



# **PROCUREMENT STRATEGY**

**2026/2027 to 2028/2029**

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## **1. Vision and Values**

The overarching vision of Craigdale Housing Association (CHA) is to 'change lives for the better' within the Association's area of operation. This requires the facilitation of growth and change which are achieved by upholding the following common values:

1. Respect
2. Openness
3. Trust
4. Listening

## **2. Introduction and Background**

CHA's commitment to Value for Money (VfM) is driven by the desire to deliver the best possible outcomes for all its customers from the resources and assets available to the Association. CHA recognises that sustainable procurement has a critical role to play in making the best possible use of its resources whilst demonstrating VfM for its customers. At the same time, CHA will act compliantly in relation to procurement legislation that not only delivers VfM but also ensures that the Association acts in an efficient, ethical, and sustainable way, whilst maximising local economic, environmental, and social benefits.

CHA was established in 1988 The Association currently owns and manages 407 properties, including post war stock and new build stock. We also factor 18 owner occupied properties.

The range of services that we offer our customers has grown and evolved since our inception in line with the objectives and priorities of the housing association movement. Our rent structure is based on property size and type.

The most significant recurring expenditure on an annual basis is in relation to repairs, including reactive repairs, cyclical works, void repairs, and planned investment. A concerted effort is made to ensure that VfM is achieved. Our Procurement Policy, last reviewed in September 2024 and due for review in September 2027 will take account of current procurement thresholds.

Spend in relation to repairs carried out by external contractors during 2024/25 was £230,958 and the expected spend in 2025/26 is in the region of £220,00

CHA has been in discussion with a contractor, regarding a potential new build development opportunity. The site in question lies within the heart of our existing stock. The land is currently in the ownership of both GCC/City Property and Wheatley Homes Glasgow. Discussions are ongoing with each existing land owner, working towards the land transaction settling during summer 2026. Grant has already been received from Glasgow City Council as part of the 'Affordable Housing Supply Programme' to enable the project to be progressed during the pre-contract stages of the development process, including submission of a planning application which is at an advanced stage. The draft S69 legal paperwork has been issued for consideration and is actively being progressed by the Association's Solicitors, Harper Macleod. The issue of a compliant works procurement exercise was discussed and agreed with the Board at their meeting in January 2026, taking account of legal advice, previously provided by Harper Macleod. As a result, we are proposing to call-off from Scotland Excel's new build housing construction framework and directly awarding to A S Homes. The Association's annual Strategy and Development Funding Plan, due to be submitted by 2 April 2026 to NRS, following Board approval at the meeting due to be held on 30 March 2026, indicates a site start during Autumn 2026. No Contract Award will take place until such times that a Tender Offer of Grant, at a level that is satisfactory to the Association, and signed acceptance of the private Loan Agreement are in place. Approval to proceed with this further phase of new build will result in 'Regulated' spend in excess of £5 million albeit, the spend will be over more than one financial year. This new, potential housing contract will result in a significant, positive impact on the community, offering existing and new tenants much needed, additional housing to support the healthy waiting list.

We recognise that not all purchases of goods and services are high-value and deemed to be 'Regulated' contracts. Our Procurement Policy highlights procedures taking account of anticipated costs in relation to non-regulated procurement activity. Further, we recognise that procurement affects not only repairs and development contracts, but also the supply of all goods, services and works procured by the Association.

CHA's first Procurement Strategy will cover the 3-year period 2026/27 to 2028/29.

Further, this strategy coincides with other relevant key documents and strategies, as follows:

- Business Plan
- Asset Management Strategy
- Risk Management Strategy
- Tenant Participation Strategy

Moreover, the Procurement Strategy coincides with relevant policies and legislation, including:

- Procurement Policy
- Financial Regulations Policy
- Rent Setting Policy
- Entitlements, Payments & Benefits Policy
- Fraud, Bribery and Money Laundering Policy
- Whistleblowing Policy
- Procurement Reform (Scotland) Act 2014
- Housing (Scotland) Act 2001
- Modern Slavery Act 2015
- Bribery Act 2010
- CDM Regulations 2015

### **3. STRATEGY CONTEXT AND OUTCOME OBJECTIVES**

Our sustainable Procurement Strategy is committed to ensuring that CHA's procurement activities are fair, open, transparent, proportional, and non-discriminatory, whilst sustainable, and in accordance with legislation and best practice.

