

Eildon Housing Association: building in-house capacity

This case study has been produced by the [Buying Social Justice](#) research project as part of its exploration of how public procurement is being adopted by public sector organisations to advance equality in employment. It is one of a series of case studies that feature good practice in the use of public procurement by infrastructure and transport bodies, local authorities, housing associations and universities in England, Scotland and Wales. The purpose is to present examples of good practice in how public procurement can incorporate objectives to promote equality, diversity and inclusion in the workforce. By presenting a selection of examples from public bodies of different sizes and sectors, it is intended that other organisations may consider adopting similar measures in their procurement practices.

All the case studies, together with other publications and outputs from the project, are available on the [Buying Social Justice](#) website.

Background to the organisation

Eildon is a housing and social care organisation operating in the Scottish Borders, a predominantly rural region to the South of Edinburgh. It began providing housing and care in the community 50 years ago and now provides the majority of new affordable homes in the Scottish Borders. It has around 3,000 homes, offering rented accommodation and supported housing. It has developed its traditional supported housing to also provide “extra care” housing services, in which care is delivered by onsite staff 24 hours a day, tailored to meet the assessed needs of residents. It has an ambitious strategy to develop a further 800 homes over the next five to 10 years, although this is being regularly reviewed in the light of the rapidly rising building costs affecting all construction projects, rising costs of borrowing and the scarcity of contractors operating in the rural area of the Borders.

The organisation sees itself as a “community anchor” within the region, and a significant local employer, currently of around 250 staff. The majority of these are care staff, who are directly employed to provide care to residents in extra care housing.

In addition to building new homes, Eildon’s five-year strategy includes investing in the energy efficiency of its properties and reducing carbon emissions to support the transition to a zero-carbon economy; developing high quality older peoples’ housing and care services; and expanding its care and repair service, which offers adaptations for private and social housing in the Borders to support people living at home independently. Providing quality housing is part of the organisation’s ethos, which it intends to maintain despite the challenges facing construction projects.

A commitment to transition to a net zero-carbon economy also informs its development plans, with all new homes planned to have zero emissions at point of use, as well as reduction of carbon emissions from existing homes, including the replacement of gas boilers. However this raises further challenges, as local supplier capacity is insufficient, which Eildon is addressing through building its internal skilled workforce (see below).

Procurement policy

Eildon is required by the Procurement Reform (Scotland) Act 2014 (as a public organisation with an estimated annual regulated spend of £5 million or more) to prepare an annual report for the Scottish

government on its procurements of supplies or services worth over £50,000 and of public works over £2 million. This is supported by an annually updated procurement strategy. Its largest regulated procurements are for new housing developments and for repairs and maintenance contracts.

Beyond its legal obligations, as an organisation of scale in the locality, Eildon sees its purchasing capacity as contributing to community wealth building, a policy currently supported and being considered for legislation by the Scottish Government. This entails ensuring that their spending benefits the local community as well as their residents. As a social enterprise and a charity, the CEO wants to ensure that the organisation achieves:

“the best value, both social as well as economic value, out of that investment for the places and the communities that we operate in. So it's really just trying to be responsible. It's trying to have the biggest impact we can and if we can direct some of that spending power to help people more fully participate in the economy and the creation of wealth and the enjoyment of wealth, then we see that as being a really positive thing for us as an organisation.”

Procurement practice

Community benefits

Eildon took an innovative approach to community benefits with the creation of a three-year position of Community Benefits Officer in 2018, funded jointly between Eildon and a major local building contractor. The aim was to increase activity on community benefits by both organisations, and improve compliance with Scottish Government procurement regulations, which require procurements with a contract value of over £4 million to include community benefits, typically training and apprenticeships or other improvements beyond the main purpose of the contract. Eildon took the approach of looking for community benefits on all projects, regardless of value, and to leave a lasting legacy for the community beyond the building itself.

The contractor had become increasingly aware of the need to demonstrate and report on the community benefits that it would deliver when tendering for contracts with organisations such as Eildon, as the former Community Benefits officer observed:

“Contractors had to show the community benefits of a project. So you know, how many apprenticeships are on site, what sort of upskilling could be done in terms of wider construction opportunity awareness for future careers [...] What the benefits are for the community in terms of local trades, local suppliers. So all of those things can be [included in] a points system. They have to get a certain amount of points in order to win a bid, with a focus on more than just the build with the wider community benefits.”

The firm ran a four-year apprenticeship programme for building trades, including placements on Eildon's housing developments. The former Community Benefits Officer had been involved in campaigns to raise awareness of and recruit for opportunities in construction work and noted that a key thread of this activity was to “try and push the different roles for girls”. However she acknowledged the challenges involved, referring to visits to schools which aimed to:

“showcase what they [girls] could do, and where we did have female site managers or joiners, then we would do some case studies to put out to the wider audience to showcase jobs that were out there for girls as well. It's a hard area to get girls into as we found their interest was more the design side rather than the trades. But it was showing people what was out there and gave them something to think about.”

