

## Scotland Excel

To: Executive Sub-Committee

On: 17 March 2023

Report by:  
Chief Executive of Scotland Excel

### Net Zero Strategy

#### 1. Summary

- 1.1 The purpose of this report is to provide the Executive Sub-Committee with detailed information on Scotland Excel's 'Net Zero Strategy'. This strategy has been developed in response to commitments made within Scotland Excel's Corporate Strategy 2023-28 and linked Operating Plan approved by Joint Committee on 9<sup>th</sup> December 2022.
- 1.2 This strategy will be used to support Scotland Excel member councils in the delivery of their individual and collective net zero goals linked to Scottish Government 'climate emergency' policy and legislation.

#### 2. Background

- 2.1 As the Centre of Procurement Expertise for Scotland's local government sector, Scotland Excel contract arrangements are used by a wide range of council services that link to many of the key areas identified within individual council strategies aimed at tackling climate change and achieving net-zero. Key themes include energy, the built environment, transport, waste, land use and forestry, resilience, agriculture, and governance.
- 2.2 The Scotland Excel Corporate Strategy 2023-28 commits to a continued promotion of frameworks which help council members to implement their climate change policies and consider any new framework opportunities that can support their net zero journey. Scotland Excel will also work with suppliers, partners and members to identify opportunities to reduce the carbon footprint of the existing contract portfolio.

- 2.3 The Scotland Excel Operating Plan 2023-24 commits that Scotland Excel will implement actions from the net zero strategy, via a whole organisation approach, to support council members' net zero journey.
- 2.4 This Net Zero Strategy will ensure the Scotland Excel contract portfolio remains crucial in assisting councils and others in meeting regulatory requirements. Scotland Excel will lead by example by exploring carbon impacts of business activities can be reduced and ensure that contract arrangements continue to meet the needs of member councils.

### **3.0 Recommendations**

- 3.1 Executive Sub-Committee are asked to review and approve this Net Zero Strategy, confirm that they are satisfied with its general content and direction, and acknowledge its flexibility for potential refinement as linked activities and opportunities develop during the delivery phase.



March 2023

## Net Zero Strategy 2023-28



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## Foreword

This strategy has been prepared to support Scotland Excel member councils in the delivery of their commitments in relation to net zero goals linked to the Scottish Government 'climate emergency' declaration. Policy and legislation that this strategy aims to assist councils in responding to includes, the Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Order 2015, Scottish Climate Change Plan 2018–2032 and Climate Change Adaptation Programme 2019–2024.

As the Centre of Procurement Expertise for Scotland's local government sector, our contract arrangements are used by a wide range of council services that link to many of the key areas identified within individual council strategies as vital for successful delivery. This strategy aims to ensure Scotland Excel contract arrangements will continue to meet the needs of our member councils via the products they buy, suppliers they contract with, and services they deliver.

We have contributed with the introduction of several frameworks aligned with council net zero ambitions, including arrangements for the installation of electric vehicle charging points and energy efficiency related works. Sustainability impacts are considered as a matter of course throughout Scotland Excel's tendering activity, however there is scope for additional collaboration and linked benefits. To that purpose, Scotland Excel has, or is in the process of building, strong partnerships with relevant key organisations from across the public, private and third sectors.

Against a backdrop of increasing pressure on public spending, local authorities and all public sector organisations have a need to achieve their aims by the most cost effective means available. The collaborative model for procurement has the potential to deliver both cash and efficiency savings. Taking even the most conservative view, councils will at the very least benefit from centrally based routes to contract and supply arrangements, minimising duplication. In addition, consistency, collaborative demand, and commitment may realise savings and drive down costs on products and services as buying habits evolve.

Scotland Excel fully supports our member councils net zero ambitions and will ensure our portfolio remains crucial in assisting councils and others in meeting the regulatory requirements and will lead by example by exploring how we can reduce our own carbon footprint. We will ensure that contract and supplier management activity develops action in this area across our entire portfolio and that future tenders are designed to ensure goods and services purchased are as accessible and affordable as possible, ensuring that we remain the Scottish local government sector's procurement partner of choice.

**Julie Welsh, Chief Executive**



## Executive Summary

This strategy has been written against a continuing need to provide Scotland Excel's member councils with best value contracts that support their aspirations to achieve net zero carbon emissions and tackle climate change, while also maximising the benefits of collaborative purchasing.

We will seek to achieve this by:-

- Broadening the type of support we offer member councils, including additional sustainability driven tender considerations, focused contract and supplier management and flexible provision of contracts, with options aligned to net zero ambitions.
- Developing cross sector value propositions within the public sector to participate in and inform future contract opportunities.
- Gathering good market intelligence for development of tendering and contract management that clearly demonstrate the benefits of joint procurement.
- Recognising the potential significance of future contracts to the wider Scottish economy and increasing input from other stakeholders.
- Identifying and pursuing innovation and collaboration across the wider portfolio of contract category areas.
- Enabling the development of relevant skills and expertise.

Scotland Excel can facilitate collaborative arrangements amongst our clients and other potential public sector partners, however there is no aspiration to seek to transfer responsibility from individual councils in pursuing their own strategies in achieving net zero.

To allow these broad achievements to be met, this strategy will be tested by presentation of the main issues to relevant potential users. Its delivery will follow the timetable and processes indicated within Appendices A and C, our delivery plans.

# Part 1—Introduction And Background

## 1.1 Introduction

On the 28th of April 2019, Scotland's First Minister Nicola Sturgeon declared a 'climate emergency' and was soon followed by the UK Government. In October 2018 the Intergovernmental Panel on Climate Change (IPCC) published a report indicating that 'human activity' has caused global temperature to rise by 1 degree Celsius since pre-industrial times and that should there be no intervention, global temperature could increase by 1.5 degrees as soon as 2030–2052, leading to significant impacts on natural and human systems.<sup>1</sup> Over the course of the last five years, all United Nations Member States adopted the 17 Sustainable Development Goals<sup>2</sup>, aimed at eradicating poverty, fighting inequalities and tackling climate change. The first ever legally binding climate agreement, the United Nations Framework Convention on Climate Change (UNFCCC) Paris Agreement<sup>3</sup>, was signed by the UK Government during 2016. It is a commitment to limit global warming to well below 2 degrees Celsius. This was further strengthened by the Glasgow Pact<sup>4</sup> agreed during 2021 at COP26.

The Scottish Government's Climate Change (Emissions Reduction Targets) (Scotland) Act 2019<sup>5</sup>, aims to achieve net zero carbon emissions by 2045 and includes mandatory targets of a 70% reduction by 2030 and 90% reduction by 2040. This is supported by the Scottish Climate Change Plan 2018–2032<sup>6</sup> and the Climate Ready Scotland: Climate Change Adaptation Programme 2019–2024<sup>7</sup>.

Scotland's Climate Change Plan focuses on a series of key areas and associated targets, including:

- **Electricity:** By 2032, Scotland's electricity system will be largely decarbonised. The system will be powered by high penetration renewables, with security of supply and system resilience aided by a range of flexible and responsive technologies.
- **Buildings:** By 2032, 35% of all domestic building heat will be supplied from low carbon technologies—where technically feasible—and buildings insulated to the maximum appropriate level. By 2032 70% of non-domestic buildings heat and cooling systems will be supplied using low carbon heat technologies. By 2032 improvement to building fabric will result in a 15% and 20% reduction in domestic and non-domestic heat demand.

• **Transport:** The need to buy petrol or diesel cars or vans will be phased out by 2032, low emission zones will be introduced in Scotland's cities to improve air quality and make towns and cities friendlier and safer places for cyclists and pedestrians. By 2032 freight infrastructure will feature more efficient HGVs operating from out-of-town consolidation centers. Plug-in vehicles will be commonplace with improved battery technology providing longer ranges and infrastructure will support both electric and hydrogen powered vehicles.

• **Industry:** Emissions will fall through a combination of fuel diversification, energy efficiency, heat recovery and participation in EU carbon markets.

• **Waste:** By 2035, principles of a circular economy will be established across Scotland with products designed for longer lifetimes and second-hand goods viewed as good value, mainstream options. Major industrial sectors will optimise the value of used equipment. Flaring technology will be used to manage the legacy of landfill sites, both operational and closed. By 2025, there will be a ban on biodegradable municipal waste being sent to landfill, food waste will be reduced by 33% and 70% of all waste will be recycled. By 2035 emission reductions will be delivered through a circular economy approach in the business and industry sectors.

• **Land Use, Land Use Change and Forestry:** Woodland cover will be increased from around 18% to 21% by 2032. The use of sustainably sourced wood fibre will be increased, and the construction industry will be encouraged to use timber. By 2030, 40% of Scotland's peatland will be restored.

• **Agriculture:** Nitrogen fertilizer will be used to help identify the pH of soil and farmers will be encouraged to conduct carbon audits. By 2030 there will be implementation of best practice nutrient management and application and by 2050 precision farming techniques adopting full use of technology will be commonplace.