Defined as a *"Public Body Governed by Public Law"* CHA has a statutory obligation under the Public Contracts Scotland Regulations 2015, Procurement Reform (Scotland) Act 2014 (the 'Act'); and the Procurement Regulations 2016 underpinning the Act, to ensure procurement activity is compliant with relevant legislation. CHA will also act in a way to protect the interests of its customers and the reputation of the sector by ensuring compliance with the Bribery Act 2010.

Procurement is the full range of activities relating to purchasing goods, services and works. The Association carries out a range of procurement activity ranging from high value works through to the purchasing of small stationery items.

This strategy is aimed at promoting efficient, effective, and sustainable procurement practices throughout the organisation which will reflect CHA's vision, values, and priorities.

CHA will raise awareness of the Association's commitment to sustainable procurement through its Procurement Policy, Financial Regulations Policy, internal procedures, and by utilising the Public Contracts Scotland website when inviting quotations and tenders as part of the tendering process.

#### **Outcome Objectives**

To comply with the legal and regulatory requirements governing procurement, and ethical requirements of best practice, ten outcome objectives shall underpin Craigdales's procurement activity:

1. To maximise VFM when procuring contracts, including joint procurement where timescales and sensibility permit.
2. To ensure sustainable procurement.
3. To maximise community benefits.
4. To maximise resident consultation and engagement.
5. To ensure that 'Fair Working First' is mandatory.
6. To ensure transparency in the supply chain to tackle Modern Slavery and Human Trafficking.
7. To act with integrity and adopt fair and ethical procedures.
8. To achieve tenants and residents' health and safety compliance.
9. To actively encourage the local supply chain.
10. To ensure payment within terms.

### **1.) Value for Money (VfM)**

Value for Money will form the basis for all procurement decisions taken by CHA whilst adhering to the relevant legislation. Each procurement decision will ensure services or goods can be provided in the most effective, efficient, and economical way. Obtaining VfM will mean choosing the goods, services and/or works which offer the optimum combination of whole life costs, quality, and service benefits that help achieve CHA's strategic objectives.

CHA's Procurement Policy outlines how VfM will be achieved in relation to both 'Regulated' and 'Unregulated' contracts. This is not necessarily the lowest price as demonstrated within the Policy in terms of below threshold procurements too.

The Policy outlines how the following will be achieved:

- All options will be considered, and the decision shall consider CHA's obligations in terms of delivering quality and social value whilst managing risk and health and safety.
- CHA will ensure that quality and the service received is monitored throughout the duration of the contract, including monitoring of KPIs outlined within the procurement process.
- CHA will look to secure partnerships which can be applied to several projects and/or work streams over a period of years to encourage delivery in the most efficient and cost-effective manner, including, where appropriate, joint procurement exercises.

- CHA will reduce administrative waste through reviewing, challenging, and adapting processes and procedures to adopt appropriate new technology (e.g. e-procurement), changing supply chain relationships, streamlining back-office processes, and reducing transaction costs.
- CHA will continuously improve by using cycles of learning. Procurement is not viewed as a single event but requires a culture of review, challenge, adaptation, and continuous improvement to ensure optimal performance in a changing environment. As a recent member of Scotland Excel, Scotland Excel has been appointed to carry out a 'Continuous Improvement Programme for Procurement' (CIPP) assessment. The first meeting has already taken part, ahead of the formal assessment being conducted during spring 2026.
- CHA will regularly review current performance and processes and benchmark the wider market to ensure that the Association is making the most appropriate procurement decisions.

## **2) Ensure Sustainable Procurement**

In compliance with the Act, CHA will consider the environmental, social, and economic issues relating to all regulated procurements and how benefits can be accrued, on a contract-by-contract basis, by taking proportionate actions to involve SMEs, third sector bodies and supported businesses where possible. CHA will also consider the environmental, social, and economic issues relating to unregulated procurements, taking account of the value of the contract.

CHA will also:

- Where appropriate, work with providers to minimise the environmental and social impacts associated with products and services.
- When procuring larger contracts, seek to leverage additional social value within the local community as part of contract specifications.

