

## Annual Procurement Report – Agenda Item 3.3

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| <b>Board:</b>              | Clyde Valley Housing Association                             |                 |                        |               |        |
| <b>Date of Meeting:</b>    | 25 August 2025   |                 |                        |               |        |
| <b>Report Prepared by:</b> | Natalya Macholla, Director of Finance and Corporate Services |                 |                        |               |        |
| <b>Status:</b>             | <b>Non-confidential</b>                                      |                 |                        |               |        |
| <b>Type of Report:</b>     | Decision   | <b>Approval</b> | Oversight & Monitoring | Consideration | Noting |

### Purpose of Report

This report presents the Annual Procurement Report for 2024/25 for review and approval by the Board, in accordance with the requirements of the Procurement Reform (Scotland) Act 2014 and the Association's Procurement Strategy.

This report outlines procurement activity over the reporting year, assesses performance against procurement objectives, and confirms compliance with legal and regulatory obligations.

### Desired Outcome(s)

The report aims to achieve the following outcomes:

- Board understand that the Procurement Reform (Scotland) Act 2014 (PRA) requires any public organisation which has an estimated annual regulated spend of £5million or more to develop and publish a procurement strategy and Annual Procurement Report.
- Board have assurance that the report meets the requirements outlined in the PRA.
- Board have assurance that the report will be provided to the Scottish Government and shared on our website following this meeting.
- Board have assurance that value for money is fundamental to service delivery and CVHA continue to deliver a Budget and Business Plan at or below targets to ensure the business is sustainable.

### Recommendation(s)

Board are asked to **approve** this Annual Procurement Report to be shared with Scottish Government and to be published on our website.

### Corporate Strategy Objectives

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| <b>People</b><br>To create an environment where both our customers and employees feel valued, supported, and empowered to thrive.  | <b>No</b>  |
| <b>Place</b><br>To provide high quality homes and safe, inclusive and sustainable communities where people feel safe and want to engage with their neighbours' and enjoy the area where they live. | <b>No</b>  |
| <b>Progress</b><br>Ensure Clyde Valley operates a successful, sustainable business while striving for excellence in governance and a commitment to continuous improvement.                         | <b>Yes</b> |
| <b>Policy Change(s) required?</b>  | <b>No</b>  |

## Executive Summary

### Key Issues for Consideration and any opportunities afforded by the proposal

Full detail and a copy of our proposed Annual Procurement Report are attached at **Appendix 1** and **Appendix 2** of this report.

Under the Procurement Reform (Scotland) Act 2014, Registered Social Landlords with a regulated procurement spend exceeding £5million are required to:

- Prepare and publish an Annual Procurement Report.
- Report on the extent to which procurements complied with the Procurement Strategy.
- Detail community benefits delivered and sustainable procurement outcomes achieved.
- Provide transparent, accountable information on performance and governance.

Our procurement strategy and policy are a lever to support us in achieving strategic objectives within our strategy, such as sustainability, creating jobs and training opportunities, delivering community benefits and more widely maximising value for money.

Our approach is to wherever possible leverage the strength of the wider Group in our procurement to allow us to achieve the best price-quality mix.

Our Annual Procurement Report has been prepared to meet the requirements of the Procurement Reform (Scotland) Act 2014, and to demonstrate how our performance and achievements during the period meet both the strategic direction set by the Group and all relevant procurement legislation.

It is our aim to demonstrate value for money in all contract commissioning using efficient and effective procurement procedures and to align our procurement activities to support the Group in providing high quality affordable homes and services that make life better for our tenants and customers.

Our Annual Procurement Report contains the following detail:

- A summary of regulated procurements completed between 1 April 2024 and 31 March 2025.
- A review of Regulated Procurement Compliance.
- Community Benefits Summary.
- Supported Business Summary.
- Future Regulated Procurements Summary.
- Detail of our Annual Procurement Report Responsible Officers.
- Detail on our Future Regulated Procurements April 2025 to March 2027.

A copy of the document that will be shared with Scottish Government is attached at **Appendix 1**, a more detailed report to support the content is available for Board to review at **Appendix 2**.

The following points are noteworthy:

- We completed 11 regulated procurements during 2024-25 with an estimated contract value of £10,141,531, all complying with our Procurement Strategy.
- The total number of valid invoices during that period was 1,164 (total spend of £3,921k) with 73% being paid on time. For those not paid on time, the main reason related to initial invoicing issues with ID Verde on award of the new contracts. There were also some issues with Timetra invoices as we moved over to the new contracts, but these were resolved timeously through discussions with the contractor.

- We expect to carry out 34 regulated procurements over the next two financial years with an expected contract value of £24m.

**Risk(s) (including any reputational risk(s) and assess Risk Appetite (where applicable)):**

Our agreed risk appetite relating to laws and regulations is 'cautious'. Procurement activity carries inherent risks that can impact compliance, value for money, service delivery, and the Association's reputation. The Association's risk management framework ensures that procurement risks are actively identified, assessed and mitigated.

