

Date Issued	August 2026
Department	Corporate
Title	Annual Procurement Report 2025/26
Objective	To give an overview of the Associations procurement activity for the 2025/26 financial year and progress against the Procurement & Value for Money Strategy.
Responsible	Director of Finance & Digital Services
Next Review Date	August 2027

1.0 Introduction

- 1.1. The purpose of this report is to enable East Lothian Housing Association (ELHA) to comply with its obligations under the Procurement Reform (Scotland) Act 2014, Section 18(1) to prepare and publish an annual procurement report on its regulated procurement activities.
- 1.2. The Procurement Reform (Scotland) Act 2014 requires any public organisation which has an estimated annual regulated spend of £5 million or more (excluding VAT) to develop and review a Procurement Strategy annually before the start of the next financial year. In addition to the mandatory strategy, to meet regulatory requirements the organisation must also prepare and publish an annual procurement report disclosing how its procurement activity has complied with its published strategy.
- 1.3. Regulated procurement is any procurement for public goods/supplies or services with a value of over £50,000 or any procurement for works with a value of over £2million.
- 1.4. ELHA's regulated spend has not exceeded the £5m threshold in 2025/26. The ELHA Board are however committed to continuing to retain the Procurement Strategy and accompanying Annual Procurement Report to ensure procurement capability is reviewed and continually improved.
- 1.5. The guidance and template issued by the Scottish Government to report on our performance has been used.
- 1.6. This report covers the 2025/26 financial year, which ended on the 31 March 2026.

1.7. In compliance with Section 18(2) of the Act, this report will include:

- Summary of Regulated Procurements Completed
- Review of Regulated Procurement Compliance
- Community Benefit Summary
- Supported Businesses
- Future Regulated Procurements Summary

1.8. Between 1 April 2025 and 31 March 2026, there were two regulated procurement contracts awarded, and two contracts extended.

2.0 Summary of Regulated Procurements Completed

2.1. Compliant procurement is fundamental to ELHA's achievement of the strategic objective for delivering value for money and applying the general duties of fair and equal treatment as well as transparency and proportionality.

2.2. In total there are five live contracts (as at August 2026) listed in the Associations regulated contract register; two of these contracts was awarded in 2025/26.

2.3. The full list of regulated procurement contracts used by the Association throughout 2025/26 can be found in **Appendix 1**. Three of these contracts have been issued prior to 2025/26 financial year, with two of these extended during 2025/26.

2.4. The Regulated Contract Register is updated as and when required on Public Contracts Scotland and publicised on the Association's website under the guide to information section below;

<https://www.elha.com/page/guide-to-information>

3.0 Review of Regulated Procurement Compliance

3.1. ELHA believe that making the most of every pound of our money we spend is vital to ensure we can maintain affordable rents. That is why we aim, where possible, to self-deliver goods and services within ELHA. However, we recognise this is not always possible and we will be required to procure goods and services. The Procurement Strategy supports the Association by delivering best-in-class procurement outcomes which are customer focused whilst achieving value for money, innovation and delivering sustainable social value.

3.2. A Procurement & Value for Money Strategy was created for the first time in August 2023, reflecting the Associations increase in regulated spend due to its ongoing development programme. This has subsequently been updated in March 2026.

3.3. The strategies key four ambitions remain the same, being:

1. All spend that can be positively influenced by procurement activity has a corresponding contract.
2. All procurement activity complies with statutory and regulatory requirements and is supported by a detailed technical specification of our purchasing requirements.
3. All relevant contracts are arranged to include sustainable procurement requirements.
4. All staff trained to be able to carry out a regulated procurement activity.

3.4. Progress against the four ambitions is summarised in the table below to show the actions completed, evidence of delivery and areas carried forward into 2026/27.

Summarised Ambition	2025/26 progress	Evidence and next steps
1. Contract coverage for influenceable spend	Monthly supplier spend reports were created covering all areas of spend. Where annual spend exceeded £2k, the contract owner was identified and asked to confirm or update contract details. Contract documents were consolidated in the Contracts, Licences and Agreements folder and all regulated contracts were held there.	94% of expenditure was covered by contracts against a 91% target. Supplier meetings and KPI monitoring are in place, with improved documentation of meetings and a contract risk register carried forward into 2026/27. In addition reporting on percentage of invoices paid on time will be put in place.
2. Compliance with statutory and regulatory requirements	Existing contracts were reviewed for compliance. R3 Repairs remained the main area of spend and continues to operate under Teckal arrangements.	No known regulated procurements were identified as non-compliant with the Strategy. Gas servicing spend will continue to be monitored as a potential regulated contract area.