1. Global Warming of 1.5°C—(ipcc.ch)

2. THE 17 GOALS | Sustainable Development (un.org)

3. The Paris Agreement | UNFCCC

4. The Glasgow Climate Pact—Key Outcomes from COP26 | UNFCCC

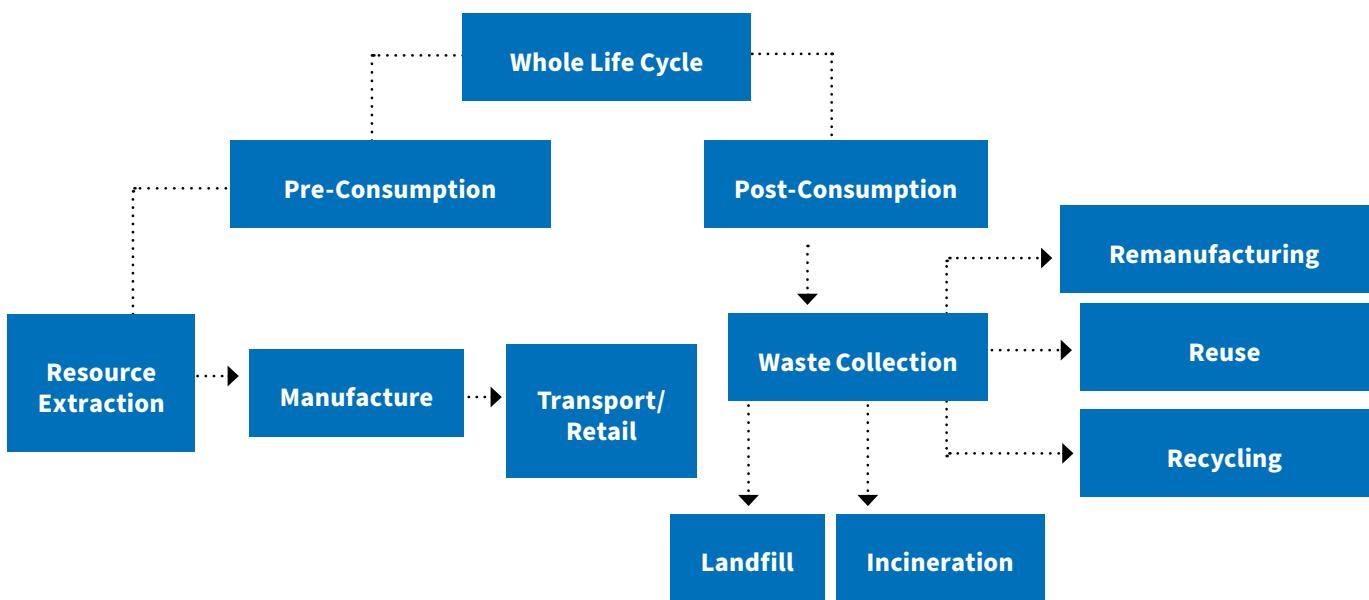
5. Climate Change (Emissions Reduction Targets) (Scotland) Act 2019 (legislation.gov.uk)

6. Climate Change Plan Third Report 2018

7. Climate Ready Scotland Second Scottish Climate Change Adaptation Programme 2019–2024

## 1.2 The Whole Life Cycle and Circular Procurement

A key consideration when procuring goods or services, particularly when considering carbon impact, is the ‘whole life cycle’ of that commodity. As detailed in the following diagram, there are essentially two impact areas: ‘pre consumption and post consumption’. Both generally involve several elements. Pre-consumption typically involves resource extraction, manufacture, transport, and retail, whilst post consumption can involve waste collection, landfill, incineration and/or recycling, including remanufacturing and reuse.



Linked to the above is circular procurement. As illustrated below, this concept considers key themes such as actual need for, recycled content of, re-useability of and recyclability of a product, as well as how recovery of material can be designed into a tender process.

## Reduce

**Rethink demand specification: what is needed?  
Could a product be replaced with a service, could ownership of this product be shared**

## Re-Use

**If a product is needed, its use phase and end-of-life must be considered (e.g. take-back schemes).**

## Recycle

**If a product cannot be re-used, ensuring that it is made of recyclable materials, and even better, made from recycled materials.**

## Recover

**Can specify design for recovery in tenders, and procure the recovered products.**

Source: [Circular Procurement | Zero Waste Scotland](#)

From a procurement perspective, Scotland Excel will consider appropriate interventions to influence the various actions and outcomes illustrated in the above. This will be aligned to our own Sustainable Procurement

Strategy and corporate goals, including delivering positive and measurable environmental benefits through our contracts.

### 1.3 Regulatory Framework

Following its enactment during 2015, local authorities in Scotland have been required on an annual basis to evidence their compliance with climate change duties in line with 'The Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Order 2015'.<sup>8</sup>

Requirements include:

- Detail of roles and governance arrangements as to how climate change is governed within the organisation.
- Detail of how climate change action is managed and embedded, including how responsibility is allocated.
- Detail of any specific climate change mitigation and adaptation objectives contained within corporate plans (or similar).
- Reference to any formal climate change plan/strategy.
- Detail of the organisation's main priorities in relation to governance, management and strategy linked to climate change for the year ahead.
- Confirming whether the organisation has implemented the Climate Change Assessment Tool<sup>9</sup> or equivalent to self-assess capability/performance.

- Detail of emissions, targets, and projects relevant to climate change duties, including estimated total annual carbon savings from all projects implemented.
- Detail of anticipated carbon savings linked to projects to be implemented for the year ahead.
- Detail of arrangements the organisation has in place to manage climate related risks and actions taken to adapt, including how the organisation will review, monitor, and evaluate impacts.
- Detail of progress made in implementing policy outlined within the Scottish Climate Change Adaptation Programme.
- Detail of the organisation's main priorities relating to climate change adaptation for the year ahead.

Local authorities are also required to detail how procurement policy and activity has contributed to compliance with climate change duties.

8. The Climate Change [Duties of Public Bodies: Reporting Requirements] (Scotland) 2015

9. The Climate Change Assessment Tool



## Part 2—Stakeholder Map

### 2.1 Who Does What

The ambitious plans set out by the Scottish Government will be delivered with the assistance of the public sector who have obligations under climate change legislation, whilst the private sector, third sector, communities, and individuals, will have a role as essential partners if targets are to be successfully met. In short, everyone in Scotland can contribute to tackling climate change.

### 2.2 Scottish Government

The Scottish Government has responsibility for national climate change policy and acknowledge a moral responsibility. It also recognises the need to provide certainty to business and investors, in order to seize the economic opportunities offered by the transition to low carbon technologies, products and services, with the aim of maximising opportunities with minimum disruption for households, communities, business and industry.

### 2.3 Local Authorities

Local Authorities will increasingly demonstrate how their own operations are driving down emissions, in part through the Climate Change [Duties of Public Bodies] legislation and will be supported by Scottish Government to ensure they contribute a critical role to the delivery of climate change related proposals. Local Authorities acknowledge the committed actions that must be taken at a local level to help reduce carbon emissions and are already well underway in developing and delivering their own strategies to tackle the key areas identified at a national level.

It is clear from published strategies that associated areas of business could benefit from a collaborative approach to procurement. Spend linked to interventions, buying decisions and choice of product or service, is likely to be of a collectively high value across all councils.



## 2.4 Scotland Excel

As the Centre of Procurement Expertise for Scotland's local government sector, our contract arrangements are used by a wide range of council service areas that link to many of the key areas highlighted within individual council climate change strategies. These include:

- The built environment: such as, construction, property services and facilities management.
- Transport: including vehicles, roads and road maintenance.
- Waste: including waste services and treatment of material.
- The agriculture sector: via supply of food arrangements.
- The natural environment: via provision of timber and,
- The theme of resilience, including salt for winter maintenance and engineering consultancy.

Clearly Scotland Excel has a significant part to play in supporting councils in meeting Scottish Government targets. We have already contributed with the introduction of several frameworks linked to and aligned with council climate change ambitions, including arrangements for the installation of electric vehicle charging points and energy efficiency related works.

Whilst sustainability options are considered as a matter of course throughout Scotland Excel's tendering activity, with a current contract portfolio [circa Q3 2022/23], of 69 live contracts with a combined value of more than £2billion, serviced by fourteen hundred suppliers and service providers—there is scope for additional collaboration and linked benefits.

Extensive consultation with stakeholders, providers, and service users, including council officers responsible for delivering climate change targets, will require to take place. Scotland Excel already has, or is in the process of, building strong partnerships with key organisations including: the Scottish Government; Zero Waste Scotland; the Improvement Service; and others as detailed within sections 2.5, 2.6 and 2.7 below.

This is to:

- Enable maximisation of current contracts.
- Inform the design of renewal contracts.
- Identify new areas of interest for potential future contract opportunities and influence their design.
- Encourage and enable the supply base to respond to the 'call to action' in tackling climate change.
- Ensure the Scotland Excel portfolio remains crucial in assisting councils and others in meeting the regulatory requirements placed upon them, thereby further nurturing and growing the credibility and reputation of Scotland Excel.