The key procurement risk is non-compliance with current Scottish Procurement law or policy but there are others such as: inadequate supplier performance, insufficient market competition or SME exclusion, failure to deliver community benefits or sustainability outcomes, fraud or conflict of interest, cost inflation or market volatility and poor internal procurement planning to name a few. To mitigate any risks the following measures are embedded:

- Compliance with Group Standing Orders and Delegated Authority Policy;
- Annually reviewed Group Procurement Policy;
- Visibility of our Contracts Register;
- Legal review of high-value tenders;
- Contract management meetings, KPIs, and clear performance clauses in contracts;
- Use of frameworks, early market engagement and split lots where appropriate;
- Community benefit and sustainability clauses embedded in high value contracts with supplier reporting obligations;
- Declaration of interest protocols and segregation of duties in place;
- Mandatory training for all staff authorised to procure;
- Procurement plans for above-threshold procurements; and
- Staff with specialist knowledge/training utilised as required.

The Procurement Policy, Procurement Manual and Procurement Strategy help us mitigate the risks of non-compliance with regulation and legislation.

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|----------|-----------------|---------|------|--------|-----|
| Balanced | <b>Cautious</b> | Adverse | Open | Hungry | N/A |
|----------|-----------------|---------|------|--------|-----|

**Impacts of the Report**

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|-------------------------------------|--|
| Customer                            | Procurement activities identified in this report are directly related to our customers. Each procurement exercise will take into consideration customer engagement and the impact of such contracts on our customers. Customer consultation will be carried out when applicable. Community Benefit delivery aspirations also involve customer engagement activities.   |
| Assurance                           | Board should be aware that this report was produced by individuals involved in procurement throughout the year who have all attended procurement training. As a Registered Social Landlord we are deemed to be a Contracting Authority and must comply with legislative requirements for procurement and contracting arrangements. Our Annual Procurement Report has been prepared to meet the requirements of the Procurement Reform (Scotland) Act 2014. |
| Legal and regulatory                | Our Annual Procurement Report has been prepared to meet the requirements of the Procurement Reform (Scotland) Act 2014. We are meeting our legal obligation and adhering to government requirements. All procurement within the Annual Procurement Report considers and reflects legislative requirements.   |
| Equality Impact Assessment Required | No. Through our procurement approach, relationships with suppliers, and awareness of equality legislation, we promote equality across all  |

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|  | areas of our procurement. Updates made to our Procurement Policy and Community Benefits approach support our EDI aims and the implementation of our Equality, Diversity and Inclusion Policy. |
| Direct Health & Safety implication   | No  |
| Data impact assessment required  | No  |
| Budget   | Provision in year   |
| <b>Value for Money</b>   |   |
| <p>Delivering value for money through procurement is a core organisational priority, ensuring that resources are used efficiently while maintaining high-quality services and achieving positive outcomes for tenants.</p> <p>The Association aims to achieve the optimal balance of cost, quality and sustainability in its procurement activities over the life of a contract. This includes considering whole-life costing, risk, service performance, social value, and environmental impact.</p> <p>Some notable value for money achievements over the year include:</p> <ul style="list-style-type: none"> <li>- Aggregation of spend and contract consolidation reducing duplication and administrative overheads.</li> <li>- Use of frameworks allowed the Association to benefit from pre-negotiated pricing, reduced procurement lead times, and access to vetted suppliers.</li> <li>- All regulated procurements used weighted evaluation models with clear VfM criteria balancing quality and price (typically 60/40 or 70/30 splits depending on service type).</li> <li>- Contracts included performance management mechanisms to ensure delivery of agreed service levels, and to hold suppliers accountable for results.</li> </ul> |   |
| <b>Agenda Time Planned: 10 minutes</b>   |   |
| <b>Preparation required/expected of Board Members other than reading the report:</b>   |   |
| 10 minutes   |   |
| <b>Previous Relevant Reports</b>   |   |
| 22 August 2022 - <a href="#">06.5 Agenda Item 6.5 - Annual Procurement Report .docx</a>  |   |
| 9 October 2023 - <a href="#">3.1- Annual Procurement Report.docx</a>   |   |

## Board Assurance

| Consideration of whether this matter provides Assurance to the Board on SHR Standards of Governance and Financial Management  |   |
|---|---|
| 1. The governing body leads and directs the RSL to achieve good outcomes for its tenants and service users.   | Procurement is carried out in accordance with the procurement strategy and manual with an emphasis on good quality services and value for money.  |
| 2. The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders, and its primary focus is the sustainable achievement of these priorities. | As a contracting authority we are required by the Procurement Reform (Scotland) Act 2014 to prepare an Annual Procurement Report on our regulated procurement activities as soon as reasonably practicable after the end of that financial year.  |
| 3. The RSL manages its resources to ensure its financial wellbeing, while maintaining rents at a level that tenants can afford to pay.  | Value for money is critical to all procurement within Clyde Valley and the policies and procedures highlight the requirement for this. We seek wherever possible to ensure the delivery of value for money. Effective procurement is a key element of delivering our business plan and ensuring our business remains sustainable and cost effective.  |
| 4. The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose.  | This report will be submitted to the Scottish Government and made available on the CVHA website.  |
| 5. The RSL conducts its affairs with honesty and integrity.   | The procurement has been carried out in line with policy and procedure.   |
| 6. The governing body and senior officers have the skills and knowledge they need to be effective.  | The Association recognises that strong procurement outcomes rely on the knowledge, capability, and oversight of both the Board and senior officers. During 2023/24, we centralised the procurement function across the business under the Finance and Corporate Services Directorate. This Directorate are now responsible for implementing the procurement strategy as well as supporting the operational procurement activities across the Group. |
| 7. The RSL ensures that any organisational changes or disposals it makes safeguard the interests of, and benefit, current and future tenants.   | Not applicable.   |