## **3) Community Benefits**

The Act requires CHA to consider whether to impose Community Benefit requirements for any regulated procurement with an estimated value equal to or greater than £4,000,000 (excluding VAT). CHA will include as part of its procurement exercise, a summary of the Community Benefit requirements it intends to impose which are proportionate to the scale and value of the contract. Examples of Community Benefits will include, but are not limited to:

- % Community Benefit contribution per annum from each contractor to be used for any local or national community works, community support, wellbeing, social, employment or environmental projects.
- Increasing digital skills for residents.

- Work to ensure job readiness in the local area.
- Work with groups in the communities, served by CHA, to improve skills, abilities, and confidence.
- Work to increase local employment and reduce unemployment.
- Work to provide young or older apprenticeships relating to CHA contracts.

In the event CHA procures via an existing Framework, any Community Benefit clauses as set by the framework provider will be followed. For example, as noted above, the procurement route agreed by the Board in relation to the current new build project, will be a call-off from Scotland Excel's new build housing construction framework. As such, Scotland Excel's Community Benefits clause, including their 'Social Responsibility' document will require being adhered to by the Principal Contractor, and will form part of the ITT (Invitation to Tender) and tender documents.

Through regular review and progress meetings, KPIs will be measured, the results of which will be reported to the Board.

CHA will always maximise Community Benefit opportunities either via financial contribution or a points-based commitment system, proportionate to the size and dynamics of the contract being let.

#### **4) Resident Consultation and Engagement**

In accordance with the Housing (Scotland) Act 2001, CHA actively develops and supports tenant participation. Where CHA residents are affected by any procurement process, CHA will consult and engage with them in line with the Association's Tenant Participation Strategy, while taking account of the requirements of the Scottish Social Housing Charter, Scottish Housing Regulatory Standards and guidance issued by the Scottish Housing Regulator.

#### **5) Fair Working First (FWF)**

CHA is a Fair Work First employer. CHA will take measures to ensure that any supplier awarded a contract by the Association, adopts the 7-core principles of Fair Working First in Scotland. Suppliers will be required to demonstrate how they will promote Fair Working First in the delivery of the contract and in turn, help secure best value. When procuring contracts, CHA will, as part of the procurement exercise, determine a supplier's position in relation to Fair Working First and for those who have not yet fully met the standards, monitor their commitment to progressing towards the seven criteria as follows:

1. Appropriate channels for effective voice, such as trade union recognition.
2. Investment in workforce development.

3. No inappropriate use of zero hours contracts.
4. Action to tackle the gender pay gap and create a more diverse and inclusive workplace.
5. Providing fair pay for workers (for example, payment of the Real Living Wage).
6. Offer flexible and family friendly working practices for all workers from day one of employment.
7. Oppose the use of fire and rehire practices.

## **6.) Transparency in Supply Chain to tackle Modern Slavery and Human Trafficking**

In compliance with the Regulations and the Act, CHA will consider modern slavery and human trafficking issues relating to all procurements and how suppliers and where applicable, suppliers' supply chains ensure that they are taking measures to ensure that modern slavery and human trafficking are being considered. CHA will also:

- Ensure any supply chains are clear about the 'Transparency in Supply Chains', and any supplier from within the UK with a total annual turnover of £36m or more produces an annual statement, setting out the steps they have taken to tackle modern slavery and human trafficking in their organisation and supply chain.
- Work with suppliers with a turnover below £36m to ensure they consider modern slavery and human trafficking in their organisation and supply chain in relation to the products and services that they provide.

## **7.) Integrity - Ensure Fair and Ethical Procedures**

CHA will ensure that its procurement decisions are transparent and preserve the integrity of the organisation. The Association's Entitlements, Payments and Benefits Policy sets out how the Association, including its Board and staff members must conduct the Association's business to demonstrate openness and transparency. The Procurement Policy clearly demonstrates how the Association will procure goods, services and works relating to regulated contracts, governed by the relevant legislation and unregulated procurement to comply fully with the Association's own internal procedures.

## **8.) Tenant and Residents Health & Safety Compliance**

CHA will ensure compliance with the Health and Safety at Work Act 1974 and CDM Regulations 2015 when procuring contracts of a works nature. This will include bidders being required to provide evidence in relation to several items to ensure compliance and minimum standards are met.

