



Annual Procurement Report 2025/26

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Foreword

Angus Housing Association (AHA) reviewed and updated its Procurement Strategy in March 2025 as required by the Procurement Reform (Scotland) Act 2014 (the Act). This Strategy covers the period from March 2025 to March 2029 and is reviewed annually and amended as applicable. To comply with this Strategy and the Act, this report marks the publication of AHA's fifth Annual Procurement Report. The purpose of this report is to publish AHA's procurement performance and achievements in delivering its Procurement Strategy.

This Annual Procurement Report covers the period from 1st April 2025 to 31st March 2026. The Association annually reviews spend analysis to identify high-risk expenditure across all of its contracts concerning Goods, Works & Services, which will, in turn, determine the number of regulated procurements to be carried out over the next two financial years, which may also be subject to change.

1. Introduction

This report has been prepared as the Annual Procurement Report for the period 1st April 2025 – 31st March 2026 to meet the requirements of the Procurement Reform (Scotland) Act 2014, which requires any public organisation which has an estimated annual regulated spend of £5m or more (excluding VAT) to prepare an annual report on its regulated procurements completed during that period.

2. Procurement Strategy

AHA published a Procurement Strategy in April 2021 for the period from March 2021 to March 2024. A review of the strategy was carried out in March 2025, with several amendments applied to the strategy. This strategy is now live and covers the period from March 2025 to March 2029.

The purpose of the strategy is to:

- Deliver value for money through good procurement practice, including involvement in collaborative procurement initiatives and purchasing consortia as required. Our procurement process will also enable staff who procure goods and services to achieve value for money in purchases. It will enable staff to have the tools and guidance on achieving and evaluating value for money.
- Support internal departments and colleagues to enhance tenant engagement and experience through good Procurement practices. Ensure that sustainable procurement is a key aspect of all procurement activities within AHA, with a key focus on quality, value for money and, where possible, community benefits. We will ensure that staff have training that is appropriate and relevant, to enable them to undertake procurement activity associated with their role.
- Develop a suite of key performance indicators (KPIs) as well as other management information to measure and improve procurement-related activities and supplier

performance, assisting key stakeholders across the organisation to meet their requirements.

- Sustain and further develop partnerships within the sector, with other publicly funded and professional bodies, and appropriately with supply markets that will produce intelligence, innovation and deliver value to users of procurement.
- We will maintain a comprehensive policy and procedure (and other associated documents) to ensure that our procurement processes are fully compliant with legislation and best practice.
- We will continue to analyse the way we procure goods and services, to ensure that we are embracing innovation and new ways of working. We will look to establish our processes in the most advanced methods and systems and ensure that we procure goods and services as per AHA's Procurement Policy.
- We will establish a framework for monitoring and reporting performance including community benefits, stakeholder outcomes and key performance indicators.

3. Summary of Procurement Activity 2025/26

We are committed to making public procurement open and accessible to businesses, especially Small and Medium-sized Enterprises (SMEs). All tender opportunities greater than £50K for Goods/Services and greater than £2M for Works are advertised on the Public Contracts Scotland (PCS) advertising portal and, where required, on Tenders Electronic Daily (TED). We also publish contract opportunities below these thresholds following our Procurement Policy guidelines. Our contract register is published on our website as required by the regulations.

The PCS portal has a 'Quick Quote' functionality, which is a proportionate process to request and receive quotes for lower-value contracts for Goods/Services and Works or advertising mini competitions using Collaborative Framework Agreements, regardless of contract value.

Period 1st April 2025 to 31st March 2026	
Number of completed Regulated Procurements	0
Estimated value of completed Regulated Procurements	£0
Number of completed non-regulated Procurements	9
Estimated value of non-regulated Procurements	£2,155,268.29
Total	£2,155,268.29

4. Summary of AHA's Regulated / Non-Regulated Procurements

Appendix 1 details a total of nine contract awards made between 1 April 2025 and 31 March 2026. None of these contracts met the thresholds set out in the Procurement Reform (Scotland) Act 2014, namely £50,000 for goods and services and £2 million for works.