There is also an opportunity to lead by example. As an organisation Scotland Excel will look inwardly with a view as to how:

- It can reduce its own carbon footprint.
- Contract and supplier management can be used to develop this area across the entire portfolio.
- Future tenders can be designed to ensure goods and services purchased via Scotland Excel arrangements that can assist councils in meeting their net zero ambitions are readily accessible and as affordable as possible.

## 2.5 Public Sector Stakeholders

As acknowledged by Scottish Government and others, for ambitious climate change and net zero related targets to be achieved, a collective effort is required from various sectors, partners, and bodies, including the public sector. The following, although not an exhaustive list, could be described as stakeholders, in that they all have a role linked to overall policy ambitions:

- **Association for Public Service Excellence:** A not for profit association working with over 300 councils throughout the UK, hosting a network of frontline service provider areas including waste and refuse collection, parks and environmental services, environmental health, school meals, housing and building maintenance.
- **Climate Ready Clyde:** A cross-sector initiative supported by the Scottish Government and funded by fifteen member organisations including North Lanarkshire, East Renfrewshire, South Lanarkshire, Glasgow City, West Dunbartonshire, East Dunbartonshire, Inverclyde and Renfrewshire Councils.
- **ClimateXChange:** Scotland's Centre of Expertise for Climate Change, supporting the Scottish Government in developing and implementing policy for a net-zero, climate resilient future.
- **COSLA:** A council-led, cross-party organisation working on behalf of councils to focus on the challenges and opportunities they face and engaging with governments and others on policy, funding and legislation.
- **Crown Commercial Services:** The largest public sector procurement organisation in the UK available for central government and wider public sector, committed to assisting buyers in their net zero journey.
- **Improvement Service:** The national improvement organisation for local government in Scotland, working to embed and accelerate climate change action through practical programmes of support and leadership.
- **Scottish Enterprise:** Scotland's national economic development agency and a non-departmental public body of the Scottish Government. Delivering a significant, lasting effect on the Scottish economy by working with partners in the public and private sectors to find and exploit the best opportunities.
- **Scottish Environmental Protection Agency:** Regulator of a wide range of industries and organisations whose activities generate greenhouse gas emissions. SEPA work with Scottish and UK governments and other UK environmental regulators to implement and enforce national legislation that aims to reduce emissions and improve energy efficiency.
- **Scottish Forestry:** Scottish Government agency managing forests and promoting woodland creation for a wide variety of benefits including storing carbon in the form of trees.
- **Scottish Futures Trust:** The SFT are an infrastructure Centre of Expertise that does all its work in collaboration with partners across the public and private sector. Industry partners range from investors, infrastructure operators, property developers, architects and constructors, through to those involved in maintaining and enhancing Scotland's public sector buildings and assets.
- **Society of Chief Officers of Transportation in Scotland:** A strategic body comprising of transportation professionals from all 32 councils and seven regional transport partnerships. The SCOTs group's work involves improving performance and innovation in the design, delivery, and maintenance of transportation systems.
- **SOLACE:** The UK's leading membership network for public sector and local government professionals whose role includes influencing the debate about the future of public services and ensuring policy is informed by the experience and expertise of its members.
- **Sustainable Scotland Network:** Supporting public bodies in Scotland on their journey to net zero via leadership, policy, and research.
- **The Supplier Development Programme:** The SDP is a partnership of Local Authorities, Scottish Government and other public sector bodies that work together to bring free support in all aspects of tendering to Scottish based SME's.
- **The Zero Emission Social Housing Taskforce:** Convened by the Minister for Local Government, Housing and Planning, to consider and provide practical recommendations on what is required of the social housing sector to maximise the sectors' contribution to the Scottish Governments ambitious climate change targets.
- **Zero Waste Scotland:** A publicly funded organisation responsible for leading Scotland to use products and resources responsibly and providing leadership and practical support to encourage growth of the circular economy in Scotland.

## 2.6 Private Sector Stakeholders

- **Built Environment-Smarter Transformation:** A not for profit organisation connected to over 50,000 businesses, organisations and individuals in the built environment, helping organisations develop new products, business models and services, access funding streams, explore advanced equipment, create scalable solutions to industry challenges and enhance knowledge and skills.
- **Building Research Establishment:** An innovative group of researchers, scientists, engineers, and technicians, generating new knowledge through independent research to help ensure buildings, homes and communities are safe, efficient, productive and sustainable.
- **Building Research Solutions:** Supporting people and organisations to make their buildings environmentally friendly. Specialising in themes within the built environment, including delivering advice, decision support tools and technical papers.
- **Chartered Institute of Waste Management:** Representing 5000 individual members and 250 affiliated organisations, across the UK and overseas, CIWM supports the sectors net zero journey via the delivery of research, leadership and advocacy, training, and collaboration.
- **Environmental Services Association:** The Environmental Services Association members (including the Scottish Environmental Services Association), represent 85% of companies working within the UK waste sector. ESA activities include promoting policy for increasing recycling, decarbonising non-recyclable waste treatment, and transitioning vehicles and fuel to use zero emission sources.
- **Royal Institute of Chartered Surveyors:** A globally recognized professional body, RICS in Scotland works closely with the Scottish Government on matters relating to land, property and construction and has seven partner universities delivering a wide range of RICS-accredited courses.
- **Sustainable Procurement Ltd:** Provides services for public and private sector procurers as well as private and third sector suppliers. Services range from sustainable procurement strategy for clients, to innovation of the supply of specific products and services.
- **The Construction Industry Collective Voice:** Includes representatives from 28 professional bodies plus more than 25 additional organisations who contribute their expertise to sub-groups. CICV priorities include lobbying the Scottish Government to influence policy and to push for positive action, and to give expert focus to important sector issues including commercial, employment, planning, skills and health and safety.

## 2.7 Third Sector Stakeholders

- **British Association for Supported Employment:** The national umbrella group for the supported employment sector whose purpose is to support, promote and develop principles and provision for supported employment.
- **Bikeability Scotland:** A charity offering cycle training programmes and resources in various settings including local authorities.
- **Circular Communities Scotland:** Core activity primarily funded by Zero Waste Scotland, Circular Communities Scotland represent a network of 190 reuse, repair and recycling charities and social enterprises that support Scotland's Circular Economy.
- **The Reuse Network:** Supporting 120 members across the UK with the supply of products, advice, and guidance to ensure that reuse charities and social enterprises are armed with the right tools to face differing challenges presented around the country, creating a sustainable, supportive network that strives to help the poorest in society and build a brighter and better future for themselves.





## Part 3—Purpose And Approach

### 3.1 Strategy

This strategy aims to demonstrate a clear, systematic, and well-researched approach to providing a portfolio of high-quality procurement and contract arrangements that will meet the current and future needs of our client-base.

Our transparent approach will:

- Explain the background and set the direction for net zero related interventions.
- Ensure best value through the development of new collaborative contracts (including renewals) for goods and services, linked to the activities being carried out by councils in achieving net zero targets.
- Create the opportunity for savings to be delivered across categories through efficiency gains achieved via collaboration.
- Provide local authorities with a suite of flexible frameworks (or similar) from which to call off for the supply of goods or services that assist in meeting their own internal goals.
- Respond positively to the Scottish Government's agenda on climate change, and support councils in meeting targets.

- Ensure that a suitable level of resource is allocated to achieve this strategy's aims.
- Ensure suitable systems and processes are in place to meet changing local authority demands, procurement practices and the need for good contract management.
- Provide information to support development of new business opportunities, infrastructure, development of skills and decision making.
- Provide a focus for innovation and sharing of best practice procurement.
- Actively manage client and supplier relationships to monitor performance and make the utilisation of Scotland Excel arrangements as straightforward as possible.
- Support and foster relationships with external groups, such as individual category industry groups as appropriate.



### 3.2 Where We Are

The Scotland Excel Corporate Strategy for 2018–2023 included a commitment about “being sustainable in everything we do”. This includes delivering positive and measurable environmental benefits through our contracts. Pledges made include:

- Embedding contract specifications which drive sound environmental practices such as minimising waste within production and packaging and the appropriate use of recycled content.
- Encouraging our supply base to reduce their carbon footprint through recycling initiatives, energy efficiency measures and improved delivery logistics.
- Where appropriate ensuring whole-life costing is considered within tender evaluations.
- Leading by example by considering the environmental impact of our own procurement and business activities and implementing processes and initiatives to reduce our carbon footprint.
- Participating in the development of national sustainable procurement guidance and tools via the Scottish Government’s Policy Group and Best Practice Forum, and support councils in its use.
- Taking a lead role in delivery of initiatives such as masterclasses, best practice, and knowledge sharing.

This commitment is supported by Scotland Excel’s Sustainable Procurement Strategy that pledges consideration during procurement activity of environmental outcomes including:

- Improving the availability of clean air, clean water and clean streets.
- Improving the quality and safety of the built environment, protecting communities against the threat of climate change, including flooding.

- Improving and promoting biodiversity and accessibility to nature.
- Embedding and implementing relevant government environment-related strategies (e.g., reduction of environmental impacts, waste, recycling and climate change).
- Supporting our members’ compliance with legislation, climate change targets and efforts to recover value from waste.

