

COMPANY NAME:

Hillcrest

STRATEGY NUMBER:

G 17

STRATEGY TITLE:

Procurement Strategy 2021-2025

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1. Introduction

The purpose of this Strategy is to set out the way Hillcrest will 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.

Hillcrest continues to work in an increasingly complex, dynamic and challenging environment and it is important to consider the context and drivers for change that have informed the development of this Strategy. It has been designed to support Hillcrest's specific procurement needs based on internal stakeholder requirements and ensures that our working practices align with the significant legislation (Refer to GO17 Procurement Policy).

The strategy also supports the potential benefits derived from the Scottish Model of Procurement and takes into account the wider context of the Scottish Government's Procurement Strategy. At the heart of this Procurement Strategy and the Scottish Government's strategy, is the concept of value for money in procurement - an informed balance between cost, quality and sustainability. The Value for Money triangle illustrates the Scottish Model of Procurement (Figure 1):



Figure 1- "Value for Money Triangle"

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1. Background

Definition of Procurement

Procurement is the acquisition of goods, services or works. It is essential that the goods/services/works supplied are appropriate for the intended use and that they are procured at the best possible cost to meet the needs of Hillcrest in terms of quality and quantity, time and location.

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, both from a financial saving and through added value. Hillcrest currently procures external goods, services and works, covering a broad range of transactions, these can be broadly split into the following areas:

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

Legal and Regulatory Framework

Hillcrest must comply with the requirements of the Procurement Reform (Scotland) Act 2014 and any future Acts that may be published, Public Contracts (Scotland) Regulations 2015 and The Procurement (Scotland) Regulations 2016. Due to the high level of spend across Hillcrest there are additional requirements within the Act that we must conform with, such as producing and publishing a Procurement Strategy and an annual Procurement Report.

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

Procurement Strategy Group

The Procurement Strategy Group was established to support Hillcrest's implementation of the legislation and ensure that staff are aware of Hillcrest's responsibilities in relation to transparent, fair purchasing and seeking value for money in the services and goods we buy.

The remit of the Procurement Group is:

- To identify areas of business to be procured;
- To review processes and areas for improvement;
- To agree procurement plans;
- To establish areas of efficiency for Hillcrest for example joint procurement activities;
- To ensure joined up working across Hillcrest in relation to our procurement journey
- Monitor the procurement strategy;
- Discuss Key Performance Indicators.

2. Vision, Aims 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 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.

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.

Objectives

Ethical Procurement – we aim in all our dealings with all stakeholders 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 - when procuring goods, services and works, we aim to obtain value for money in terms of both cost and quality. This mean adopting a Most Economically Advantageous Tender (MEAT) approach to tendering, or using relevant and specialised frameworks that are available.

Sustainable Procurement – we will take into consideration the requirements of sustainable procurement. This requires that before buying anything, we must think about:

- How we can improve the social, environmental and economic wellbeing of the areas we operates
- Consider how the procurement process will facilitate the involvement of SMEs, third sector bodies and supported businesses
- How public procurement can be used to promote innovation

Community Benefits - for every tender opportunity we will consider whether or not to include community benefit requirements before carrying out a tender exercise and where relevant and proportionate to any agreement.

Fair Working Practices – we will aim to adopt the ‘Fair Work First’ guidance which is designed to encourage and support employers to adopt fair work practices within their organisation.

3. Procurement Planning

In our drive to ensure we are receiving value for money as well as meeting legislative requirements, we will undertake analysis of high-level spend and common/shared goods purchased. This will allow us to identify goods and services that will need to be considered under the procurement process. This information has been collated together with Hillcrest’s ongoing contract register requirements to give a very detailed plan of the proposed procurement requirements over the next 3 years.

We maintain a procurement plan which is discussed quarterly and agreed by the Procurement Strategy Group. This Group makes decisions based on business need and resources, as to timescales for goods and services – this is based on a 36-month schedule and is reflective of current contract end dates.

4. Financial Summary

All procurement activities have an approved budget set prior to any issue of tender or quote. The cost of the activity is also factored into any assessment of submissions through any procurement route. Delegated authority and Financial Regulations are adhered to in all procurement routes.

5. Monitoring and Evaluation

This strategy and its action plan will be monitored on a quarterly basis by the Procurement Strategy Group. In addition to this, actions, which are the responsibility of the Business Service Team are monitored monthly and form part of the Business Services Activity Plan.

The progress and outcomes of this Strategy will be reported to the Audit and General Purposes Sub-Committee and externally as part of the Annual Procurement report. Should there be any significant changes to the strategy outwith 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 PCIP focuses on the policies and procedures driving procurement performance and, more importantly, the results they deliver.

The PCIP assessment provides a means of measuring and reporting on the procurement and commercial capability of organisations through the provision of evidence, based around a series of set questions and other evaluation methods. 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
- The assessment methodology provides for significant information being submitted and assessed in advance of the assessment day

Hillcrest next PCIP assessment is due to be carried out during 2022.