A regulated procurement is defined as any procurement with an estimated value exceeding £50,000 for goods or services or £2 million for works. For reporting purposes, a regulated procurement is considered complete when the contract award notice is published or when the procurement process otherwise concludes.

5. Summary of the Use of Supported Businesses

Supported Businesses make a valuable contribution to Scotland's economy not only through the provision of high-quality goods, services and works, but also by creating meaningful employment, training and development opportunities for disabled and disadvantaged individuals who may otherwise face barriers to entering or remaining in the workforce. Their role directly supports the wider social, economic and community wellbeing outcomes that underpin the sustainable procurement duty contained within the Procurement Reform (Scotland) Act 2014.

AHA recognises the importance of considering Supported Businesses as part of its procurement activity and is committed to ensuring that procurement processes are undertaken in a manner that is fair, transparent and proportionate, while also supporting opportunities to deliver broader social value. As part of this commitment, consideration is given to whether contracts may be suitable for Supported Businesses, either through reserved contracts, subcontracting opportunities or engagement within the wider supply chain, where this is relevant to the subject matter and value of the procurement.

AHA continued to support the supported business sector by procuring all Scottish Government development signage for its new-build housing projects from Only the Brave, a recognised supported business. This approach contributes to the creation of meaningful employment opportunities for individuals facing barriers to work, while ensuring the consistent provision of Scottish Government-compliant signage across the Association's development programme.

AHA will continue to review forthcoming procurement opportunities on a case-by-case basis and will actively consider the potential involvement of Supported Businesses as part of its procurement planning processes. This ongoing approach supports compliance with the Sustainable Procurement Duty and demonstrates the organisation's commitment to delivering economic and social benefit through its procurement activities wherever viable opportunities arise.

6. Summary on AHA's Expenditure & Supply Chain

Performance metrics and spend analysis are used to continuously monitor performance and identify areas for further improvement:

Purchases	2025/26
Total Spend	£17,239,433.24
Total Number of Suppliers	544
SME's (Small and Medium Enterprises)	400
SME Spend %	87%
Local Suppliers (Angus / Dundee)	218
Local Spend % (Angus / Dundee)	42%
Payments	
Total number of invoices paid	8,459
Invoices paid by electronic means	8,459
Value of invoices paid by electronic means	£17,239,433.24
Invoices paid within 30 days %	93%

7. Review of Regulated Procurement Compliance

The Mandatory Requirements of the Procurement Reform (Scotland) Act 2014 and the Statutory Guidance Obligations set out mandatory requirements that AHA's Procurement Strategy (March 2025 to March 2029) includes:

<u>Community Benefits Requirements</u>	Fully Complied For every procurement over £4m, AHA will consider how it can improve the economic, social or environmental well-being of its area, potentially through the inclusion of community benefit clauses, to assist with its strategic objective of being accountable to the Communities we serve and performing policies which offer a high level of tenant and wider public participation in our decision-making process. Such improvements could be implemented through the delivery of targeted recruitment and training or subcontracting opportunities within AHA's geographical location. Where appropriate and proportionate, AHA will also look to include such clauses in procurements below the £4m threshold.
<u>Payment of a Living Wage</u>	Fully Complied A contracting authority can contribute towards improving the social well-being element of its sustainable procurement duty under section 9 of the Procurement Reform (Scotland) Act

