

Item 4 – Reports from LHC Business Operations

Board Report from Scottish Procurement Alliance (SPA): 2020-21

Clive Feeney, SPA Director

The alliance was established following extensive consultation with the Scottish public sector, including Housing Associations and the 32 Local Authorities throughout Scotland. It was recognised that there was opportunity for a collaborative, innovative organisation to support the goals and aspirations of the Scottish public sector. It was clear there was synergy between these aspirations and those of LHC in the delivery of better homes that enhance local communities. SPA was launched in 2016, we celebrated our 5th birthday in March this year.

Executive Committee

SPA is supported in its activities by an Executive Committee of 15 organisations made up of contracting authorities of all sizes and representing a variety of communities throughout Scotland. These range from small, housing co-operatives to Wheatley Group; one of the largest social landlords in the UK.

Partners

Due to the size of the Scottish public sector, the opportunity for engagement is limited to 150 contracting authorities. Of these, SPA now has 103 signed up partners, committed to supporting our aims and ambitions.

Strategic Alliances

Along with the support of our partners, we have formalised key, strategic relationships with influential organisations to help support and drive our ambitions. These include - Scottish Federation of Housing associations (SFHA), Supplier Development Programme (SDP), Construction Scotland Innovation Centre (CSIC) and The Chartered institute of Procurement & Supply (CIPS)

People

SPA is a high performing business, but only as good as its people. We strive to ensure the SPA team are healthy, happy and have the necessary skills and knowledge to be the best they can be. The team has grown with the addition of 3 apprentices, who are all taking formal education / professional qualifications. Each has been a fantastic addition to the team. We are proud of the recent LHC Health & Happiness survey which reported that the SPA team were joint highest scorers amongst individual LHC teams.

Performance

Prior to the Covid Pandemic, SPA performance had grown impressively year on year, from a 2016 performance of £37m turnover, £1m income and 100 projects to a 19/20 performance delivering £220m turnover, £4.8m income and 450 projects. We took a hit during 20/21 due to the pandemic but were proud to support LHC by delivering £199m turnover, £2.8m income and 445 projects. We currently have over £1bn worth of projects in progress within SPA and are forecasting a return to pre-Pandemic levels during 2022-23.

Key Impact

We are focussed on supporting Scottish Governments ambitions for new home delivery and net zero by 2045. We have already delivered over 10% of Scot Govts target, with over 126 projects, 3,500 new homes, equating to over £0.7bn of construction. We will continue this focus and support the decarbonisation, net zero goal through our current and new products.

Community Benefit & Social Value

SPA has driven the implementation of Community Benefit and Social Value through our activities, pioneering the delivery of the Community Benefit Fund (CBF) through a third party. We chose to work with Lintel Trust, formerly the charitable partner of the Scottish housing sector. To date, we have distributed over £550,000 through SPA, secured a further £365,000 of match funding, enabling over 50 individual projects, supporting over 23,000 individuals. The success of these activities saw Lintel Trust join the LHC Group in January 2021.

More information on Lintel Trust can be found in the Lintel Trust Board report.