In June 2022, Scotland Excel’s Joint Committee was informed that Scotland Excel intended to refresh its Sustainable Procurement Strategy. This will ensure frameworks and other business activities maximise opportunities to support carbon reduction, and continue to support the delivery of sustainability goals, including consideration of best value and whole life costing within tender evaluations. Activities will include:

- A review of the contract portfolio to identify how it can support council net zero ambitions.
- Working with external bodies to review policy impacts, low carbon innovations and changes to working practices.
- The development of a tool to calculate the level of embodied carbon within construction materials.

Key elements of tender responses currently required as part of the evaluation process across the Scotland Excel portfolio include requirements for bidders to detail fleet standards, methods to reduce carbon footprint and measures taken in relation to waste reduction.

### 3.3 Where We Would Like To Be: Short/Medium Term Objectives 2023–2025

Sustainability, including mitigating environmental impacts, is an area that Scotland Excel has focused upon for some time. However, to support councils in meeting stringent and ambitious climate change targets, we must increase the level of focus on the net zero agenda, particularly when considering the urgency in terms of pace within which they are required to be delivered.

Key steps will include setting our own internal goals and exploring options to maximise opportunities and ensure ongoing support via our existing arrangements, future renewals and yet to be identified new collaborative opportunities.

The impacts, mitigations and outcomes linked to net zero ambitions are applicable to all Scotland Excel contract category areas, (to varying extents depending on commodity or type of service). To successfully deliver this strategy, a whole organisation approach will be required with input from colleagues at all levels throughout the organisation, with responsibility for individual targeted deliverables assigned to appropriate senior managers.

In the short to medium term Scotland Excel intends to deliver the following:

- Commit focused and targeted net zero related outcomes, included within the Scotland Excel Corporate Strategy 2023–28, outlining how Scotland Excel will reduce its own carbon footprint.
- Support councils in delivering targets as set within each of their net zero/climate change strategies.
- Ensure regular reporting of progress and scrutiny at a senior level.
- Establish proven and robust methods of ensuring that tender exercises across the entire portfolio maximise positive impacts regarding carbon reduction.
- Ensure goods and services supplied are relevant and appropriate in supporting individual councils' pursuit of delivering net zero targets, whilst continuing to offer quality, choice, and best value.
- Develop and introduce standardised contract and supplier management actions that support carbon reduction and innovation.
- Continue to work with user intelligence groups in identifying, encouraging, and developing additional collaborative opportunities.
- Clearly signpost and encourage use of already available and relevant contract options.
- Update Scotland Excel's Sustainable Procurement Policy reflecting embedded practices.
- Review internal governance to create processes that facilitate due focus on net zero considerations within tendering activity.
- Maintain ongoing and active participation in applicable cross sector groups with a view to influencing policy and associated impacts.
- Linked to recent changes to SPD documents, implement standardised and where applicable, bespoke, minimum net zero related tender requirements across the contract portfolio.
- Support a greater level of focus on carbon reduction and embed within governance process including Contract Steering Group scrutiny.
- Measure, record and report our own carbon footprint impact, linked to business activities, with an aim to reducing via actions that may include refreshed and formalised policies on home working, virtual and in-person meetings, office space, resource use and staff travel arrangements.
- Deliver targeted and regularly refreshed training internally and externally, ensuring staff across the sector are fully aware of compliant options that can be utilised during the procurement process and lifetime of a contract arrangement to facilitate a positive impact on net zero targets and ambitions.
- Continue ongoing engagement with corporate procurement managers and other appropriate procurement colleagues within councils, ensuring clear lines of communication regarding council need and options available via Scotland Excel as our portfolio develops. Activities should include regular updates on progress of council net zero/climate change strategies, signposting to areas of interest and ultimately, a level of commitment from councils in supporting options offered by Scotland Excel.
- Progress existing and develop new relationships with suitable stakeholders from across the public and private sector.
- Spotlight good practice examples from within the supply base.
- Focus upon and include net zero considerations within appropriate events such as seminars, user intelligence groups and mobilisation sessions.
- Promote the availability of reuse and repair organisations.
- Report regularly upon Scotland Excel and this Strategy's progress to appropriate audience as it develops.



### **3.4 Where We Would Like To Be: Medium/Long Term Objectives 2025–2028**

In the longer term, Scotland Excel aims to have incorporated all the above into normal working practices, ensuring that considerations linked to net zero are the norm as councils prepare to enter the latter stages of targeted outcomes that Scotland Excel:

- Continues to be the procurement partner of choice, offering contract options, products and services that provide a reliable and relatively straightforward route to access.
- Offers a diverse contract portfolio that caters for all council priorities and facilitates solutions, innovation and access to a supply base that positively supports councils in their net zero journey.
- Has introduced well embedded processes and procedures that ensure net zero related priorities are considered and delivered throughout the organisation within all its activities.
- Has successfully and significantly reduced its own carbon footprint linked to business activities and is in the process of encouraging suppliers appointed to our contract arrangements to reduce theirs also.

- Provides quality training, suitable for all levels of council staff and the diverse roles that they may have in relation to the procurement of goods and services.
- Maintains a suitably competent and skilled workforce within the organisation that can identify risk and opportunity associated with net zero. Supporting the talent present in councils to maximise the opportunities presented by collaboration.
- Is a respected partner across the public sector, recognised as a leader in terms of assisting in driving forward ambitions linked to net zero.
- Regularly reports and showcases examples of positive collaboration, innovation, and good practice, that are delivered via our contract arrangements to help councils meet their commitments, whilst maintaining a high level of service.



### 3.5 Key Drivers and Influences

Putting in place contracts that provide solutions and access to goods and services that underpin council net zero ambitions is a key driver for Scotland Excel. This will include maximisation of existing arrangements and redesign of renewal arrangements.

Identification and delivery of new collaborative opportunities is likely to follow a model of gradually increasing uptake, which has been shown to be the experience of most contract solutions put in place by Scotland Excel to date. Similarly, as net zero considerations drive towards being the norm, it is likely to be gradual in nature, as a level of behavioural change is likely to be required, supported by management structures and associated processes, in developing confidence to deliver the correct actions that will support councils in their net zero ambitions.

As this strategy is delivered, the following issues will need to be addressed:

- The level of consistency in both the strategic and operational approaches taken by councils to meet net zero ambitions.
- Ensuring any costing and funding models are capable of translation across a wide variety of approaches to delivery.
- Involvement of third parties in providing expertise, skills, and knowledge at all stages of the delivery process. This could include research, planning and design, delivery, measuring, recording, and monitoring. There must be a clear understanding of local authority requirements, including any skill gaps, to ensure that there is alignment with contract development activity.
- Explorations into the possibility of collaboration on various linked activities and awareness-raising should continue to reduce duplication of effort. Scotland Excel will continue to engage and complement existing projects whilst providing solutions for individual and groups of councils.

- Scotland Excel arrangements capacity in terms of knowledge and expertise including, consultancy, manufacturing, and ability to service (including geographically), to meet targets and contribute to shaping and creating markets.
- Continuing co-ordination with relevant stakeholders across relevant contract areas.
- Legislative change—policy at government level is largely long term, however, should policy change during delivery of targeted outcomes, the contract portfolio will have to be able to adapt accordingly.
- Identification of the best model of contracts and routes to market for related supplies and services, including frameworks or similar.
- Progress of behavioural change at all levels in a professional context that ensures due consideration to main linked themes and deliverability of prime objectives.

Section 4.1 below suggests how collaborative procurement can support in addressing these issues.

### 3.6 Delivery Process

**Appendix A** of this Strategy is an 'Activity Matrix' of actions and goals which should be referred to, and indicative timelines to take these to completion.

**Appendix B** details Scotland Excel's Contract Delivery Plan [circa Q4 2022/23]. Each individual contract arrangement that will be delivered will follow the Scotland Excel governance processes and will include an individual contract strategy in addition to overarching category strategy.

**Appendix C** is the tactical response to achieve the priorities of this Strategy including current activities and linkage to core themes.

**Appendix D** refers to the necessary resource to make this happen.



## Part 4—Benefits, Risks And Dependencies

### 4.1 Benefits

The collaborative model for procurement has the potential to deliver both cash and efficiency savings for supply contracts linked to net zero ambitions. Taking the most conservative view, councils will at the very least, benefit from centrally based routes to contract and supply via Scotland Excel arrangements, minimising duplication across councils. In addition, consistency, collaborative demand and commitment may realise savings and drive down costs on products or services as council buying habits (influenced by net zero related policy) evolve.

Non-cash benefits are also likely from the following areas:

- Improved specifications based on clients' consensus needs.
- Flexibility of terms and conditions, e.g., contract life, review of pricing and the ability of councils and others to share pricing certainty.
- Review performance as current contract arrangements mature and ensure these targets or measures are reflected in new contracts.
- Risk management and transparency on probity issues.
- Efficiencies – minimal duplication of effort, leaving councils to progress towards their specific target areas and outcomes locally to best effect.
- Contracts compliant with legislation.
- Contract management facilitating continuous improvement.