The safety of the customers is paramount to CHA with the ‘Big 7’ listed below, ongoing business priorities, overseen by the CEO as follows:

1. Gas Safety Policy
2. Electrical Safety Policy
3. Legionella Management Policy
4. Fire Safety Policy
5. Asbestos Management Policy
6. Damp and Mould Policy
7. Lift Safety - N/A

#### **9.) Local Supply Chain**

CHA will strive to promote the involvement of the local supply chain in relation to works, services, and supplies as far as possible. CHA will also endeavour to work with local businesses to ensure that they are able to compete for business to be procured by the Association against suppliers and contractors from outside the area.

#### **10.) Payments within Terms**

CHA will as far as reasonably practicable, ensure that:

- All contracts include the provision for the contractor to make any payment to any sub-contractors within 30 days of receipt of invoice/payments applications.
- All payments are made timeously in accordance with any specified Contract Conditions (often 14 days in relation to larger development contracts) but no later than 30 days after the receipt of invoice/payments applications where no specific Contract Conditions are noted.
- Any grant received by CHA is paid to the intended recipient, taking account of conditions within any formal Offers of Grant.

### **4. FINANCE**

CHA considers that the adoption of a compliant Procurement Strategy across all aspects of the business is not only desirable but essential given the legislative environment within which RSLs operate.

The Association’s expected expenditure on repairs, including reactive repairs, cyclical works, void repairs, and planned investment during 2025/26 is £543,000 with a further, expected expenditure of £212,000 on the current new build development contract. The forecasted and currently budgeted expenditure in the coming years is as follows:

<b>Financial Year</b>	<b>Development Contracts</b>	<b>Maintenance Contracts</b>
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2026/2027	£2.07 million	£585,000
2027/2028	£5.11 million	£614,000
2028/2029	£108k	£753,000

CHA will update the figures noted above annually, as more detailed information becomes available, and more information is available relating to the development programme in terms of actual and potential site start dates.

## 5. RISK MANAGEMENT

The Association's Risk Management Strategy has been developed to make sure that any risks to CHA and the customers it serves are properly recognised and managed. In all its procurement dealings, CHA will identify risks as far as possible, evaluate their potential consequences, consider opportunities, and manage those risks effectively, at every stage of the process. This will include carrying out due diligence prior to contract awards, including, but not limited to a review of financial statements by the Association's Finance Consultants, FMD Financial Services, obtaining and scrutinising Dun and Bradstreet or similar credit check reports in relation to contractors' appointments, review all necessary insurances on a contract by contract basis, including, requesting up-to-date insurances during the lifetime of the contract, seeking references where applicable from other RSLs to identify suppliers' performance and relevant experience, producing Life Cycle Costings and NPVs for new developments and acquisitions at the appropriate stages.

Where contract awards are because of 'calling off' an existing Framework, CHA will adhere fully to the framework provider's Terms, and where applicable, seek legal advice prior to commencing the procurement process.

Consultants and contractors' performance will be regularly monitored and measured against any pre-agreed KPIs at formal site and/or progress meetings.

As highlighted above, to further strengthen the Association's approach and understanding of both regulated and unregulated procurement exercises, and to comply with Offers of Grant from NRS, as members of Scotland Excel, CHA will utilise the services of Scotland Excel to comply with the Scottish Government's 'Continuous Improvement Programme for Procurement' (CIPP) every 2 years, which will assess all aspects of the Association's procurement performance and not just 'Development' contracts that are grant funded.

## 6. DIGITAL PROCUREMENT

As part of CHA's digital transformation, the Association fully supports the drive to enable an electronic procurement process, including electronic ordering, invoicing,

and payments. Public Contracts Scotland will be used to publish notices for contract opportunities, manage tendering processes and the award of contracts, all in accordance with the Regulations, Act and Association's Procurement Policy in the interests of transparency and accountability.

