based in our local communities, to carry out works on our behalf, where possible.

We aim for as many contracting opportunities as possible to be open rather than restricted, to allow any businesses to review and bid. Where appropriate, to boost and encourage opportunities within the sector, we may restrict participation in a regulated procurement opportunity to Supported Businesses only, in line with Section 11 of the Procurement Reform (Scotland) Act 2014.

Regulated & Non-Regulated Procurement

During the period 2024/2025 a total of 17 regulated procurement contracts were awarded, with a value of £20,750,211.00. Breakdown of the awarded contracts as follows: 7 - Goods, 9 - Services and 1 - Works. Further detail is available within Appendix 1.

During the period 2024/2025 there were also 20 Quick Quotes issued via Public Contracts Scotland, with an approximate total value of £1,629,658.18. These included non-regulated opportunities as well as Framework call-off agreements.

Planned Procurement Summary

Each year the business reviews upcoming planned tender opportunities and any contracts expiring or due for extension review. This feeds into the plan for the following years procurement activity, alongside the organisations overarching strategic plans. A list of the planned procurement activity over the next year can be found in Appendix 2.

Scottish Government Return

Hillcrest are required to complete a statistical return to accompany the annual procurement report and submit this to the Scottish Government by September of each year. A copy of the return for this year is attached to this report (Appendix 3).

Continuous Improvement Programme for Procurement (CIPP)

Hillcrest participates in the Continuous Improvement Programme for Procurement through Scotland Excel, the Centre of Expertise. The CIPP assessment process provides a means of measuring and reporting on the procurement and commercial capability of public bodies and Hillcrest utilise this to highlight areas for improvements. This programme is often a requirement for grant funding through the Scottish Government Affordable Housing Supply Programme.

Appendices

Appendix 1 - Contract Register

Contract Type	Contract Title	Procurement Route	Supplier	Cost (Inc Planned or Budgeted, where known - Exc. VAT)	Contract Award-Date (Or One-Off Purchase Date)	Contract Start Date	Contract End Date
Services	Recruitment Agency	Internal Framework	Venesky Brown, Search, Reed, Community Re-sourcing, ASA	£2,000,000	27/03/2025	01/05/2025	30/04/2028
Goods	LEZ Replacement Vehicles	Call Off	LCM Vans	£346,685	30/08/2024		
Services	Internal Audit Services	Route 2 Tender	Henderson Log-gie	£48,840	12/03/2025	01/04/2025	31/03/2028
Goods	Workwear and PPE	Route 3 Tender	Lion Safety	£500,000	03/02/2025	04/02/2025	03/02/2028
Services	OOHs Call Handling	Route 2 Tender	SPS Doorguard	£68,970	26/08/2024	01/11/2024	30/10/2027
Services	Communal Heating Replacement - Thomson Ct	Route 2 Tender	Express Heating Co	£136,432	03/03/2025	10/03/2025	11/04/2025
Services	Lift Upgrade - Edinburgh	Route 2 Tender	Scotec Lifts	£188,303	17/12/2024	20/01/2025	18/04/2025
Works	External Fabric Repairs - 41 Lothian Rd	Route 2 Tender	Go-Wright Ltd	£268,722	25/02/2025	25/02/2025	25/08/2025

Appendix 1 - Contract Register cont.

Goods	Timber Framework	Internal Framework	JTC Ltd, MGM, MKM, National Timber, Plumbase, Stark Ltd	£6,000,000	08/05/2024	01/06/2024	31/05/2027
Goods	Ironmongery	Internal Framework	SIIS Ltd, Decco Ltd, Stark Ltd	£2,000,000	27/06/2024	01/07/2024	30/06/2027
Goods	Plumbing	Internal Framework	City Plumbing, Plumbase, Rexel Ltd, William Wilson, Wolseley	£6,000,000	22/05/2024	01/06/2024	31/05/2027
Goods	Pre-owned Commercial Vehicles	Internal Framework	LCM Vans	£900,000	23/12/2024	01/04/2025	31/03/2028
Services	Hard/Soft Landscaping	Route 3 Tender	TN Gilmartin, GJ Services, Avo-da, Greenscape Ground Maintenance	£450,000	01/08/2024	01/08/2024	31/07/2027
Services	Denburn Court Fire Separation Work	Route 2 Tender	Good Joinery Company	£276,477	18/09/2024	01/12/2024	30/04/2025
Services	Supply & Installation of Flooring	Internal Framework	Renaissance, Westend, Gordon & Halliday	£1,200,000	27/01/2025	01/02/2025	31/01/2028
Services	Employer's Agent & Principal Designers	Internal Framework	KLM, Brownriggs, Langmuir & Hay, Summers Inman		22/04/2024	01/06/2024	31/05/2028
Goods	Furniture	Route 3 Tender	The Furnishing Service	£470,022	10/03/2025	01/04/2025	31/03/2028

Appendix 2 - Future Planned Activities 2025-2027

* - Refers to Contracts where Procurement process has commenced but not yet awarded