	2014 ("the Act") by adopting policies to promote fair work practices in relevant public contracts. Where it is appropriate and proportionate to do so, AHA will strive to implement Living Wage and Fair Work Practice principles within our procurements by considering a bidder's overall approach to Fair Work Practices as outlined within the Scottish Government's statutory guidance on Fair Work Practices. Sustainability requirements, including support for Fair Working Practices and the Living Wage, were included in contract documents.
<u>Value for Money</u>	Fully Complied AHA will analyse expenditure to identify 'TED-regulated procurements' (<i>Public Contracts Scotland Regulation Thresholds previously OJEU for Goods and Services worth more than £207,720 inc VAT and Works worth more than £5,193,000 inc VAT</i>) and the Procurement Reform Scotland Act Thresholds lower value regulated procurements' (<i>Goods and Services worth more than £50,000 and Works worth more than £2 million</i>). Goods, Services and Works are bought through multiple methods, including joint purchasing, use of local, regional, and national framework agreements. All regulated contracts are tendered via the PCS portal. Collaboration on contracts was used where appropriate.

<u>Payment of Contractors</u>	Fully Complied 93% of invoices were paid within 30 days during the reporting period. All regulated procurement contained the standard clause in relation to payment.
<u>Developing Staff in Procurement</u>	Fully Complied Internal training provided to staff with procurement responsibilities and is ongoing.

8. Community Benefit Summary

AHA recognises that community benefits are a key mechanism for delivering additional social, economic and environmental value through procurement activity. The inclusion of Community Benefit requirements supports the objectives of the Procurement Reform (Scotland) Act 2014. It contributes to the delivery of wider organisational priorities by creating opportunities that extend beyond the goods, services or works being procured.

The Association is committed to securing Community Benefits through its procurement activities wherever these are relevant, appropriate and proportionate to the nature, scope and value of the contract. While the majority of the Association's regulated procurements relate to lower-value goods and service contracts rather than major development or construction projects, AHA remains committed to identifying opportunities to generate positive outcomes for local communities through its procurement processes. These outcomes may include local employment opportunities, apprenticeships, work placements, support for local supply chains, skills development initiatives, volunteering activities, environmental improvements and the promotion of Fair Work principles.

Recognising the importance of measuring and evidencing the social value generated through procurement, AHA is currently developing a bespoke Community Benefits Portal. This initiative will strengthen the Association's ability to capture, monitor and report Community Benefits delivered through awarded contracts and will support a consistent and transparent approach across all procurement activity. The portal will help to maximise opportunities for local businesses, support fair and sustainable employment, encourage investment within Angus and neighbouring communities, and contribute to the retention of economic value within the local area. Through this approach, AHA aims to ensure that procurement expenditure delivers tangible and measurable benefits for tenants and local communities alongside the primary contract outcomes.

Community Benefit requirements will continue to be considered and incorporated into regulated and non-regulated procurements where appropriate and proportionate to the contract opportunity. In accordance with current Procurement Legislation, Community

Benefit clauses are included as a mandatory consideration for all regulated procurements with an estimated contract value of £4 million or greater. AHA will continue to work collaboratively with suppliers and contractors to identify innovative and impactful Community Benefit opportunities that support both organisational objectives and the wider social, economic and environmental wellbeing of the communities it serves.

The contracts detailed below were awarded during the reporting period and incorporated Community Benefit requirements where these were considered appropriate and proportionate to the value and nature of the procurement. Examples of the community benefits delivered are also outlined below.

Summary of Community Benefits 2025/26	
Total Number of Contracts	9
Total Number of Regulated Procurements (>£4M)	0
Number of Contracts (> £4M) with Community Benefit Requirements	0
Number of Contracts (< £4M) with Community Benefit Requirements	9
Total number of Contracts with Community Benefit Requirements	8
% of Community Benefit Requirements from the Total Number of Contracts	89%
% of Community Benefits from the Total Number of Regulated Procurements (>£4M)	0%

8.1. Community Benefit Examples in recent Projects

Example 1 – Replacement Kitchen Heating and Bathrooms

Montrose Heating Kitchen and Bathrooms

Contract Value - £407,012.51

Replacement electric heating, kitchen and bathrooms

£500 donation to Montrose Community HUB food bank

Example 2 – Window Replacement Project

Montrose Window replacements

Contract Value - £216,188.81

Replacement windows

Work experience placement at the contractors' Head Office

Example 3 – Kitchen Replacement Project

Pitreuchie Kitchen replacements

Contract Value - £376,900.39

Replacement Kitchens and Asbestos removal

80 hours (community support + community donations) supported through the Mears Foundation