Sessions were also held at a local college featuring a senior woman in a construction role at the contractor to raise awareness of opportunities in the sector. While it is hard to measure the effect of this activity, Eildon's CEO believed that it was worthwhile and that it "at least laid the foundations and planted the seed, created some materials that we can revisit and try and reinforce in the years ahead."

The community benefits partnership work included engagement with the Borders regional group of Developing the Young Workforce (DYW), Scotland's youth employment programme. DYW Borders, Eildon and the contractor worked together to produce a kit, 'construction in a box', to take into primary schools to demonstrate the different roles in construction, including building materials, books, hard hats and high-vis clothing to use in hands on activities. This was well received by pupils and teachers and the aim was to roll this out across all primary schools in the Borders.

Other priority groups for work placement opportunities through the partnership between Eildon and the contractor were young people with disabilities, those leaving care and homeless people, working with charities such as Barnardos and the Cyrenians.

In deciding on what community benefits to include in contracts for large developments, Eildon liaises with local residents through Community Councils to find out what are their key needs. In addition to employment and training elements, benefits provided to the communities surrounding housing developments have included renovation of a war memorial, donation of goal posts to a primary school and the supply of spring bulbs for planters.

The former Community Benefits Officer believed that having a dedicated role working in partnership with the contractor was successful in achieving many additional benefits for communities and gave a clear focus to Eildon's activity on community benefits. Although funding for the dedicated role ended, Eildon is continuing to develop its approach to the inclusion of community benefits in its procurement and expects to see community benefits from a wider range of contracts than those required under the legislation. The CEO wants to ensure that this goes further than "the PR end of community benefits, some of the nice to have, some of the baubles, some of the easy-to-delivers". The updated strategy builds in a more systematic demand for employment impacts such as apprenticeships and training opportunities on larger projects, with requirements that can be scaled down as appropriate for smaller types of procurement.

Eildon is a member of the Scottish Procurement Alliance, the Scottish arm of the LHC Procurement Group, a not-for-profit organisation which provides frameworks accessible to public sector members. They have a community benefit fund, through which any surplus generated during the year is redistributed back to members, which has been used to support Eildon's food poverty work.

Fair work

Eildon has been a Living Wage employer for a number of years. Payment of the real Living Wage is part of the Scottish Government's Fair Work First agenda, which also includes: channels for effective workers' voice, such as trade union recognition; investment in workforce development; no inappropriate use of zero-hours contracts; action to tackle the gender pay gap and create a more diverse and inclusive workplace; flexible and family-friendly working practices for all workers; and opposition to the use of fire-and-rehire practices. In order to qualify for government housing grants, Eildon is expected provide a statement on how it meets the Fair Work First criteria as an organisation and in their procurement. Over the last six months Fair Work criteria have been included in the assessment and scoring methodology for award of contracts funded by grants. It is worth around 5% of the score for the quality submission.

Accreditation as a Living Wage employer is dependent on their contractors also demonstrating that they are working towards being Living Wage employers. This has involved the HR manager checking

up with contractors to ensure that they are paying the Living Wage. In general, Eildon's management believes that this demand has not caused problems for construction contractors, however it has presented some organisational challenges in relation to social care staff, where wages are generally lower, in reducing differentials between pay for more junior posts and their supervisors, creating some inflationary pressures.

Equality and diversity

Eildon's management is confident that it has strong corporate equality, diversity and inclusion (EDI) policies in relation to its staff. It is a member of WISH, the network for women working in social housing, which supports gender equality, by encouraging new and existing female talent to remain in the sector.

However there is a recognition that there is more to be done to explicitly incorporate equality and diversity aims within its procurement practice. The organisation plans to increase EDI training and awareness and is reviewing how EDI policies relate to procurement strategy. This will help to meet the Scottish Government's Scottish Social Housing Charter expectations on social landlords to address human rights and equality issues, strengthened following the Grenfell Tower fire in 2017 that revealed serious shortcomings in the protections afforded to social housing tenants. Annual assurance statements submitted to the Scottish Housing Regulator by social landlords need to ensure that equalities and human rights issues are considered.

Building capacity in-house

Eildon has faced some difficulties in attracting contractors to the Borders to undertake housing renovation work, as well as varied experience of quality of delivery. In order to build self-reliance, it took a decision to recruit an in-house Home Improvement Team (HIT) to undertake the renovation of kitchens and bathrooms. Employment of a small team of tradespeople gives Eildon greater self-reliance and control over quality of the service provided to residents, as well as cost benefits to the organisation and secure, fairly-paid employment.