## 7. ROLES AND RESPONSIBILITIES

Implementation of this strategy requires clear functional responsibility to be assigned for procurement at both Board and staff level. An outline of the responsibilities and delegation is shown below:

<p><b>Board Members</b></p>	<ul style="list-style-type: none"> <li>• Delegating authority to the appropriate Committee where appropriate.</li> <li>• Adopting this Procurement Strategy ensuring it supports the achievements of Craigdale Housing Association's objectives in line with its values.</li> <li>• Monitoring the outcome of the Procurement Strategy to ensure delivery thereof.</li> <li>• Overseeing procurement and contract management to ensure they are operating effectively.</li> <li>• Approval of the Annual Procurement Report.</li> </ul>
<p><b>Senior staff</b></p>	<ul style="list-style-type: none"> <li>• Ensuring that key policies and strategies are being considered during the procurement process.</li> <li>• Capacity building to ensure that organisational arrangements are in place to deliver the Procurement Strategy effectively.</li> <li>• Maintaining an overview of corporate arrangements for procurement and ensuring they are operating economically, efficiently, and effectively.</li> <li>• Ensuring that value for money is achieved from procurement.</li> <li>• Ensuring delivery of the procurement strategy.</li> </ul>
<p><b>All staff with responsibility for procuring contracts</b></p>	<ul style="list-style-type: none"> <li>• Taking responsibility for procurement within their remit, following the guidelines in this Strategy, the Procurement Policy, and Financial Regulations Policy, including production of reports to the relevant Committee, updating the Contracts Register etc.</li> <li>• Monitoring of all procurement activity within their remit.</li> <li>• Project management following Contract Awards to ensure all relevant items are monitored, such as KPIs etc.</li> <li>• Seeking advice, as and when required, to ensure compliance when procuring.</li> </ul>

The CEO will have responsibility for ensuring that the Procurement Strategy is up to date as well as the Contracts Register and Annual Procurement Report.

## **8. TRAINING**

CHA is committed to supporting and encouraging any staff involved in procurement activity to obtain relevant procurement training and to gain the skills and experience necessary to carry out their duties and responsibilities.

Inter alia, staff will be encouraged to use the Public Contracts Scotland Procurement Journey tool <https://www.procurementjourney.scot/procurement-journey> to help further support and develop the procurement skills of relevant staff.

CHA will ensure that its governing body members also receive appropriate levels of training regarding organisational and governance responsibility for procurement compliance.

## **9. IMPLEMENTATION, MONITORING, REVIEWING AND REPORTING**

The Association understands that it has an obligation to publish this Strategy in accordance with the Procurement Reform (Scotland) Act 2014.

On publishing this Strategy within the Association's website, CHA will notify Scottish Ministers by sending an email to [ProcurementStrategies@gov.scot](mailto:ProcurementStrategies@gov.scot) with a copy appended and confirmation that the document has been uploaded to the website.

This first publication covers the period 2026/27 to 2028/29, a 3-year period.

Performance monitoring will be through future internal audit programmes, regular reports to the relevant Committee, and assessment against a selection of questions from the Continuous Improvement Programme for Procurement (CIPP).

This Strategy will be reviewed on at least a 3 yearly basis to build upon the quality of the Strategy and associated practices, ensure compliance with legislation and to enable the Association to strategically respond to any changing environmental factors. Notwithstanding, the Strategy will be updated annually to take account of out-turn spend and future anticipated spend at Section 4: Finance.

Further, CHA will publish an Annual Procurement Report which will provide details of all procurement activities (both regulated and unregulated).

In compliance with the Regulations, the Annual Procurement Report will be produced for the Board, detailing:

- All contracts awarded in the year covered by the Regulations and/or Act.
- The process followed for each procurement in line with the Procurement Policy and Strategy and how CHA complied with legislation.
- Any Community Benefit requirements outlined as part of the procurement process and subsequently received, and steps taken to involve supported businesses.
- Contracts covered by the Regulations and/or Act expected to last more than one financial year.
- Success of completed procurements and evaluate performance against the targets set in the Procurement Strategy.

Further, CHA understands its obligation to publish and keep up to date, the Contracts Register on the Association's website.

## **10. EQUALITIES & DIVERSITY**

CHA acknowledges the importance of equality and diversity, while acting in an open and transparent manner, complying with the Regulations and Act where applicable. Through the provision of services and initiatives, including procurement of goods, services and works, CHA will work to ensure inclusivity, remove discrimination, provide support, promote and celebrate difference and offer services which represent the needs of all customers and stakeholders.

## **11. POINT OF CONTACT**

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