### 4.2 Risks

An organisational risk register is maintained by Scotland Excel and individual risk registers are developed for individual contract arrangements. The risks outlined below have been identified for this Strategy and mitigation actions will be managed regularly and reported to stakeholders as appropriate.

At a high level the main areas of potential risk are market readiness, market conditions, procurement regulations and timescale for delivery. Other key risks include, level of participation and potential legislative and policy change, as well as funding concerns.

Mitigation steps within Scotland Excel's sphere of influence will take place as appropriate.

## Risk Issues:

ID No.	ID	Description	Probability	Impact	PXI Result
			e.g. Very Low, Low, Medium, High, Very High		
1	Market Readiness	Whilst final policy related outcomes regarding government net zero ambitions are clear, the process and solutions available to achieve them are less obvious. There is a reasonable risk that the market place across a number of category areas may not yet be mature enough to deliver to the scale required. Specific issues may include lack of specialist skills, lack of suitable infrastructure, lack of widely available innovative technologies and lack of evidenced profitability in terms of attracting investment from the private sector. Negative impact may be that suitable solutions do not present themselves, cannot be created, or may only be available at inflated cost.	4	4	16
2	Market Conditions	Market conditions affecting a number of contract areas key to delivering net zero ambitions are experiencing extreme challenges at the moment linked to a combination of factors including: the cost of fuel and energy linked to the ongoing situation in Ukraine, spikes in shipping costs and demand for various materials post pandemic. In addition, there are issues relating to workforce availability in some sectors linked to Brexit, as well as ongoing concern around the overall health of the UK economy. Negative impact may range from priorities being focused elsewhere, inability to source suitable solutions or attract investors, and for solutions to only be available at inflated cost.	4	4	16
3	Procurement Regulations	The Regulations governing public sector spend and procurement processes, although flexible and accounting for sustainability related outcomes, could unintentionally be restrictive for bodies wishing to prescribe requirements specific to net zero ambitions when balanced against the need to ensure fairness and open competition, particularly when considering exclusion criteria.	4	4	16

ID No.	ID	Description	Probability	Impact	P X I Result
4	Timescales for Delivery	Although overarching government policy aims regarding net zero ambitions are relatively long term, statutory obligations have already been imposed on local authorities in Scotland, as well as a number of associated targets that are required to be achieved in the shorter term. This may result in pressure for sourcing and establishing suitable routes to market, including new contract area developments and renewals when existing arrangements expire, that may in some cases have a number of years to run. A potential negative impact could be that councils seek to secure supplies and services from alternative routes than those available via Scotland Excel.	4	3	12
5	Legislation/ Policy Change	Change to policy or legislation affecting short, medium or longer term goals, including delay, a change in government, or associated or unintentional consequences of indirectly linked policy decisions, could have a direct impact on individual council strategies. Impacts could include the creation of uncertainty within the market place, discouraging investors and potentially resulting in contracted solutions being less effective than originally intended.	4	3	12
6	Individual Supplier Readiness	Although government policy includes elements that are statutory for public service bodies including local authorities to deliver, the same is not applicable to private sector suppliers. The ability and willingness of individual suppliers to support council ambitions relating to net zero outcomes is largely unclear, particularly when considering extended supply chains that can involve multiple companies operating throughout the globe that range in size and type. There may be a reasonable risk that suppliers may be reluctant to actively respond to tender requirements relating to net zero ambitions, may lack understanding of requirements, and actions in respect of the important role they can play. There may also be a risk that suppliers are simply unable due to financial or other restraints to evolve in line with net zero aspirations.	3	3	9

ID No.	ID	Description	Probability	Impact	PXI Result
7	Collaboration: external	Competing priorities as well as potential restrictions linked to individual governance processes may prove a challenge to cross public and private sector collaboration, particularly when considering that net zero aims are relevant to a host of diverse category areas that are often unique in terms of priorities. There are also various collaborative groups and forums already operating within this space. As such, there may be a risk that actions are duplicated and the maximum potential benefits of collaboration are not realised.	2	3	6
8	Collaboration: internal	A whole organisation approach is required to ensure that Scotland Excel achieves its aims in supporting councils in delivering upon their net zero targets, whilst actively adapting its own internal practices in order to contribute to the overall effort. Any internal inconsistency in terms of pace of delivery, impacted by other priorities or business related resource, could have an adverse affect.	2	3	6
9	Local Authority Participation	In a collaborative context, for associated benefits to be fully realised, participation in the design and use of contract solutions offered by Scotland Excel must be relatively high. There may be a risk that given time pressure for delivery, availability of support from other sources and inconsistency of requirements across council and contract areas, that councils may opt to contract outwith arrangements presented by Scotland Excel. Similarly, due to lack of available resource, councils may be unable to offer the level of support required in the designing and refreshing of new and current options for supply.	2	2	4
10	Funding	Local government in Scotland regularly report funding gaps and increased pressure on limited resource to delivery key frontline services. Although there may be funding available from a number of sources for specific projects within particular category areas, a potential negative impact in terms of net zero ambitions is that monies that could be used to help deliver the associated outcomes may instead be directed to 'higher priority areas', and so reduce the demand for, or participation in, arrangements available via Scotland Excel. A particular risk in driving initial progress could be that those councils that are early adopters of new technologies for example, may be exposed to higher costs, pre-commercial development.	2	2	4



#### 4.3 Dependencies

Delivering the key benefits outlined will require active participation from all stakeholders, but most importantly from councils and their supply base.

At a council level, political and senior management engagement that is clear and confident of the sharing of business benefits should ensure there is both internal procurement and service-based recognition and support.

The supply base utilised by councils in Scotland include businesses ranging from micro in size to large multi-national companies. Their ranging ability and willingness to proactively acknowledge and contribute to the outcomes associated with net zero ambitions will be important, particularly in driving innovation and maturing markets (that in some cases may be considered embryonic in terms of affordable technologies and associated options available for supply).

# Part 5—Next Steps

## 5.1 Delivery Plan

The appendices to this document give an overview of actions and goals which we aim to achieve over the next five years (Appendix A); current live and planned contract activity (Appendix B), and the tactics and resources needed to translate aspiration to delivery (Appendix C).

## 5.2 Implementation

The implementation of the suggested approach will be carried out in line with “Appendix C – Strategy Delivery Plan” to deliver on short, medium and long-term priorities. Without repeating the content of that Appendix, the following actions will be crucial in delivering success:

- Engagement with stakeholders including corporate procurement colleagues, service delivery leads and external stakeholders within the public and private sectors.
- Identification of need at both an individual and collective level across several category areas.
- Considered design of solutions that offer maximum level of flexibility, meet need, and maintain the principals of fairness and best value.
- Robust governance processes that ensure due consideration is given to the prime drivers linked to net zero ambitions and permit the level of flexibility required within the appropriate regulatory framework.
- Supportive scrutiny of decision making from appropriate peers including Scotland Excel’s committee structure and contract steering group.
- Skills development to ensure staff across the organisation have a full and appropriate awareness of the core themes linked to net zero ambitions and are proficient in utilising the various options and tools available to them.
- Focused contract and supplier management aimed at ensuring the most appropriate options are maximised and encouragement of suppliers to support and progress their own commitments, linked to contract award criteria.

## 5.3 Monitoring

Monitoring how we deliver on this Strategy is important and on a regular basis, we will report through our established governance processes on the following key performance indicators:

- Performance against corporate strategy.
- Performance against individual category strategies.
- Contract arrangements delivered on time.
- Level of uptake/participation by council members (and associate members).
- Percentage savings achieved where applicable.
- Impact and progress linked to contract and supplier management activity.
- Level of training delivered internally and externally.
- Actions taken and positive impact on carbon reduction achieved in relation to Scotland Excel’s business activities.
- Evidence of ongoing engagement with stakeholders and participation in relevant cross sector groups or similar.

As usage by our customer base increases, we should consider the following longer-term issues:

- Mid to long-term amendments to take account of common and bespoke needs and tendering experiences.
- Performance of councils and others against internal and government targets.
- Influence of procurement.
- How Scotland Excel staff expertise is developing in this area.
- Monitoring of individual contracts to add value and improve and innovate as appropriate.
- Cascade good practice examples and highlight areas for improvement.

## 5.4 Review of Strategy

We will have an annual strategy review process to reflect monitoring outcomes, legislative and public sector developments.