According to the Director of Property, the benefits of direct employment have been felt by the organisation and the staff, who:

“enjoy the security, the pension and the camaraderie, the access to training. You know, the access to being part of a much larger organisation that supports them. So I think that's when these things work. The HIT are a genuinely, closely-knit group of tradespeople that really want to deliver the best job we can.”

A further post was created for an electrician in response to a shortage of suitably qualified sub-contractors to undertake electrical inspections as required by the Scottish Housing Quality Standard. The recruitment of an in-house electrician makes sense for the organisation, according to the CEO:

“That's only an extra job, but it's an extra job in response to a requirement that's real for us. And it means that rather than scrabbling around trying to retender electrical inspection work [...] where we can we'll try to either recruit someone with that skill and ability or if they're not available we'll try and recruit someone with the capacity to do that, train them up and then retain them to do that work directly for us.”

The model of direct employment of tradespeople is one they are hoping to expand, possibly to create a DLO (Direct Labour Organisation), in order to meet decarbonisation and net-zero objectives, as well as the phasing out of gas boilers. Through training their own staff to install heat pumps or electric boilers, they hope to avoid the shortage of installers locally, meet climate change targets and expand decent local employment. Such a model could be extended to include apprenticeships in

time, and would allow the organisation to address under-represented groups, such as women, ethnic minorities or disabled workers, in their recruitment strategy.

The Director of Property was enthusiastic about the future:

“Our HIT has a really, really good foundation that we could grow, because in the future it isn't going to be gas boilers that we're servicing and replacing, it's going to be a heat pump or an electric boiler or a technology that is still in the prototype phase. [...] So having the HIT is a real opportunity. And if we pair that with a DLO in the future, then we'll be a really good self-sustaining business that holds its own destiny in its hands.”

Eildon has also taken a strategic decision to employ all care staff directly to provide extra care housing services, with care provided by onsite staff 24 hours a day. To ensure a quality service to tenants, and recognising the reputational damage from using an external care provider that did not meet their quality standards, the organisation decided to employ care staff directly and have greater control over standards of service provision. Eildon's CEO believes that the 'extra care' housing model is the future.

“I think it is the missing link in [...] why too many people get separated in later life and put into nursing care or residential care. Why too many people present at general hospitals when they don't really need to, when they can have care and support provided to them in a better, more independent setting. So we see it as [...] a crucial missing link in that continuum of health and social care.”

If this proves to be the case, Eildon's strategy of directly employing care staff may become more widespread among housing and social care providers, offering employment paid at the real Living Wage and helping to tackle low pay in the care sector and address gender pay inequality. In line with the sector generally, around 95% of Eildon's care staff are women.

Good practice highlights

Eildon's purpose as a housing and social care organisation rooted in its community in the Scottish Borders, with an ethos of providing quality local homes, means that it is committed to maximising the opportunities provided by community benefits and wishes to go beyond simply meeting the requirements of Scottish procurement regulations. It sees itself as a “community anchor” within the region, and a significant local employer, and aims to ensure that its spending provides wider benefits to the communities in which it is situated. It acknowledges that there is more to be done to incorporate equality and diversity aims within its procurement practice, which is being addressed in its updated strategy.

As a major home-builder in the area, Eildon is committed to the transition to a net zero-carbon economy in the building of new homes, as well as a reduction of carbon emissions from existing homes. This aligns with its strategy of direct employment of a skilled trades workforce – although still small currently – which could be expanded and trained to deliver low-carbon energy installations.

Key highlights of good practice:

- The appointment of a dedicated Community Benefits Officer, in a partnership between Eildon and one of its major contractors, gave a clear focus and provided resources to achieve substantial community benefits on Eildon's housing developments.

- Through partnership with a major construction firm, awareness-raising activity emphasised opportunities for girls and women in construction jobs, which was received positively in schools and colleges.
- Building strong relationships with a range of organisations at local, regional and national level has enhanced Eildon's capacity to achieve community benefits, for example with local schools and the FE College, Community Councils and the Scottish Procurement Alliance.
- Accreditation as a Living Wage employer means that all Eildon staff are paid the real Living Wage. As Eildon directly employs substantial numbers of care staff, this addresses low pay in the care sector and the gender pay gap, as the sector is dominated by female workers. Contractors working for Eildon must demonstrate that they are, or are working towards being, Living Wage employers.
- Direct employment of a small team of in-house tradespeople in the Home Improvement Team has improved the quality of renovations provided to residents, given Eildon greater self-reliance and financial benefits, and provided secure, fairly-paid employment in the area. The model could be expanded to include apprenticeships, which could be targeted at under-represented groups, such as women, ethnic minorities or disabled workers.