

Agenda Item: 6 –
Title: Annual Procurement Report
Non-confidential
Meeting: Board of Management
Prepared by: L Reynolds, Director of
Property Services
Meeting Date: 18 August 2026



Purpose	To provide the Board with assurance on Thenue's regulated procurement activity and seek approval of the Procurement Strategy, The Annual Procurement Report 2025/26 and planned procurement programme for 2026/27.
Recommendations	<i>The Board are asked to:</i> • Note the Annual Procurement Report for 2025/26 • Consider the assurance provided on procurement compliance, value for money and contract governance • Approve the Annual Procurement Strategy and planned regulated programme for 2026/27 • Approve the publication of the documents, completion of the required annual reporting return and notification to Scottish Ministers.
Resource Implications	No additional budget is requested through this report. Procurement activity is managed by existing staff, supported by specialist consultants for complex or high-value procurements. Capacity and consultancy costs will continue to be monitored against approved budgets and the 2026/27 procurement programme.
Delivery Plan Link	Five-year Corporate Business Plan Objectives 2026-2031: • Continue to focus on VFM and delivering efficiencies • Action 24 – Review of Value for Money Strategy in relation to achieving VFM through effective procurement.
Risk Assessment	The principal risks are non-compliance with procurement legislation or Thenue's internal controls, insufficient competition, failure to demonstrate value for money, poor supplier performance and incomplete statutory reporting. Controls include the Procurement Policy, Scheme of Delegation, contract register, specialist advice, documented tender evaluation and contract-performance monitoring.
Governance	Procurement activities relate to the Scottish Housing Regulator's Standards of Governance and Financial Management: Regulatory Standard 3.1 and 3.3 - Value for money, proper use of funds and 3.3 – Robust Business Planning, financial control monitoring and delivery and 3.7 - Accurate regulatory returns. Annual Assurance Statement supporting evidence in relation to procurement and value for money.
Appendix 1	Appendix 1- Annual Procurement Strategy
Library Item	Thenue Procurement Policy Thenue Contract Register Thenue Corporate Business Plan 2026-2031

1. Introduction

- 1.1 The Procurement Reform (Scotland) Act 2014 requires a contracting authority that expects its regulated procurement expenditure to equal or exceed £5 million to prepare and publish a Procurement Strategy. An authority required to have a Strategy must also prepare an Annual Procurement Report.
- 1.2 Thenue completed regulated procurements with a combined estimated contract value of approximately £40.5 million during 2025/26. The statutory reporting requirements therefore apply.
- 1.3 This report summarises Thenue's regulated procurement activity during 2025/26 and provides the Board with assurance on compliance, value for money and procurement governance. The proposed Procurement Strategy and procurement pipeline for 2026/27 are attached at **Appendix 1**.

2. Background

- 2.1 Our Thenue uses procurement to secure the goods, services and works required to deliver quality homes and services while demonstrating value for money, legal compliance and effective use of its resources.
- 2.2 Procurement decisions consider price, quality, whole-life cost, risk, service outcomes, sustainability and community benefit. The Procurement Strategy establishes the approach to be followed during 2026/27 and identifies the main regulated procurements expected to commence during the year.
- 2.3 Thenue's Procurement Policy was last reviewed in February 2025 and remains in effect. Procurement activity is also governed by the Financial Regulations, Scheme of Delegation, contract register and relevant service and investment plans.
- 2.4 The Annual Procurement Strategy is included in **Appendix 1**. A copy of the document will be shared with Scottish Government. The Strategy is updated annually to reflect future procurement activities

3 Procurement Performance and Assurance

- 3.1 Following Board consideration, Thenue will publish the Annual Procurement Report and Procurement Strategy, complete the required annual procurement reporting template and notify Scottish Ministers of publication.
- 3.2 Preparation of the documents has been undertaken within existing resources. Specialist procurement support continues to be used where the value, risk or complexity of an exercise requires additional expertise.
- 3.3 The key procurement risks are managed through:
 - Compliance with Thenue Procurement Policy, Financial Regulations and the Scheme of Delegation;
 - Maintenance and quarterly review of the contracts register;
 - Forward planning of contract expire and procurement activity;
 - Independent support for complex or high value procurements;
 - Documentation evaluation, approval and conflict of interest arrangements; and