Summarised Ambition	2025/26 progress	Evidence and next steps
	New build development spend was reviewed, including s75 and off-the-shelf acquisitions, and no evidence was identified that these should be published on Public Contracts Scotland.	
3. Sustainable procurement requirements	Sustainable procurement considerations were reviewed as part of contract planning. No specific actions had been identified in the original action plan.	Quantifying the percentage of expenditure with local suppliers, micro, small and medium enterprises and the third sector business in 2026/27 will help understand the base line position at which to then target areas of improvement.
4. Staff capability and procurement responsibility	R3 job descriptions were updated to include procurement responsibility relevant to each role.	Following an extensive training programme, all staff are now deemed to be suitably skilled for their job role. All job descriptions have procurement included within them. There are no planned actions in 2026/27 for this ambition.

- 3.5. To assess progression against the Procurement Strategy, KPIs were created as per the table below. Actual performance against these in 2025/26 is noted in the table.

Performance Indicator Name	Target	Actual
Percentage of ELHA expenditure covered by contracts	91%	94%
Number of ELHA collaborative opportunities explored as a percentage of all regulated contracts tendered	100%	0%
Regulated contracted ELHA suppliers paying the living wage	100%	100%

- 3.6. The number of ELHA collaborative opportunities explored as a percentage of all regulated contracts tendered was not met as the two contracts tendered were not able to support this.
- 3.7. There were no known regulated procurements that did not comply with the Associations strategy.

4.0 Community Benefit Summary

- 4.1. There are no community benefit clauses currently inserted into ELHA's regulated contracts. The value and nature of these contracts has not required ELHA to include community benefit clauses. However, community benefit opportunities will be considered at the planning stage for future regulated procurements where they are relevant and proportionate. This may include employment and training opportunities, work placements, community donations, volunteering, local supply chain opportunities, or environmental improvements linked to the contract.

Area	How ELHA will consider this
Community benefits	Assess whether benefits are relevant to the contract and proportionate to its value, duration and subject matter
SME and third sector access	Use proportionate requirements, clear specifications and early market engagement where appropriate to make opportunities more accessible
Environmental impact	Consider waste reduction, lower-emission delivery models, reuse of materials, reduced travel, energy efficiency and whole-life cost where relevant

5.0 Supported Businesses Summary

- 5.1. The Act includes a new classification for supported business: "an economic operator whose main aim is the social and professional integration of disabled or disadvantaged persons and where at least 30% of the employees of the economic operator are disabled or disadvantaged".
- 5.2. Our regulated contract activity for the last financial year did not provide us with an opportunity to utilise the goods or services from supported businesses.
- 5.3. We do however make use of supported businesses for our non-regulated procurement activities.

6.0 Future Regulated Procurements Summary

- 6.1. The Act States that all estimated regulated procurement over the next two years should be disclosed by the Association. **Appendix 2** provides this summary and there are two contracts due to be tendered.

- 6.2. The two contracts and two relet (replacement tender process) contracts.

7.0 Summary

- 7.1. East Lothian Housing Association is measuring performance against the four ambitions defined in our Procurement & Value for Money Strategy. Progress was made against all the actions within the action plan and some of the actions will continue into 2026/27 as they are ongoing actions. The KPI's set to measure progression against the strategy were achieved in the year.
- 7.2. Customers will continue be consulted, where applicable, on the tendering outcomes to ensure we are procuring the goods and services they expect.
- 7.3. Once a tender is advertised, supporting suppliers to engage with the Association through the legislation is key to the success of our procurement programme. This includes taking time at the outset of each tender to consider not just the financial impact but also the added value that the contract can deliver, including the economic, social and environmental benefits. This is reflected in our strategy.

Appendix 1 – Regulated Procurement Register – 2025/26

Date of Award	Contractor	Works / Goods / Services	Estimated Value (including VAT where applicable)	Start Date	End Date
24/02/2023	Marsh Ltd	Insurance Services (3 + 2 years)	£934,040	31/03/2023	31/03/2028
31/08/2022	Alexander Sloan	External Audit Services (3 + 2 years)	£125,000	30/09/2022	30/09/2027
08/01/2025	Designer Software Ltd	Housing Management System	£280,000	20/12/2024	20/12/2029
12/09/2025	LIMA	Managed IT Services (3 + 1 Year)	£333,400	12/09/2025	12/09/2028
01/04/2026	Flexi Clean group Ltd	Stair Cleaning Contract	£21,599	01/04/2026	01/04/2029

Appendix 2 – Future Regulated Procurement Summary 2026/27 & 2027/28

Contract Title	Contract Description	New, Ext or Re-Let	Estimated Value	Est Publication Date	Est Start Date	Contract Duration
Insurance Services	The provision of non-life insurance services.	Re-Let	£1,100,000	Jan-28	Mar-28	3 + 2 Years
External Audit Services	External Audit Services.	Re-Let	£125,000	May-27	Sep-27	3 + 2 Years