Contract Title	To Be Procured 25/26 Y/N	To Be Procured 26/27 Y/N	Route	Approx Value/Contract Length
Property				
Lift Servicing	Y*		Route 3	£350,000 / 2 years + 2
Drainage	Y		Internal Framework/Route 3	£500,000 / 3 years + 1
Roofing Works (inc. high level gutter clearing)	Y		Internal Framework/Route 3	£1.1m / 3 years + 1
Landscaping Works (all areas)		Y	Internal Framework/Route 3	£1.5m / 3 years + 1
Timber Preservation	Y		Route 2	£150,000 / 3 years + 1
Pest Control	Y		Internal Framework/Route 2	£180,000 / 3 years + 1
Winter Maintenance		Y	Route 2	£90,000 / 3 years + 1
Contract Admin Landscaping	Y		Route 2	£70,000 / 3 years
Cleaning Materials	Y		Route 3/Possible External Framework External Framework (PfH)	£500,000 / 3 years + 1
D2D Electrical Equipment & Sundries	Y*		External Framework (PfH)	£2m / 3 years + 1
Supply of Paint		Y	Route 2/External Framework	£100,000 / 2 years + 1
Livery and Signage	Y		Route 2	£100,000 / 3 years + 1
Balgay Rd Repairs	Y		External Framework	£75,000
Dundee Major Repairs (3 Properties)	Y*		Route 2	£200,000 / 20 weeks
Laundry		Y	External Framework/Route 3	£500,000 / up to 5 years
Asbestos		Y	External Framework/Route 2	£80,000 / 3 years
Roofing Surveys by Drones	Y		Route 2	£60,000 / 3 years

Appendix 2 - Future Planned Activities 2025-2027 cont.

* - Refers to Contracts where Procurement process has commenced but not yet awarded

Communal Flooring		Y	Route 2	£150,000 / 2 years
IT - Annual Maintenance \ Licensing				
Microsoft Annual Licencing		Y	External Framework	£250,000
Citrix Annual Licensing		Y	External Framework	£60,000
Replacement Firewalls		Y	External Framework	£60,000
McAfee Anti-Virus		Y	External Framework	£20,000
Security Training Platform	Y		External Framework	£50,000
Cisco Meraki Licensing		Y	External Framework	£50,000
Rubik Data Protection Software		Y	External Framework	£250,000
Corporate				
Waste	Y		Route 3/External Framework	3 years + 1
Legal		Y	Route 3/Internal Framework	£1m / 3 years + 1
Breakdown/Recovery	Y		Route 1	£10,000 / 1 year
Lease of Futures Vehicle	Y		Route 1	£16,000 / 36 months
Leases of 3 EV/Hybrid Vehicles - Homes	Y		Route 2	£144,000/ 36 months
Design and Printing	Y		Route 1	3 years
Development				
Conversion of Wharton Sq Units	Y		Route 1 (Under £2m)	£350,000 / 12 months

Appendix 2 - Future Planned Activities 2025-2027 cont.

* - Refers to Contracts where Procurement process has commenced but not yet awarded

Housing				
Debt Management	Y		Route 2	TBC
Tenant Engagement Platform	Y		Route 1	3 years + 1
Tenant Survey	Y		Route 1	£45,000 / 3 years + 1
Hillcrest Futures				
Digital CRM Solution	Y*		Route 3	£200,000 / 3 years + 2

Appendix 3 - Annual Procurement Report

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

1. Organisation and report details

a) Contracting Authority Name

Hillcrest Homes

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

17

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

£20,854,451.00

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

40

i) how many of these unique suppliers are SMEs

34

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

17

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

0

Appendix 3 - Annual Procurement Report cont.

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

2
2
15

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)
- e) Number of Apprenticeships Filled by Priority Groups
- f) Number of Work Placements for Priority Groups
- g) Number of Qualifications Achieved Through Training by Priority Groups
- h) Total Value of contracts sub-contracted to SMEs
- i) Total Value of contracts sub-contracted to Social Enterprises
- j) Total Value of contracts sub-contracted to Supported Businesses
- k) Other community benefit(s) fulfilled

0
0
0
0
£0
£0
£0
17 Contracts Awarded with Community Benefit Donation clauses included

Appendix 3 - Annual Procurement Report cont.

5. Fair Work and the real Living Wage

- a) Number of regulated contracts awarded during the period that included a Fair Work First criterion.
- 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.
- c) Number of unique suppliers who are accredited Living Wage employers and were awarded a regulated contract during the period.

10
40
13

6. Payment performance

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

Unavailable
91.7% (Avg. across Homes, Maintenance, Enterprises and Futures)

17
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

Appendix 3 - Annual Procurement Report cont.

8. Spend and Savings Summary

a) Total procurement <u>spend</u> for the period covered by the annual procurement report.	£22,394,260.17
b) Total procurement <u>spend</u> with SMEs during the period covered by the annual procurement report.	£4,154,711.17
c) Total procurement <u>spend</u> with third sector bodies during the period covered by the report.	£0
d) Percentage of total procurement spend through collaborative contracts.	0.86%
e) Total delivered cash savings for the period covered by the annual procurement report	Not Available
f) Total non-cash savings value for the period covered by the annual procurement report	Not Available

9. Future regulated procurements

a) Total number of regulated procurements expected to commence in the next two financial years	32
b) Total estimated value of regulated procurements expected to commence in the next two financial years	£10,164,000