9. Future Procurement Summary

The Association is currently reviewing its spend analysis to identify expenditure areas across all contracts related to Goods, Works & Services. This will determine the number of procurements needed over the next two financial years, which may change. An indicative list of contract opportunities is provided below:

Item	Year	Indicative Contract Value (£)	Notes
Barnhill Kitchen & Bathroom Replacements	2026	£600,000.00	Kitchen and Bathroom Replacement Programme
Kirkbank Kitchens & Bathroom Replacements	2026	£575,000.00	Kitchen and Bathroom Replacement Programme
Old School Way Kitchens & Bathroom Replacements	2026	£90,000.00	Kitchen and Bathroom Replacement Programme
Leonard Street Kitchens & Bathroom Replacements	2026	£625,000.00	Kitchen and Bathroom Replacement Programme
Market Street Kitchens, Bathrooms & Electric Heating	2026	£230,000.00	Kitchen and Bathroom Replacement Programme

Sidney Street Bathrooms & Electric Heating Replacements	2026	£190,000.00	Kitchen and Bathroom Replacement Programme
Main Rd & Station Rd Kitchens & Bathroom Replacements	2026	£100,000.00	Kitchen and Bathroom Replacement Programme
Hight St Window Replacements	2026	£150,000.00	Windows & Doors Replacements
2026 Gas Boiler Replacements	2026	£150,000.00	Gas Boiler Replacements
2026 Annual Stock Condition Surveys	2026	£21,000.00	Stock Condition Surveys
2026 EPC Renewals	2026	£10,000.00	EPC Surveys
Professional Services Framework Agreement	2026	Unknown	Professional Services Framework Agreement for:

(Collaborative Framework led by Procurement Consultant for Castlehill HA)			1. Architects 2. Quantity Surveyors/Employers Agents 3. Engineers
Salton Crescent Kitchen Replacements	2027	£325,000.00	Kitchen Replacements
Tulloch Wynd Kitchen Replacements	2027	£100,000.00	Kitchen Replacements
Westgate Kitchens, Bathrooms and Electric Heating Replacements	2027	£200,000.00	Kitchens, Bathrooms and Heating Replacements
Palmer St & Russell Sq Electric Heating Replacements	2027	£190,000.00	Heating Replacements
Kaims Cottages Electric Heating Replacements	2027	£35,000.00	Heating Replacements
	2027	£85,000.00	

Westnewgate Bathroom & Electric Heating Replacements			Bathroom and Heating Replacements
John St Bathroom Replacements	2027	£110,000.00	Bathroom Replacements
Barnhill Roof Renewals	2027	£350,000.00	Roof Renewals
Sir James Duncan Gardens ASHP Heating Replacements	2027	£65,000.00	ASHP Renewals
Thistle St Kitchens and Heating Replacements	2027	£450,000.00	Kitchens and Heating Replacements
Sir James Duncan Gardens Kitchen Replacements	2027	£150,000.00	Kitchen Replacements
James St Kitchens, Bathrooms and	2027	£300,000.00	Bathrooms and Electric Heating Replacements

Electric Heating Replacements			
Dundee St Kitchen Replacements	2027	£75,000.00	Kitchen Replacements
Great Michael Rd Kitchen Replacements	2027	£85,000.00	Kitchen Replacements
2027 Gas Boiler Replacements	2027	£150,000.00	Boiler Replacement Programme
2027 Annual Stock Condition Surveys	2027	£22,000.00	Stock Condition Surveys
2027 EPC Renewals	2027	£10,000.00	EPC Renewals
External Audit	2027	£50,800.00	External Audit Services

10. Procurement Complaints Received

The Association received no formal challenges or complaints during the reporting period.

11. Annual Procurement Report Ownership

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