## Appendix A—Activity Matrix

Objective		Activity	Team* with Lead Responsibility	Target Date Commence	Target Date Complete (-) denotes ongoing
Medium Term Objectives 2023–2025					
1	Commit focused and targeted net zero related outcomes included within the Scotland Excel Corporate Strategy outlining how Scotland Excel will reduce its own carbon footprint and support councils in delivering targets as set within each of their net zero/climate change strategies, ensuring regular reporting of progress and scrutiny at a senior level.	a	Review Corporate Strategy, ensure commitment referenced.	Executive and Senior Management	n/a Completed: November 2022
1	Commit focused and targeted net zero related outcomes included within the Scotland Excel Corporate Strategy outlining how Scotland Excel will reduce its own carbon footprint and support councils in delivering targets as set within each of their net zero/climate change strategies, ensuring regular reporting of progress and scrutiny at a senior level.	b	Achieve Committee approval.	Executive and Senior Management	n/a Completed: December 2022
2	Establish proven and robust methods of ensuring that tender exercises across the entire portfolio maximise positive impacts regarding carbon reduction, whilst ensuring that goods and services supplied are relevant and appropriate in supporting individual councils' pursuit in delivering net zero targets whilst continuing to offer quality, choice and best value. Develop and introduce standardised contract and supplier management actions that support carbon reduction and innovation, as well as continue to work with user intelligence groups in identifying, encouraging and developing additional collaborative opportunities, whilst ensuring that already available and relevant options are fully signposted and encouraged.	a	Ensure new contract opportunities (including renewals) are designed to maximise positive impacts regarding carbon reduction.	Strategic Procurement	Commence: April 2023 -

Objective	Activity	Team' with Lead Responsibility	Target Date Commence	Target Date Complete (-) denotes ongoing
2 Establish proven and robust methods of ensuring that tender exercises across the entire portfolio maximise positive impacts regarding carbon reduction, whilst ensuring that goods and services supplied are relevant and appropriate in supporting individual councils' pursuit in delivering net zero targets whilst continuing to offer quality, choice and best value. Develop and introduce standardised contract and supplier management actions that support carbon reduction and innovation, as well as continue to work with user intelligence groups in identifying, encouraging and developing additional collaborative opportunities, whilst ensuring that already available and relevant options are fully signposted and encouraged.	b Ensure new contract opportunities (including renewals) are designed to include products and services relevant and appropriate in supporting councils pursuit of net zero targets aligned to quality, choice and best value considerations.	Strategic Procurement	Commence: April 2023	-
2 Establish proven and robust methods of ensuring that tender exercises across the entire portfolio maximise positive impacts regarding carbon reduction, whilst ensuring that goods and services supplied are relevant and appropriate in supporting individual councils' pursuit in delivering net zero targets whilst continuing to offer quality, choice and best value. Develop and introduce standardised contract and supplier management actions that support carbon reduction and innovation, as well as continue to work with user intelligence groups in identifying, encouraging and developing additional collaborative opportunities, whilst ensuring that already available and relevant options are fully signposted and encouraged.	c Review contract management activities to ensure inclusion of relevant contract and supplier management activities in supporting carbon reduction and associated innovation.	Strategic Procurement	Commence: April 2023	Complete: July 2023

Objective	Activity	Team' with Lead Responsibility	Target Date Commence	Target Date Complete (-) denotes ongoing		
2	Establish proven and robust methods of ensuring that tender exercises across the entire portfolio maximise positive impacts regarding carbon reduction, whilst ensuring that goods and services supplied are relevant and appropriate in supporting individual councils' pursuit in delivering net zero targets whilst continuing to offer quality, choice and best value. Develop and introduce standardised contract and supplier management actions that support carbon reduction and innovation, as well as continue to work with user intelligence groups in identifying, encouraging and developing additional collaborative opportunities, whilst ensuring that already available and relevant options are fully signposted and encouraged.	d	Liaise with user intelligence groups to ensure requirements are captured, additional needs are identified and contract opportunities are designed to align.	Strategic Procurement	Commence: April 2023	-
2	Establish proven and robust methods of ensuring that tender exercises across the entire portfolio maximise positive impacts regarding carbon reduction, whilst ensuring that goods and services supplied are relevant and appropriate in supporting individual councils' pursuit in delivering net zero targets whilst continuing to offer quality, choice and best value. Develop and introduce standardised contract and supplier management actions that support carbon reduction and innovation, as well as continue to work with user intelligence groups in identifying, encouraging and developing additional collaborative opportunities, whilst ensuring that already available and relevant options are fully signposted and encouraged.	e	Review current contract portfolio with an aim of identifying and signposting to users options already available that could support net zero ambitions or linked activities.	Strategic Procurement	Commence: April 2023	Complete: July 2023
3	Update Scotland Excel's Sustainable Procurement Policy reflecting embedded practices. Review internal governance and ensure a formalised internal governance process that facilitates due focus on net zero considerations within tendering activity. Maintain ongoing and active participation in applicable cross sector groups with a view to being aware of and where appropriate, influencing policy and associated impacts it may have. Implementation of standardised and where applicable, more bespoke minimum net zero related tender requirements across the contract portfolio linked to recent changes to SPD documents, supporting a greater level of focus on carbon reduction and embed within governance process including Contract Steering Group scrutiny.	a	Review and update Scotland Excel's Sustainable Procurement Policy.	Procurement Development	Commence: April 2023	Complete: July 2023

Objective	Activity	Team' with Lead Responsibility	Target Date	Target Date
			Commence	Complete (-) denotes ongoing
3	Update Scotland Excel's Sustainable Procurement Policy reflecting embedded practices. Review internal governance and ensure a formalised internal governance process that facilitates due focus on net zero considerations within tendering activity. Maintain ongoing and active participation in applicable cross sector groups with a view to being aware of and where appropriate, influencing policy and associated impacts it may have. Implementation of standardised and where applicable, more bespoke minimum net zero related tender requirements across the contract portfolio linked to recent changes to SPD documents, supporting a greater level of focus on carbon reduction and embed within governance process including Contract Steering Group scrutiny.	b	Review internal governance and amend to ensure an appropriate level of focus of net zero considerations within tendering activity.	Procurement Development Commence: April 2023 Complete: July 2023
3	Update Scotland Excel's Sustainable Procurement Policy reflecting embedded practices. Review internal governance and ensure a formalised internal governance process that facilitates due focus on net zero considerations within tendering activity. Maintain ongoing and active participation in applicable cross sector groups with a view to being aware of and where appropriate, influencing policy and associated impacts it may have. Implementation of standardised and where applicable, more bespoke minimum net zero related tender requirements across the contract portfolio linked to recent changes to SPD documents, supporting a greater level of focus on carbon reduction and embed within governance process including Contract Steering Group scrutiny.	c	Influence policy via participation in relevant cross sector groups.	Procurement Development Commence: April 2023 -
4	Measure, record and report our own carbon footprint impact linked to business activities, with an aim to reducing this via actions that may include refreshed and formalised policies on home working, virtual and in-person meetings, office space and resource use, and staff travel arrangements.	a	Explore feasibility of measuring, recording and reporting Scotland Excel's carbon footprint linked to business activities.	Corporate Services Commence: April 2023 Complete: July 2023

Objective	Activity	Team' with Lead Responsibility	Target Date	Target Date	
			Commence	Complete (-) denotes ongoing	
4	Measure, record and report our own carbon footprint impact linked to business activities, with an aim to reducing this via actions that may include refreshed and formalised policies on home working, virtual and in-person meetings, office space and resource use, and staff travel arrangements.	b	Identify and implement means to reduce Scotland Excel's carbon footprint/positively impact linked to business activities.	Corporate Services Commence: July 2023	Complete: October 2023
4	Measure, record and report our own carbon footprint impact linked to business activities, with an aim to reducing this via actions that may include refreshed and formalised policies on home working, virtual and in-person meetings, office space and resource use, and staff travel arrangements.	c	Review, amend and/or introduce relevant internal policies linked to positive carbon related actions and business practices.	Corporate Services Commence: October 2023	Complete: January 2024
5	Deliver targeted and regularly refreshed training internally and externally, ensuring appropriate staff across the sector are fully aware of compliant options that can be utilised during the procurement process and lifetime of a contract arrangement that can maximise a positive impact on net zero targets and ambitions.	a	Design suitable training for internal and external access.	Strategic Organisational Development Commence: April 2023	Complete: October 2023
5	Deliver targeted and regularly refreshed training internally and externally, ensuring appropriate staff across the sector are fully aware of compliant options that can be utilised during the procurement process and lifetime of a contract arrangement that can maximise a positive impact on net zero targets and ambitions.	b	Deliver targeted training across the sector, including refresh as required.	Strategic Organisational Development Commence: October 2023	-