- Contract management meetings, performance indicators and supplier reporting.
- 3.4 Delivering Value for Money (VFM) through procurement is a core organisational priority, ensuring that resources are used efficiently while maintaining high-quality services and achieving positive outcomes for tenants.
- 3.5 Value for money is assessed through the balance of cost, quality, whole-life value, risk, sustainability and customer outcomes. All regulated procurements completed during 2025/26 used documented price and quality evaluation criteria. Contracts include appropriate performance-management arrangements, with the level of oversight proportionate to contract value and risk.
- 3.6 A Regulated Procurement is any procurement for public services or supplies with a value of **£50k or above**, or of **greater than £2m** for works contracts. This includes contracts and framework agreements. During the period 1st April 2025 to 31st March 2026, Thenue completed the following Regulated procurement exercises:

Services Contracts

Contract title	Supplier name	Estimated total Contract value	Contract start date	Contract end date
Landscape Maintenance	M Squared	£1,049,000	June 2025	May 2029
Lift service and Maintenance	Classic Lifts (Scotland)	£57,566	June 2025	Jan 2028
Environmental services	Caledonian Maintenance Services	£1,095,610	June 2025	Dec 2029

Works Contracts

Contract title	Supplier name	Estimated total Contract value	Contract start date	Contract end date
French Street New Build Development	CCG (Scotland) Ltd	£24,135,452	June 2025	Dec 2027
Tureen Street New Build Development	CCG (Scotland) Ltd	£14,191,096	Jan 2026	Nov 2027

- 3.7 All five procurements were reported as having followed an approved procurement route. Any exceptions, single-tender actions or instances of non-compliance should be disclosed here, together with the corrective action taken.
- 3.8 Thenue Contract register is updated quarterly and published on the website. The register supports forward planning, transparency, and monitoring of contract expiry, value and supplier arrangements.

4. Other Statutory Reporting Outcomes

- 4.1 **Compliance with Procurement Strategy** - Procurement activity during 2025/26 was undertaken in accordance with the core principles of transparency, equal treatment,

non-discrimination and proportionality. There have been no instances identified where there is a material departure from the Procurement Policy or the Procurement Strategy.

- 4.2 **Community Benefits** - Thenue are in the process of developing a Community Benefits Statement to establish Thenue's approach to securing community benefits through procurement activities and wider partnership working. The statement will ensure that investment delivers added value for Tenants, residents and local communities. Once implemented, the Statement will support the Procurement Strategy and demonstrate compliance with the community benefit provisions contained in Sections 24 and 25 of the Procurement Reform (Scotland) Act 2014.

- 4.3 **Fair Work First** - Fair Work First is a Scottish Government initiative promoting fair employment practices, including payment of the Real Living Wage, secure work and effective employee voice, particularly in public sector grant-funded projects. Compliance with Fair Work First criteria is a requirement of securing grant funding and is assessed through evidence to ensure an organisation meets the required criteria.

Thenue Housing Association is fully committed to advancing Fair Work First criteria through procurement activities. Publication of Thenue Fair Work First Statement is included on the Thenue website.

- 4.4 **Supported Businesses** - Supported businesses are enterprises primarily focused on employing persons with disabilities to provide a supportive working environment. A supported business main objective is to facilitate employment for disabled individuals as defined within the Equality Act 2010. Thenue work in partnership with businesses who adopt this ethos, including support providers who actively promote disability employment programmes and who work with employers to promote disability inclusion.

- 4.5 **Future Regulated Procurement** - Planned regulated procurement activities 2026/2027 are outlined within the Annual Procurement Strategy (**Appendix 1**). Procurement activities will continue to be monitored and reported through the appropriate governance arrangements.

5. Recommendations and Next Steps

- 5.1 The Board can take assurance that Thenue completed a significant programme of regulated procurement during 2025/26 and has arrangements in place to support compliance, transparency and value for money. Continuing improvement is required in forward planning, staff training, contract management and reporting of procurement outcomes.
- 5.2 Subject to Board approval, the Annual Procurement Report and Procurement Strategy will be published on Thenue's website. The required reporting template will be completed and Scottish Ministers notified of publication.
- 5.3 Progress against the 2026/27 Strategy and procurement programme will be monitored quarterly, with material exceptions or risks reported through the appropriate governance arrangements.