Objective	Activity	Team' with Lead Responsibility	Target Date	Target Date
			Commence	Complete (-) denotes ongoing
6	Continue ongoing engagement with corporate procurement managers and other appropriate procurement colleagues within individual councils ensuring clear lines of communication regarding council need and options available via Scotland Excel as portfolio develops. Activities likely to include regular updates on progress of council net zero/climate change strategies, signposting to areas of interest and ultimately a level of commitment from councils to support and utilise options offered within Scotland Excel's contract portfolio linked to supporting net zero ambitions.	a	Establish and maintain two-way communication regarding progress of strategy developments and delivery, individual council need and solutions available.	Commercial and Projects Commence: April 2023 Complete: October 2023
6	Continue ongoing engagement with corporate procurement managers and other appropriate procurement colleagues within individual councils ensuring clear lines of communication regarding council need and options available via Scotland Excel as portfolio develops. Activities likely to include regular updates on progress of council net zero/climate change strategies, signposting to areas of interest and ultimately a level of commitment from councils to support and utilise options offered within Scotland Excel's contract portfolio linked to supporting net zero ambitions.	b	Secure a level of commitment regarding participation as solutions are designed and made available.	Commercial and Projects Commence: April 2023 -
7	Progress existing and develop new relationships with suitable stakeholders from across the public and private sector, spotlight good practice examples from within the supply base, focus upon and include net zero considerations within appropriate events such as seminars, user intelligence groups and mobilisation sessions, promote the availability of reuse and repair organisations and communicate regularly of Scotland Excel and this Strategy's progress to appropriate audience as it develops.	a	Build relationships with stakeholders from across public and private sector.	Strategic Procurement Commence: April 2023 -
7	Progress existing and develop new relationships with suitable stakeholders from across the public and private sector, spotlight good practice examples from within the supply base, focus upon and include net zero considerations within appropriate events such as seminars, user intelligence groups and mobilisation sessions, promote the availability of reuse and repair organisations and communicate regularly of Scotland Excel and this Strategy's progress to appropriate audience as it develops.	b	Identify and share good practice examples within the supply base.	Strategic Procurement/Marketing and Communications Commence: April 2023 -

Objective	Activity	Team' with Lead Responsibility	Target Date	Target Date	
			Commence	Complete (-) denotes ongoing	
7	Progress existing and develop new relationships with suitable stakeholders from across the public and private sector, spotlight good practice examples from within the supply base, focus upon and include net zero considerations within appropriate events such as seminars, user intelligence groups and mobilisation sessions, promote the availability of reuse and repair organisations and communicate regularly of Scotland Excel and this Strategy's progress to appropriate audience as it develops.	c	Ensure net zero is included as an area of focus at appropriate internal and external events.	Strategic Procurement/ Marketing and Communications Commence: April 2023	-
7	Progress existing and develop new relationships with suitable stakeholders from across the public and private sector, spotlight good practice examples from within the supply base, focus upon and include net zero considerations within appropriate events such as seminars, user intelligence groups and mobilisation sessions, promote the availability of reuse and repair organisations and communicate regularly of Scotland Excel and this Strategy's progress to appropriate audience as it develops.	d	Promote the availability of reuse and repair organisations.	Marketing and Communications Commence: April 2023	Complete: October 2023
7	Progress existing and develop new relationships with suitable stakeholders from across the public and private sector, spotlight good practice examples from within the supply base, focus upon and include net zero considerations within appropriate events such as seminars, user intelligence groups and mobilisation sessions, promote the availability of reuse and repair organisations and communicate regularly of Scotland Excel and this Strategy's progress to appropriate audience as it develops.	e	Report progress of Strategy to appropriate audience as it develops.	Marketing and Communications Commence: April 2024	-

Objective		Activity	Team' with Lead Responsibility	Target Date Commence	Target Date Complete (-) denotes ongoing	
<b>Longer Term Objectives 2025-2028</b>						
<b>8</b>	Continues to be the procurement partner of choice, offering contract options, products and services that provide a reliable and relatively straightforward route to access, that include requirements that help councils deliver on their net zero commitments and achieve targeted outcomes whilst maintaining a high level of frontline service delivery.	a	Activity for review on completion of medium term objectives.	Team with Lead Responsibility to be reviewed in line with activity on completion of medium term objectives.	Commence April 2025	For review
<b>9</b>	Offers a diverse contract portfolio that caters for all council priorities and facilitates solutions, innovation and access to a supply base that positively supports councils in their net zero journey.	a	Activity for review on completion of medium term objectives.	Team with Lead Responsibility to be reviewed in line with activity on completion of medium term objectives.	Commence April 2025	For review
<b>10</b>	Has introduced well embedded processes and procedures that ensure net zero related priorities are considered and delivered throughout the organisation within all of its activities.	a	Activity for review on completion of medium term objectives.	Team with Lead Responsibility to be reviewed in line with activity on completion of medium term objectives.	Commence April 2025	For review
<b>11</b>	Has successfully significantly reduced its own carbon footprint linked to business activities and is in the process of supporting and encouraging suppliers appointed to our contract arrangements in striving to reduce theirs also.	a	Activity for review on completion of medium term objectives.	Team with Lead Responsibility to be reviewed in line with activity on completion of medium term objectives.	Commence April 2025	For review
<b>12</b>	Provides quality training suitable for all levels of council staff and the diverse roles that they may have in relation to the procurement of goods and services.	a	Activity for review on completion of medium term objectives.	Team with Lead Responsibility to be reviewed in line with activity on completion of medium term objectives.	Commence April 2025	For review

Objective	Activity	Team' with Lead Responsibility	Target Date	Target Date		
			Commence	Complete (-) denotes ongoing		
13	Maintains a suitably competent and skilled workforce throughout the organisation that as a matter of course can identify risk and opportunity associated with net zero, enriching the talent present among councils in order to maximise the opportunities presented by collaboration.	a	Activity for review on completion of medium term objectives.	Team with Lead Responsibility to be reviewed in line with activity on completion of medium term objectives.	Commence April 2025	For review
14	Is respected partner across the public sector, recognised as a leader in terms of assisting in driving forward ambitions linked to net zero.	a	Activity for review on completion of medium term objectives.	Team with Lead Responsibility to be reviewed in line with activity on completion of medium term objectives.	Commence April 2025	For review
15	Regularly reports upon and showcases prime examples of positive collaboration, innovation and good practice delivered via our contract arrangements aiding councils in meeting their commitments whilst maintaining the high level of service expected.	a	Activity for review on completion of medium term objectives.	Team with Lead Responsibility to be reviewed in line with activity on completion of medium term objectives.	Commence April 2025	For review

## Appendix B—Contract Delivery Plan

Contract	Estimated Annual Value	Activity	Delivered Date
<b>Contracts approved since April 2022</b>			
Electric Vehicle Charging Points	20,000,000	New Contract	Apr-22
Personal Protective Equipment	10,000,000	Renew	Apr-22
Library Books & Textbooks	14,000,000	Renew	Apr-22
Digital Publications and Services	1,000,000	Renew	Apr-22
Water Coolers	1,500,000	Renew	Jun-22
Repair of Catering Machines	2,000,000	Renew	Jun-22
Employability Services	20,000,000	New Contract	Jun-22
Outdoor Play and Sports Facilities	15,000,000	Renew	Oct-22
Washroom Solutions	14,000,000	Renew	Aug-22
Salt for winter maintenance	17,500,000	Renew	Oct-22
Roadstone	25,000,000	Renew	Oct-22
Children's Residential	158,300,000	Renew	Oct-22
First Aid Materials	2,000,000	Renew	Nov-22
Social Care Agency	20,000,000	Renew	Dec-22
Building Construction Consultancy	18,750,000	New Contract	Jan-23
Janitorial Products	12,000,000	Renew	Jan-23
Fresh Meats, Cooked Meats and Fresh Fish	10,000,000	Renew	Feb-23
<b>Contracts Planned for Approval</b>			
Property Maintenance and Refurbishment	75,000,000	New Contract	Mar-23
Audio Visual Equipment	7,500,000	Renew	Mar-23
Fire Safety Products	2,500,000	Renew	Apr-23
Commercial Catering Equipment	4,000,000	Renew	Apr-23
Technology Enabled Care Goods	9,000,000	Renew	May-23
Street Lighting Materials	15,000,000	Renew	May-23
National Shared Digital Alarm Receiving Centre	1,000,000	New Contract	TBC
Security Operating Centre	TBC	New Contract	TBC
Cleaning Equipment	2,000,000	Renew	TBC
Bottled Gas	2,000,000	Renew	TBC
Road Signage	1,250,000	Renew	TBC

Contract	Estimated Annual Value	Activity	Delivered Date
<b>Contracts Planned for Approval (continued)</b>			
New Build Residential Construction	375,000,000	Renew	TBC
Security Services and Cash Collection	12,500,000	Renew	TBC
Asbestos related works and services	12,000,000	Renew	TBC
Cleaning Equipment	2,000,000	Renew	TBC
Grounds and Plant Equipment	5,000,000	Renew	Jun-23
Construction Materials	70,000,000	Renew	Jun-23
Alcoholic Beverages	1,250,000	Renew	Jun-23
Bread and Rolls	1,500,000	Renew	Aug-23
LHEES (Local Heat and Energy Efficiency Strategies)	1,000,000	New Contract	Sep-23
Sheriff Officers	1,100,000	Renew	Sep-23
Care Homes for Adults with Learning Disabilities Including Autism	26,500,000	Renew	TBC
Residential Rehabilitation and Detoxification (Alcohol and Drugs) Services	TBC	New Contract	Oct-23
Care and Support	140,000,000	Renew	Mar-24
<b>Flexible Contracts</b>			
Care and Support	140,000,000	-	-
Social Care Agency Workers	20,000,000	-	-
Care Homes for Adults with Learning Disabilities Including Autism	26,500,000	-	-
Bikeability Scotland Training Providers	300,000	-	-
Recyclable and Residual Waste	40,000,000	-	-
Digital Telecare	4,000,000	-	-
Employability Services	20,000,000	-	-
Children's Residential	158,300,000	-	-

## Contracts with extension options and contract management activity ongoing during 2022/2023

\*denotes contracts that have been approved for extension

Contract	Estimated Annual Value
Boiler Maintenance	10,000,000
Grounds Maintenance Equipment	6,000,000
Groceries and Provisions	30,000,000
Fresh Fruit and Vegetables	1,500,000
Technology Enabled Care	6,300,000
Demolition Services	18,000,000
New Build Residential Construction	375,000,000
Catering Sundries*	6,000,000
Community Meals	4,000,000
Building and Timber	15,000,000
Electrical Materials	20,000,000
Plumbing and Heating Materials	22,500,000
Trade Materials	10,000,000
Secure Care Services	17,500,000
Musical Instruments*	1,750,000
Education Materials*	17,500,000
Domestic Furniture and Furnishings*	26,000,000

## Contracts with no renewal or extension activity and contract management activity ongoing during 2022/2023

Bitumen Products	12,000,000
Waste Composition Analysis	750,000
Vehicle Parts	12,000,000
Fostering and Continuing Care	34,000,000
Organic Waste	12,000,000
Engineering and Technical Consultancy	17,125,000
Energy Efficiency Contractors	200,000,000
Tyres for Vehicles and Plant	6,500,000
Frozen Foods	25,000,000
Online School Payments	2,000,000
Security Services and Cash Collection	12,500,000
Social Care Case Management Solutions	7,000,000
Vehicle Purchase RM6060	10,000,000

<b>Contract</b>	<b>Estimated Annual Value</b>
Waste Disposal Equipment	1,250,000
Supply Teacher Booking System	300,000
Heavy Vehicles	25,000,000
Recycle and Refuse Containers	12,500,000
Education and Office Furniture	8,000,000
Milk	8,000,000
Pest Control	1,000,000

## Appendix C—Strategy Delivery Plan

This is a delivery plan to allow consideration of the needs for Scotland Excel to support its public sector client base in their net zero related strategic outcomes between now and March 2028. It looks at current category area themes linked to the Scottish Government's identified target areas and common goals identified from individual council strategies.

Although in most cases themes are cross cutting across multiple categories, this plan details Scotland Excel arrangements currently available, to be illustrative of areas that have potential to be further developed in future.

### Current Activity

Theme	Goal	Current Activity
Energy	Improve efficiency of public infrastructure, grow renewable energy, encourage uptake of alternative fuels, ensure affordable access to energy, and support sustainable energy projects.	Councils can currently access energy efficiency contractors, energy advice services for communities, electric vehicle charging infrastructure and products such as energy efficient street lighting
Buildings	Improve energy efficiency of building stock, support sustainable development, and ensure resilience to climate change.	Councils can currently access frameworks that include new build residential properties, building related consultancy services, retrofitting linked to energy efficiency, supply of construction related materials, property maintenance and refurbishment options, plumbing and heating materials, timber, and domestic furniture and furnishings.
Transport	Increase use of low emission vehicles, reduce carbon impact of freight and logistics and increase proportion of 'active' journeys such as walking and cycling and ensure resilience to climate change.	Councils can currently access various frameworks catering for the provision of vehicles including the purchase of heavy vehicles, adaptation options aimed at reducing vehicle emissions, hire of vehicles and plant and access to vehicle parts. In addition, councils can access a dynamic purchasing system providing 'bikeability training' that may complement longer term 'active journey' ambitions.
Waste	Make it as easy as possible to recycle and reduce food waste and increase use of repair and reuse initiatives.	A host of waste treatment related arrangements are available to councils including the provision of containers, recycling centre machinery, waste composition analysis and services for the treatment and disposal of all major material types collected by councils including the treatment of food waste. Access to repair and reuse options are available including via Scotland Excel's domestic furniture and furnishings framework.

Theme	Goal	Current Activity
Land Use and Forestry (Resilience)	Provide access to good quality space and environments, promote development of sustainable neighbourhoods, enhance biodiversity, and increase resilience to flooding and shore erosion.	In addition to building related activities such as energy efficiency, councils can currently access contracts that can assist with resilience, such as salt for winter maintenance and road maintenance materials, as well as engineering consultancy that could be used to inform land use projects, flood defences or similar.
Agriculture	Support clean growth and innovation, promote use of local sustainable produce and increase provision of food growing facilities.	Currently councils can access several food related frameworks including frozen foods, fresh and cooked meats and fish, groceries and provisions, and milk.
Governance and Process	Bring sufficient level of behavioural change that ensures net zero considerations become the norm. Support this with embedded governance and process related policy that includes scrutiny of decision making.	Scotland Excel already has in place robust policy and practices related to sustainability. Further review could have a positive impact on tender design, evaluation and contract management across the entire contract portfolio.

## Development Areas

In support of the drive to net zero, Scotland Excel can lead on co-ordination of contract supply arrangements that offer viable products and services to aid member councils in achieving both their statutory duties and individual ambitions within this sphere.

Future development areas to be explored could include:

- New and innovative solutions.
- Emerging technologies.
- Markets not currently widely accessible to councils.
- Contract opportunities in relation to measuring and monitoring of carbon generation.
- Impact and progress of carbon reduction that could assist in council reporting.
- Routes to market focused on key outcomes that assisting councils in their adaptation journey.
- Steps for impact mitigation, and
- Preparation for resilience in dealing with the realities of global climate change.

## Tactics for Delivery

### Scotland Excel Team

A whole organisation approach is required to deliver this Strategy and will involve contributions from across the Scotland Excel team structure that, as detailed within Appendix A—Activity Matrix, will include:

- Engagement with stakeholders.
- Identification of need.
- Considered design of solutions.
- Robust governance processes.
- Supportive scrutiny of decision making.
- Skills development, and
- Focused contract and supplier management

Scotland Excel is experienced in considering sustainability issues within its tender design and evaluation process. Individual category strategies will further address net zero as a theme and detail alignment to the most appropriate core themes, including how contract options within the category can be tailored to better support councils that opt to source from them.

To progress this Strategy towards our medium to long-term objectives (as detailed within the main body of this strategy document) it will require attention from various teams and possible augmentation at some stages in the process.



## Confirmation of Needs

Continued and further developed support in relation to council's net zero ambitions will need to be informed by:

- Market intelligence.
- Contract strategy.
- Ongoing contract and supplier management.
- Engagement with the local authority sector to refine contract offerings and encourage uptake.
- Broadening collaboration into other public sector/ quasi-public sector activities and ensuring that resultant identified needs are considered at contract formulation stage.
- Encouragement of local and regional supplier base.

## Maintaining Flexibility

Throughout the journey to net zero, solutions and emergence of innovative products, services and technologies will likely expand or contract, in response to policy drivers and market conditions.

Where practical, consideration should be given to ensure that tendering activity provides councils with options for taking both shorter or longer-term views (dependent on the political will of the contracting body and the flexibility of the supplier).

## Aggregating Expertise and Process

The benefits of proceeding through collaboration are numerous, but some of the major benefits are:

- Minimising administration for both councils and contractors.
- Market feedback providing lessons for future contracts.
- Economy of scale in gathering KPIs will reduce overall administration.
- Reduced tendering costs for suppliers (should benefit pricing levels as understanding of the process grows).
- Sharing of benefits through potential higher volume purchases being likely to generate better pricing from the market.
- Fewer procurement processes at an aggregated Scottish level allowing a shift of resources to front-line service provision for members.
- Potentially assist in the growth of new markets and encouragement of local suppliers/service providers.

## Operational Resources—Delivery until 2028

Appendix D identifies a model which assumes the developments identified in the Strategy are in place and being delivered from early 2023. Dependent on breadth of service delivery required – i.e., the extent to which non-local authority engagement is made – the resource input may require to be greater, and funding sought beyond normal sources.



## Appendix D—Organisational Capacity

### Operating Model

Currently, Scotland Excel operates a category management model. There are six main category areas with dedicated teams specialising in contract arrangements which align with local authority service delivery models, managed under Scotland Excel's 'Strategic Procurement' team, and supported by various functions throughout the organisation, who will hold collective responsibility for delivery of this strategy [outlined in Appendix A].

The six main category areas falling under Strategic Procurement are:

- Construction
- Corporate
- ICT/Digital
- Operational Supplies and Services
- Social Care
- Transport and Environment

Other functions within the organisation that will play a key role are:

- Executive and Senior Management Team
- Procurement Development (Policy)
- Corporate Services (HR)
- Commercial and Projects
- Strategic Organisational Development (Academy)
- Marketing and Communications

### Resource plan

We are fully committed to deliver against the operational and strategic objectives of this plan. As such, the activities delivered to date have been resourced accordingly, as will the delivery of medium and longer-term objectives. As activity continues in this area, including potential expansion of the contract portfolio, the resource plan will be reviewed with our collaborative partners on an ongoing basis to ensure that no constraint to effective delivery arises.

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